

## Sustainable Procurement Policy

### Our approach to Sustainable Procurement

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.

The F.I.L.A. Group procures its raw materials, materials and semi-finished products from a limited number of selected suppliers, monitored constantly in terms of production capacity, average delivery times, solvency and quality standards. In order to maintain high product quality standards, our supplier screening is based on the technical, qualitative and quantitative requirements of the purchased products as ordered, the reputation and the reliability of the third-party company (including an ability to comply with the supply-plan so as to avoid delays in production schedules), as well as finding the best quality/price ratio and avoiding any form of favoritism or discrimination.

In order to guarantee that interactions with suppliers and business partners are consistent with its own value system, in addition to its Ethics Code, F.I.L.A. Group has established a **“Code of Conduct for Suppliers and Business Partners”**. The Code sets out the general supply chain management principles that the Group expects to be respected by all recipients at any level.

The F.I.L.A. Group expects that the following business principles are adopted by its suppliers and business partners:

- compliance with all applicable legal provisions
- prohibition of any form of corruption
- transparency of financial information
- protection of the intellectual property rights of others
- avoidance of conflicts of interest, requiring reporting, promptly and in writing, any relationship with an employee, director, legal representative, representative, agent or broker of the Group that may create a direct conflict of interest, however slight
- organisational management and operations, to ensure that all operations and transactions carried out for the Group are correctly recorded, authorised, verifiable, legal, coherent and appropriate.

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

In our strategies and operations, we expect that suppliers and business partners adhere to the following principles relating to Sustainable Procurement:

- **Working conditions:** agreement to respect the fundamental rights of their workers, i.e. equal opportunities, personal dignity, privacy and individual rights, the right to the national minimum wage, adherence to legally defined working hours, the right to free movement of workers, where applicable, the prohibition of child labour, the prohibition of the use of narcotic drugs or alcohol at work, the prohibition of forced labour, the prohibition of employment of workers not in possession of the right to work, the social labour and inclusion policies to facilitate the employment of disadvantaged people
- **Health and Safety:** agreement to respect the legal requirements regarding workplace health and safety applicable in the areas in which they operate, encourage and reinforce a culture of workplace health and safety by promoting risk awareness, promote responsible conduct amongst all employees and strive to protect, particularly by preventative actions, employee health and safety
- **Environment:** agreement to abide by the environmental protection laws applicable in the countries in which they operate, in order to preserve these areas and promote the better use of natural resources and pursue energy saving practices, and to comply with regulations regarding the use of hazardous production process substances, compiling the technical documents and compliance certifications, maintaining them according to the manner and timeframe stipulated by the applicable regulations, while labelling products correctly
- **Relationships with the Public Administration and Institutions,** whether domestic or overseas: agreement to fully respect the applicable laws, regulations and company policies, according to the principles of correctness and loyalty, without inappropriately influencing counter-party decisions in any way for the purpose of obtaining favourable treatment, and without endorsing improper requests or any other form of influence from representatives of the Public Administration. Any activity conducted in connection with the Public Administration and Institutions, whether domestic or overseas, in the name of or on behalf of the F.I.L.A. Group, or in which the group or its activities may be implicated, must be documented and traceable

FILA Group companies are required to integrate sustainable criteria in its suppliers selection and accreditation process in order to achieve a preferential procurement of products and raw materials that have a low environmental and social impact. Each FILA Group company is committed to prefer:

- to procure products, parts, and raw materials that have eco-friendly features such as "reduction of substances of concern", "conservation of energy and prevention of global warming", and "recycling of resources and conservation of materials";
- to procure from suppliers that are positively active in reducing environmental impact

We share information on our activities related to ensuring people's safety and reduction of social and environmental impact with our suppliers.



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](http://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](mailto:whistleblowing.fila@gmail.com)
- Mail to: [odv@fila.it](mailto: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).

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GROUP CEO – Massimo Candela