

Tax Compliance Policy

Our approach to Tax Compliance

The F.I.L.A. Group is one of the leading global enterprises devoted to the research, design, manufacture, and sale of tools for creative expression. The Group designs, makes and packages tools and supports for drawing, colouring and painting, modelling, for use by children, youths and adults. Our product range includes more than 25 well-known brands and thousands of products sold on all continents.

We are engaged to a responsible behavior towards all our relevant stakeholders in operating business, combining respect of people, natural environment, and communities, and sustainability is therefore embedded with our Purpose, Vision, Mission, Values set out in our Ethics Code, and day-to-day operations.

This policy, together with our Ethics Code and the Corporate Governance Model, should be adopted by all Group companies and form part of the Group Organization, Management and Control Model, in accordance with the principles and objectives of the Organization, Management and Control Model as per Italian Legislative Decree 231/2001.

We are committed to respecting the ethical principles and rules on company integrity in the Ethics Code, including in the tax area. The Group is constantly engaged in implementing the principles of sound management of tax matters, ensuring that all Group companies comply with the tax legislation applicable in the all the countries in which it operates. Proper observation of tax obligations is monitored through internal procedures identifying roles and responsibilities, operating and control activities and the necessary information flows. Tax returns and tax payments are prepared with the support of tax advisor and checked by external auditors.

We maintain proper, collaborative and transparent relations with the tax authorities in the various countries in which the Group operates and we reply to requests received as quickly and transparently as possible and voluntarily adhere to the provisions regarding transfer pricing documentation, in compliance with the OECD Transfer Pricing Guidelines.

F.I.L.A. S.p.A. has included in its Organization, Management and Control Model ("231 Model") pursuant to Legislative Decree No. 231/01 the types of tax offences introduced in 2020 by Legislative Decree No. 75 of 2020, implementing the so- called "PIF Directive": changes to the criminal code, the penalization of certain attempted tax offences and the expansion of the list of offences included under the 231 Model.

We are committed to maintaining the highest possible ethical standards and to complying with all applicable laws in all countries in which we do business. We firmly believe to have the responsibility to operate in compliance with the rules of the countries where we have a presence, distinguishing ourselves as an enterprise capable of exporting the values that permeate our actions, by promoting them in the communities where we operate.

Scope of this Policy

This Policy applies to F.I.L.A. S.p.A., its subsidiaries, the entities in which it holds a majority interest, and the facilities that it manages. We are committed to working with and encouraging our business partners to uphold the principles in this Policy and to adopt similar policies within their businesses.

Locally each company should adopt more stringent rules and procedures, as needed and in accordance with local laws and regulations. While conducting its management, coordination and supervision activities, F.I.L.A. S.p.A. respects management autonomy of each affiliate within its Group, managing and controlling the overall business, as per legitimate interests of majority and minority shareholders, considering confidentiality requirements and local applicable laws.

We firmly believe to have the responsibility to operate in compliance with the rules of the countries where we have a presence, distinguishing ourselves as an enterprise capable of exporting the Values that permeate our actions, by promoting them in the communities where we operate. The purpose of this Policy is to provide guidance to F.I.L.A.'s directors, officers, employees, agents, consultants, intermediaries, controlled joint ventures, and other third-party representatives to ensure compliance with applicable regulation and our Values and Policies.

The F.I.L.A. Group is committed to a continuous improvement of its policies and its programs, facilitating the adoption at local level of all procedures, rules, and instructions needed to have the principles set in this Policy applicable and monitored, in order to make an impact. By adopting this Policy, we believe to contribute to a better condition of existing and of next generations, providing tools for a better quality of life.

General principles

The Board of Directors has the role and responsibility of guiding the dissemination of a corporate culture based on the values of honesty and integrity and the principle of legality.

In our strategies and operations, we consider the following principles relating to Tax Compliance:

- Commitment to acting according to the values of honesty and integrity in the management of tax activities, being aware that the revenue deriving from taxes is one of the main sources of contribution to development economic and social of the countries in which we operate
- Commitment to operating with transparency, including accurate disclosures to tax authorities and maintaining an open and co-operative relationship with tax authorities, ensuring that the latter, among other things, can acquire a full understanding of the facts underlying the application of tax laws
- Commitment to acting as a good corporate citizen, maintaining shareholder value and ensuring the legally correct amount of tax is paid
- Ensuring compliance with the tax laws in each jurisdiction in which the Group operates and ensuring that all tax positions have at least a reasonably arguable position, undertaking to interpret applicable tax regulations in such a way as to respect their substance as well as their form
- Adopting a tax risk management aligned to the OECD guidelines. We ensure that the tax department (of the F.I.L.A. S.p.A. head quarter and of the subsidiaries, where applicable) has the necessary resources, both financial and human, as well as the organizational relevance to ensure compliance
- Commitment to avoid aggressive tax planning and considering taxes as a cost of business activity, which as such must be managed, in compliance with the principle of legality, with the aim of safeguarding the corporate assets and pursuing the primary interest of creation of value for shareholders in the medium to long term.

F.I.L.A.'s Top Management has a strategic role in the full implementation of this Policy ensuring the involvement of all personnel and of those who collaborate with F.I.L.A. and the consistency of their behavior with the values embodied in this Policy.

This Policy is communicated within the organization and made available online to all stakeholders on the web site www.filagroup.it.

F.I.L.A. encourages anyone who becomes aware of facts or behaviors contrary to the Company's Code of Ethics, policies and internal rules, laws or regulations, to make a report in the utmost confidentiality. Assuring confidentiality of the whistleblower's identity, F.I.L.A. offers the following channels to file a report:

- E-mail: whistleblowing.fila@gmail.com
- Mail to: odv@fila.it Organismo di Vigilanza, F.I.L.A. Fabbrica Italiana Lapis ed Affini S.p.A. Via XXV Aprile, 5 20016 Pero (MI).

October 2021

GROUP CEO – Massimo Candela