ESG Handbook

2025

Based on the FY 2024 Fila Group Annual Report – Consolidated Sustainability Statement

Colouring the future

Since 1920

“My grandfather’s business began in Florence and expanded to Sicily. My father’s stretched from Milan to Sicily. Today, our business operates from Shanghai to San Francisco, with India being our second largest market, after the USA.

However, our roots are firmly planted in Italy, despite the global journey we have made. Over the years, we have adapted to evolving times and technologies, incorporating sustainable materials and practices into our business, while holding true to our key values: colour and craftsmanship. We like to picture an artist climbing a hill with her tools, ready to capture the beauty of the landscape before her. At F.I.L.A., we believe our future lies on that hill.”

Massimo Candela, CEO of F.I.L.A.

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Our Group

With a portfolio of 25 iconic brands and a comprehensive range of products for writing, drawing, colouring, modelling, and painting in the School and Fine Art & Crafts segment, the F.I.L.A. Group has become a major global player in the world of colour. Our products are distributed in 150 countries on five continents, with 32 direct subsidiaries and a workforce of over 3,200 employees.

Our company's vocation is production, with 22 specialised factories located across the world, including two in Italy. These factories boast high levels of interchangeability, and vertical integration, allowing us to have full control over the production process.

The parent company F.I.L.A. S.P.A. has been listed on the EXM – Euronext STAR segment of the Italian Stock Exchange since November 2015.

1920
YEAR FOUNDED

2015
LISTING ON STAR SEGMENT

+3,200
EMPLOYEES

25
ICONIC BRANDS

+20
PRODUCT CATEGORIES

22
PRODUCTION FACILITIES

32
BRANCHES ON FIVE CONTINENTS

+150
COUNTRIES

€ 612,5 m
CONSOLIDATED REVENUE AT DECEMBER 2024

Global Presence

Countries where we have a direct presence

Countries with factories

F.I.L.A. Headquarter

Number of factories

- **32 SALES BRANCHES**
- **22 PRODUCTION FACILITIES**

Our Stakeholders

The F.I.L.A. Group is committed to open and transparent communication with all of its stakeholders

PURPOSE

Inspire and enrich the lives of everyone through creative and artistic thinking.

VISION

Become the go-to solution for all those seeking to express their creativity, offering the broadest portfolio of brands and products for art and creative education.

MISSION

To produce and create everything needed to give shape to ideas, offering beautiful, accessible, and safe objects, to nurture simple gestures as well as great creative passions, allowing everyone to express themselves at any moment in their lives

OUR VALUES

Legacy - we have a great tradition and a long history that inspires our future and creates a sense of belonging.

Solidity - we focus closely on return on investment to ensure the Group's continual growth.

Integrity - we always act with transparency, fairness, honesty and consistency.

Responsibility - we operate with respect for the people we deal with and the environment to create sustainable value.

Excellence - we are committed to high levels of quality, service, safety and performance.

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ESG Roadmap to 2025

2017

- Reporting pursuant to Legislative Decree 254/2016

2020

- 2021-2025 Strategic Plan
- 2021-2025 Sustainability Plan
- We have set out the Group's purpose, reviewed our vision, mission, and values, and updated our Ethics Code

2021

- Sustainability Governance
- Structured and systematic pathway Stakeholder Engagement
- Published the first Sustainability Report including Non Financial Statement
- Significant update and integration of the Group's sustainability policies
- EU Taxonomy (Regulation 2020/852)

2022

- Short-medium- and long term objectives
- Group adopt a Non Financial Reporting Manual and a hard close was introduced in October, in order to improve the reporting process
- Introduced social and environmental objectives in the remuneration policies of executive directors and management

2023

- Approved a multi-year investment plan to reduce direct CO2 emissions and water withdrawals
- Half year reporting
- Impact Assessment

2024

- Double materiality Assessment (IROs)
- Half year reporting
- Review of KPIs to be reported in compliance with the CSRD
- First reporting of Scope 3 emissions
- Board of Directors remit of the Executive Officer for Financial Reporting, Cristian Nicoletti, was extended to include attesting that the Sustainability Statement.

