



CODE OF CONDUCT  
FOR SUPPLIERS AND BUSINESS  
PARTNERS  
OF THE FILA GROUP

Approved by the Board of Directors of FILA S.p.A. on May, 15<sup>th</sup> 2019



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## 1. Introduction

The FILA Group (the “Group”) is one of the leading global enterprises devoted to the research, design, manufacture and sale of tools for creative expression. The Group companies design, manufacture and package tools and supports for drawing, colouring and painting, in addition to modelling clays, for use by children, youths and adults.

Issues of *Corporate Social Responsibility* ("CSR") form an integral part of the history and culture of the Parent Company, FILA S.p.A. ("FILA" or "the Company"). Paying attention to input quality, product and workplace safety and to supporting art and culture are patterns that have marked the history of FILA. S.p.A. and underlie the Group's growth and development.

In order to establish an increasingly well-structured and pervasive system for responsible governance, commercial relationships centred on transparency and good business ethics can contribute to growth in business process efficiency and competitiveness, in addition to complying with CSR requirements. The Group therefore wishes to establish and maintain relationships with its suppliers and business partners centred on transparency, correctness and good business ethics.

As such, and as a logical extension of the Group's Code of Ethics (available here <http://www.filagroup.it/governance/>), which promotes policies and establishes guidelines which govern the behaviour of employees and anyone operating on behalf of the group, the need has arisen to establish a **Code of Conduct** which regulates supplier and business partner relationships.

## 2. Scope of application and Addressees

The Code of Conduct sets out the guidelines to be followed by suppliers, business partners, consultants, contractors, FILA Group professionals (henceforth "**Addressees**") and any subcontractors, whether operating as individuals or companies.

Addressees working with the Group are required to comply with the guidelines set out in this document and ensure that any subcontractors employed when carrying out work for (or on behalf of) the Group conduct themselves in a manner that complies with its content.

The FILA Group has chosen to develop this value-based instrument in order to guarantee conduct that is impartial and centred around the transparent evaluation of supplies. This document concludes and strengthens those principles established by law and, generally, by all external and internal regulatory authorities, with a specific focus on the ethics of corporate conduct.

Compliance by Addressees with the principles of this Code of Conduct is a key requirement to undertaking any business relationship with the Group. Similarly, any breach, even in part, of the principles outlined herein may be cause for the conclusion of the relationship between the parties.

## 3. General principles of supply chain management

In order to maintain high product quality standards, FILA Group 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 favouritism or discrimination. Selected suppliers are subject to a constant monitoring of their production capacities, average delivery time, financial solvency and compliance with quality standards.

Commercial relations with Addressees are conducted on the basis of reciprocal criteria of impartiality, financial prudence, transparency, loyalty, and professional correctness, refraining from engaging in such relationships as may result in personal advantage, conflicts of interest or detriment to said Addressees.



Specifically, procurement processes centre on:

- equal opportunities for every supplier, allowing competition among all those in possession of the specified requirements, and preventing preferential treatment
- reciprocal loyalty, transparency and collaboration in all conduct, whether pre- or post-contract
- the pursuit of maximum commercial benefit through appropriate competition, and, to this end, the adoption of objective, documentable criteria.

As such, the Group encourages its suppliers to adopt standards of ethical conduct, and incentivises the attainment of Certifications of Quality (ISO 9001:2000), environmental certifications (ISO 14001) and Worker Health and Safety certifications (BS OHSAS 18001).

#### **4. Working conditions**

Addressees agree 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,

Addressees reject any type of discrimination on the basis of opinions regarding politics or trade unions, religion, racial or ethnic backgrounds, nationality, age, gender, sexual orientation, health, marital status, disability, physical appearance, social or economic – status, or, generally, any individual characteristics.

#### **5. Health and Safety**

Addressees agree 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.

#### **6. Environment**

Addressees agree 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.

They are furthermore expected 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.



## **7. Relations with the Public Administration**

Relationships with the Public Administration and Institutions, whether domestic or overseas, should 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 Group, or in which the group or its activities may be implicated, must be documented and traceable.

## **8. Business principles**

### **8.1 Compliance with Legal Provisions**

Addressees are strictly required to comply with the laws and regulations in force in all of the countries in which they operate. In no case shall the pursuit of the Company's interests justify and legitimise any form of conduct that is contrary to legal provisions.

The Company shall neither initiate nor pursue any relationship with Parties who do not intend to adhere to this principle.

Should the instructions laid out in the present document at any time conflict with the laws and regulations in force in a supplier's country, the latter shall prevail.

Addressees must not carry out or be involved in any activity that entails the acquisition, reception, concealment, laundering (acceptance or handling) or use in economic or financial activities of money, goods or other benefits whose provenance is in any way or form criminal. Furthermore, they must not be directly or indirectly involved in any way in the funding of terrorist organisations.

### **8.2 Prohibition of corruption**

The Group prohibits any type of corruption. This includes dealings with private citizens.

Addressees, in turn, may not allow or undertake any form of corruption, including payments or other types of benefit conferred personally on directors, employees or representatives of the Group, when said conferral aims to inappropriately influence company decisions.

### **8.3 Transparency of financial information**

Addressees agree to disclose information regarding their businesses, structure, and financial and performance status, when required to do so in accordance with applicable rules and regulations.

### **8.4 Intellectual property**

The Group respects the intellectual property rights of others, and makes no unauthorized use of said property. Consequently, it requests that Addressees abide by applicable intellectual property rights regulations.

Specifically, Addressees agree to protect both their own and others' industrial property rights regarding trademarks, patents, distinctive signs, designs, industrial models, original works, etc. It is therefore forbidden to counterfeit or alter the trademarks or distinctive signs, whether domestic or overseas, of industrial products,



i.e. patents, designs or industrial models. Similarly prohibited are the use, holding for sale, sale, circulation, manufacture or industrial use of objects or other goods that have been counterfeited, altered, or created having seized or in breach of industrial property rights.

Addressees are therefore encouraged to establish procedures and business protocols to protect the intellectual property rights of others, and follow them strictly.

### **8.5 Conflicts of interest**

Addressees must report, 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. Doing so places the Group in a position to conduct a transparent evaluation of the situation.

### **8.6 Organisational Management and Operations**

Addressees are asked to ensure that all operations and transactions carried out for the Group are correctly recorded, authorised, verifiable, legal, coherent and appropriate. All activities and operations must be adequately reported, in order to allow for the verification of decision-making, authorisation and execution processes.

Adequate tracing support is available for every report in order that, at any time, verifications may be carried out to confirm the elements of and the reasons for the operation, and to identify the parties that authorised, carried out, reported and verified the transaction.

## **9. Acceptance**

Accepting the conditions of the Code of Conduct, whether or not the Addressee intends to supply goods or services under contract, is a necessary prerequisite to the creation or continuation of any commercial relationship.

Only a legal representative or other party with appropriate powers to do so may sign this document.

The FILA Group reserves the right to periodically request renewed acceptance of the present Code of Conduct.

The Group is obliged to verify Addressees' compliance with their obligations as stipulated herein, and reserves the right to request any necessary supporting documentation.

The Addressee below agrees to the terms of the Code of Conduct:

Name and Surname: \_\_\_\_\_  
Business Name: \_\_\_\_\_  
Role: \_\_\_\_\_  
Signed: \_\_\_\_\_  
Date: \_\_\_\_\_