2025

- Published the Consolidated Sustainability Statement in accordance with Legislative Decree No. 125/2024 which transposes into Italian law Directive (EU) 2022/2464 – the Corporate Sustainability Reporting Directive ("CSRD").
- Update of Group policies on sustainability
- Update of the reporting Manual
- Refinement of the KPIs

Strategic plan 2025-2029

The new **five-year Strategic Plan** is based on four levers, among which - as testament to our comprehensive ESG vision - is the Sustainability Plan**.**

The Strategic Plan was **approved by the Parent's Board of Directors on November 12, 2024,** defines new guidelines for the Group's growth.

1. GROWTH

- Development of new business areas
- Reorganization of the Group Launch of new product lines
- Efficiency and profitability improvement
- Digital transformation
- Strategic M&A operations

2. CASH GENERATION

- Group cash pooling
- Working capital optimization
- Rationalization of product offerings
- Improvement of inventory turnover ratios
- Payment conditions

3. SUSTAINABILITY

- Sustainability governance
- Respect for the environment and resources
- Enhancement, respect, and development of people
- Health and safety at work
- Safe and quality products
- Sustainable supply chain
- Support for local communities

4. GOVERNANCE

- Solid and transparent governance
- Organization and structures
- Systems & Cyber Security

Sustainability plan 2025-2029

Our forward-looking approach is reflected in the new **2025-2029 Sustainability Plan**, which further integrates the Sustainable Development Goals (SDGs), outlined in the 2030 Agenda for Sustainable Development, and the "Ten Principles" of the United Nations Global Compact (UNGC), into our business model in a more structured way.

The primary aim of drafting the 2025- 2029 Sustainability Plan, part of the Group's Strategic Plan, is **internalizing sustainability topics within every corporate activity.**

1. SUSTAINABILITY GOVERNANCE

Commitment to ensuring maximum transparency in all business, decision-making, and operational processes, integrating environmental, social, and governance factors, and combating corruption. Implement and spread the culture of sustainability among all stakeholders

2. RESPECT FOR THE ENVIRONMENT AND RESOURCES

Protect ecosystems related to water, improve water efficiency, reduce environmental impact, increase energy efficiency, and use clean technologies in production activities, combat climate change

3. ENHANCEMENT, RESPECT, AND DEVELOPMENT OF PEOPLE

Value people and spread an inclusive culture of respect and equal treatment in the protection of every difference, not just gender

4. HEALTH AND SAFETY AT WORK

Ensure health and promote a safe and protected work environment for all workers

5. SAFE AND QUALITY PRODUCTS

Promote sustainable policies aimed at maintaining and improving the quality and safety of our products

6. SUSTAINABLE SUPPLY CHAIN

Oversee the supply chain by prioritizing operators who can guarantee inclusive employment and decent work and who favor the sustainable management of natural resources

7. SUPPORT FOR COMMUNITIES

Promote social projects, educational programs, and collaborations to improve collective well-being

Target of F.I.L.A. Group

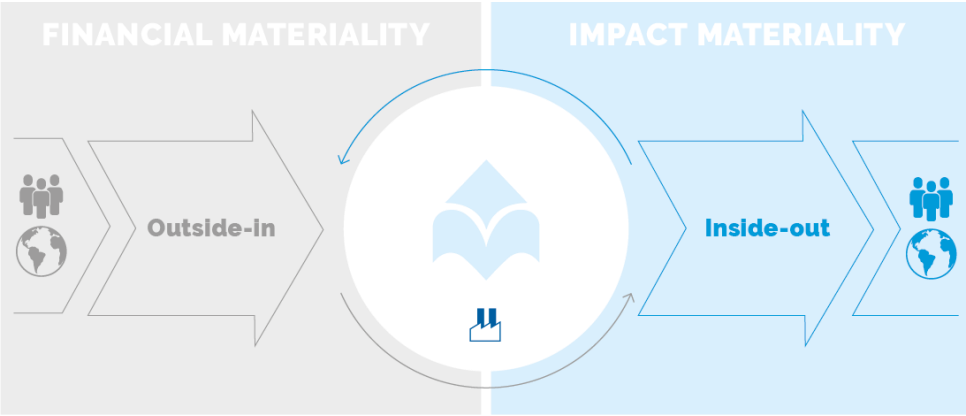
In line with the strategy adopted in recent years and the **2025-2029 Sustainability Plan**, the F.I.L.A. Group continues to pursue its sustainability targets, which were defined in 2022 and reported for the first time in 2023: **six specific short-and medium-term targets**.

TARGET	DEADLINE	PROGRESS AT THE END OF 2024
50% REDUCTION IN CO2 EMISSIONS (SCOPE 1)	2027	-25.34%
ADOPTION OF ISO 14001 ENVIRONMENTAL CERTIFICATION FOR ALL PRODUCTION PLANTS	2025	59%
20% REDUCTION IN WATER WITHDRAWALS	2027	- 15%
ADOPTION OF ISO 45001 HEALTH AND SAFETY MANAGEMENT CERTIFICATION FOR ALL PRODUCTION PLANTS	2027	59%
10% INCREASE IN AVERAGE HOURS OF TRAINING PROVIDED TO EMPLOYEES IN THE 2023-2025 PERIOD, COMPARED TO 2022	2025	Delayed
ADOPTION OF A CODE OF CONDUCT FOR SUPPLIERS AND BUSINESS PARTNERS AND GREEN PROCUREMENT FOR 90% OF SUPPLIERS OF GOODS WITH A TURNOVER OF MORE THAN EURO 10,000.	2024	91%

Double Materiality Analysis

The F.I.L.A. Group has conducted a **double materiality assessment** to **analyze impacts, risks,** and **opportunities across the entire value chain, also considering external influences**. The analysis was based on two interconnected dimensions: **impact materiality**, referring to significant effects on stakeholders and the environment, and **financial materiality**, which considers external sustainability factors that may influence the Group's development and performance. Following **EFRAG** guidelines (**IG 1 Materiality Assessment**), the Group identified and assessed IROs (Impacts, Risks, and Opportunities) related to: **energy, climate change mitigation, water discharges and consumption, waste, resource inflows and use, health and safety, collective bargaining** (including the percentage of workers covered by agreements), **human rights, training and skills development, measures against workplace violence and harassment, and work-life balance.**

The assessment did not result in changes to the business model or current financial effects. The Group considers its strategy resilient and capable of addressing risks and seizing identified opportunities.



External Recognition

Rating

SUSTAINALYTICS

ESG Risk Rating CORE

9.9 Negligible Risk

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

Ranking

Industry Group (1st = lowest risk)

Commercial Services 32 out of 395

Universe

Global Universe 259 out of 14744

ISS ESG

ESG Corporate Rating

D-	D	D+	C-	C	C+	B-	B	B+	A-	A	A+

MSCI ESG RATINGS BB

CCC	B	BB	BBB	A	AA	AAA

RATING ACTION DATE: September 26, 2024

LAST REPORT UPDATE: August 23, 2025

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Sustainability Governance

On April 27, 2021, F.I.L.A.'s Board of Directors assigned responsibility for sustainability topics to the Control, Risks and Related Parties Committee.

COMPOSITION OF THE CONTROL, RISKS AND RELATED PARTIES COMMITTEE

Gianna Luzzati
Donatella Sciuto
Annalisa M. Barbera
Carlo Paris

MANAGEMENT SUSTAINABILITY COMMITTEE COMPOSITION

Luca Pelosin
Cristian Nicoletti
Piero Frova
Nicoletta Marsi
Raffaella Colombo
Claudia Zucchetti

GUEST PARTIES

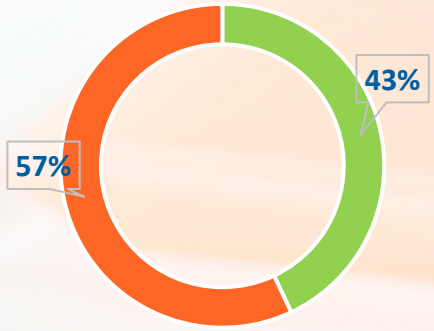
Orietta Casazza
Sara Fornasiero
Massimiliano Rigo

An effective and sound governance structure

GROUP SUSTAINABILITY POLICIES

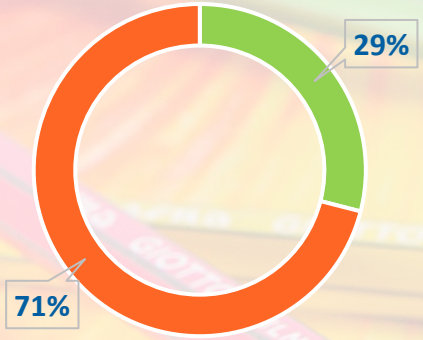
1. Sustainability Policy
2. Stakeholder Engagement Policy
3. Environmental Policy
4. Energy Saving Policy
5. Sustainable Procurement Policy
6. Workforce Diversity and Inclusion Policy
7. Health and Safety Policy
8. Skills Development Policy
9. Product and Process Development Policy
10. Human Rights and Labour Policy
11. Responsible Marketing and Communication Policy
12. Business Development Policy
13. Anti-Bribery and Anti-Corruption Policy
14. Responsible Lobbying Policy
15. Tax Compliance Policy
16. IT Systems Policy
17. IT Security Policy
18. Policy on the Use of Generative Artificial Intelligence Tools

BOARD OF DIRECTORS COMPOSITION



Female Male

Indipendent Directors
Non-Indipendent Directors



Executive Directors
Non-Executive Directors

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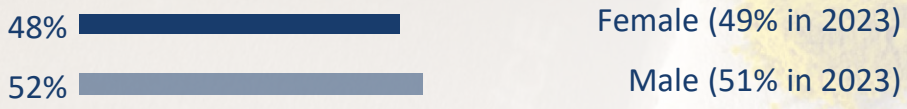
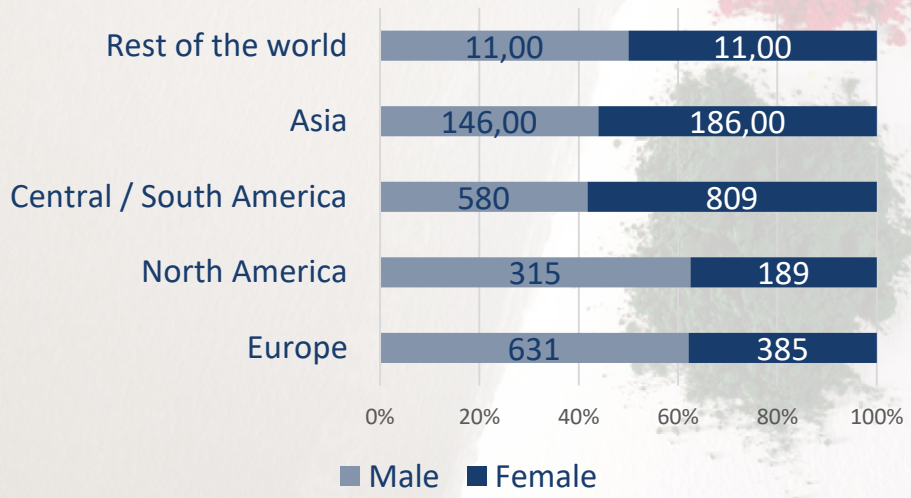
Employees

At F.I.L.A. we firmly believe that the Group's success is inextricably linked to the people who belong to it.

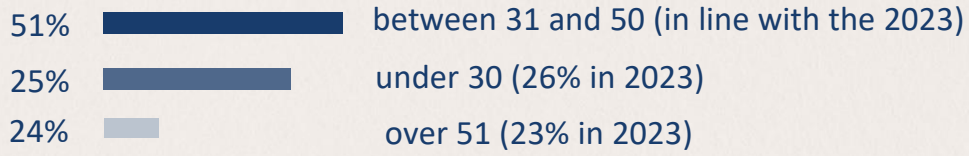
3,263 EMPLOYEES (3,371 in 2023)



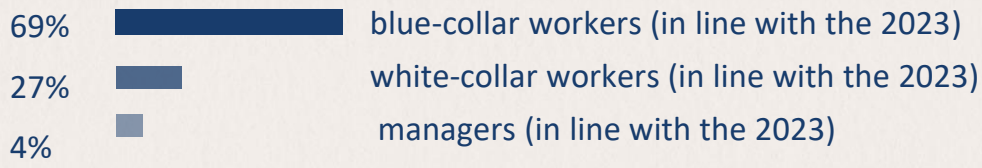
WORKFORCE BY GENDER AND GEOGRAPHICAL SEGMENT



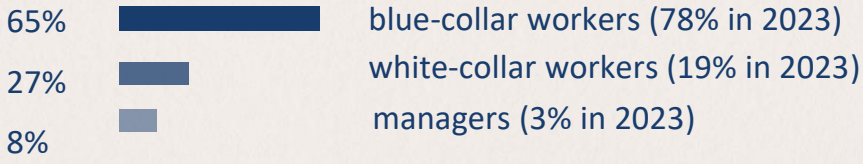
AGE BRACKET



WORKFORCE



HOURS OF HEALTH AND SAFETY TRAINING PROVIDE BY PROFESSIONAL CATEGORY



13 OUT OF 22 PRODUCTION PLANTS

possess ISO 45001 health and safety management certification

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Social

As the Group operates in many countries, it seeks, within the scope of its own operations, to promote relationships with the local communities and to contribute to local development.

+1,9 mln euro

Donated funds were allocated as follows: to initiatives that promote culture and education, including university conferences, museum support, assistance for schools and teachers, scientific research, healthcare, sustainable fashion, community support and partnerships with volunteer organizations.

SUPPLIER ASSESSMENT AND MANAGEMENT

To establish transparent, fair, and ethical business relationships with its suppliers and business partners, F.I.L.A. has defined a **"Code of Conduct for Suppliers and Business Partners"** which F.I.L.A.'s suppliers are required to sign and adhere to.

Green Procurement questionnaire to track and examine, through the involvement of suppliers, the main environmental issues of the Supplier Companies.

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Environment

Over the years, the F.I.L.A. Group has increasingly focused on **recycling raw materials** used in its production processes, wherever technically feasible.

In particular, the production of timber slats for pencils involves reusing primary manufacturing rejects—such as undersized slats joined using "finger joints"—as well as narrow timber slats repurposed for the production of art canvases.

To support the **environmentally sustainable development of our products**, we have implemented an internal protocol aimed at **promoting eco-friendly solutions**, **reducing packaging materials**, and **progressively enhancing product performance**.

133,941 MWh of Group energy consumption, with **12%** from Renewable Sources

87% of bio-based materials are **FSC/PEFC certified**

The **production of plastics derived from plant-based or renewable resources** is part of our strategy to reduce CO_2 emissions, a major contributor to greenhouse gases.

Among the first significant steps in this direction are the development of durable school containers, such as Giotto schoolbags, Giotto jars, and the new Giotto Bebè egg-shaped toy container—all made from 100% recyclable plastics sourced from renewable or plant-based materials.

Environment

13 OUT OF 22 PRODUCTION PLANTS
possess ISO 14001 environmental certification.

In 2023, a multi-year investment plan was approved with the goal of reducing CO_2 emissions by over 6,000 tonnes per year through the construction of a biomass plant at the Canson SAS paper mill in France, which will become operational at the end of 2025 or beginning of 2026.

10,246 SCOPE 1 EMISSIONS: TON OF CO2

20,152 SCOPE 2 EMISSIONS: TON OF CO2

101,801 SCOPE 3 EMISSIONS: TON OF CO2

During the first year reporting year, proxy data was applied

Consigliere delegato F.I.L.A.
Luca Pelosin COO, CHO

Investor Relations F.I.L.A.
Cristian Nicoletti CFO/IR Manager

Sustainability Manager
Claudia Zucchetti

ir@fila.it - (+39) 02 38105206

FILA GROUP