

# EXPORT CONTROL POLICY

APPROVED BY

PRYSMIAN S.p.A BOARD OF DIRECTORS

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**TABLE OF CONTENTS**

LEADERSHIP MESSAGE	2
1. Purpose & Objective	3
2. Policy Owner	3
3. Applicability	3
4. Your Responsibility As An Employee	3
5. Policy Requirements – <u>General</u> Rules of conduct	4
5.1 Product Classification	4
5.2 Screening	5
5.3 Sanctions and Embargoes	5
6. Consequences of Policy Violation	6
7. Reporting a Policy Violation	6
8. Audit, Monitoring and continuous improvement	7
9. Related Documents	7
APPENDIX A – DEFINITIONS	8

## LEADERSHIP MESSAGE

As Prysmian conducts business around the world and in many jurisdictions, we must have processes and controls in place to adhere to international trade laws and regulations that impact the export, import, transfer of goods, technologies, software, and services. This requirement applies to all Prysmian businesses, whether they perform commercial, military or dual use related activities.

Compliance with international trade requirements is essential to our business and long-term interests. Administrative, civil, and criminal penalties exist for violations of export laws and regulations and can include fines and imprisonment. Many laws have extra-territorial reach as well. In addition, violation of these laws could adversely affect the ability of Prysmian to conduct its normal business. Compliance with the Prysmian *Export Control Policy*, and with all applicable laws in the country (countries) in which they are employed or active, whichever is the more restrictive, is a priority and the responsibility of all Prysmian employees.

Prysmian strongly encourages partially owned affiliates and third parties not under its effective control to adopt similar policies and practices. Third parties (consultants, agents, sales representatives, distributors, contractors, and others) who represent Prysmian must agree to do so in a manner consistent with the *Export Control Policy*, as well as with all other applicable laws and regulations.

Prysmian will terminate business relationships with independent third parties whose business practices are inconsistent with the Prysmian *Export Control Policy*. This policy ensures that appropriate measures are taken, and procedures and operating practices are in place, to maintain compliance with export requirements.

We have developed this policy as part of our ongoing commitment to integrity, transparency, and operating in an ethical and compliant manner. Thank you for your commitment to integrity and safeguarding our reputation.

**Massimo Battaini**

Prysmian CEO

## 1. PURPOSE & OBJECTIVE

The purpose of this Policy is to provide guidance on how Prysmian handles international transactions.

This Policy is based upon the standards set by the European Union (EU), United Kingdom (UK), United Nations (UN), and United States of America (USA) as the basis and the applicable laws and regulations of our local jurisdictions.

Many countries around the world, where Prysmian conducts business, have strict laws and regulations overseen by regulatory authorities that govern international trade and may restrict the ability to trade in certain goods, software, technology, and services with certain countries, or end users, as well as for certain end uses. Accordingly, Prysmian has processes to identify these laws and regulations as they relate to our goods, technology, and services, and when applicable, to obtain the appropriate authorizations to conduct business.

The export of Items, Technology and Services may be restricted for military or defense applications or for other commercial reasons (they could also be used in both military and commercial activities and this term may be referred to as Dual-Use). In our global operations, some of our Items and Services may fall into each of these categories. It is our responsibility to understand the rules and how they apply to our transactions, and to put in place appropriate controls to comply with all applicable international and local export and import laws, and regulations.

This Prysmian *Export Control Policy* sets out the minimum requirements established in terms of appropriate policies, procedures, and processes aligned to the identified risk profile, the business' needs and specific jurisdictional and regulatory requirements. Each business, or location, may adopt stricter controls to manage its export risk level.

## 2. POLICY OWNER

Group Compliance owns this Policy and is responsible for periodically reviewing and updating it to ensure it accurately reflects applicable regulatory, best practice, or business developments.

## 3. APPLICABILITY

This Policy applies to all employees, interns, external consultants, officers, directors and administrators of all legal entities of Prysmian.

## 4. YOUR RESPONSIBILITY AS AN EMPLOYEE

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This Policy requires you to:

- a) Read, understand, and comply with the requirements included in this Policy.
- b) Comply with Prysmian's *Code of Ethics* and any other applicable policy.
- c) Follow applicable local and associated EU and U.S. laws and regulations. The laws of the U.S. may apply to you whether you are working or resident in another country.
- d) Understand and follow your functional procedures and operational responsibilities under the applicable business unit, country, and/or facility Export Compliance Procedures (ECP) associated with the Export of Items or Services
- e) Contact the Trade Compliance Team, or Group Compliance with any potential export concerns so they can coordinate the communication process and a response to the regulatory agencies, as necessary.
- f) Report immediately to your Regional Compliance Team or the [Prysmian Integrity First Helpline](#); if you observe, or suspect, any violation of this Policy either by a Prysmian employee or a third party working on behalf of the Company.
- g) Ask questions or report any concerns related to this Policy.
- h) Complete assigned training related to this Policy when required.

## 5. POLICY REQUIREMENTS – GENERAL RULES OF CONDUCT

### 5.1 Product Classification

To determine the export compliance requirements that apply to an Item, it must be classified. In many countries, this process requires initially determining if any Export Controls apply (also known as jurisdiction) as there are multiple Export Control regimes; for instance, whether they are nuclear, commercial, Dual-Use or military/defense as different regulations and laws apply to the specific Items. Classifying Items allows Prysmian to understand where and to who they can be Exported, and whether a License or other authorization is required. For the same reasons, other countries may also require Items to be classified to determine the applicable Export Control regimes. It is therefore necessary to identify and determine the classification requirements associated with our product origin. Product origin incorporates understanding where our suppliers are sourcing materials and where Prysmian is manufacturing our products.

Additionally, product classification as it relates to harmonized customs codes is vitally important. Certain sanction activity, see *5.3 Sanctions and Embargoes*, are instituting restrictions based on customs codes. Our products should include an associated custom code. Prysmian is aware that harmonized customs codes are not the only factor for a correct

product classification; when potential Dual-Use products are involved, a proper review of the technical characteristics of the products is performed.

## 5.2 Screening

It is important to know who you are dealing with so that transactions may be performed legally and do not violate any trade controls, Sanctions and Embargoes or denied party restrictions. To avoid transactions with prohibited parties, Prysmian businesses must perform restricted party reasonable Due Diligence. Currently, Prysmian screens 24/7 all commercial sales and procurement transactions using the dedicated screening tool integrated to SAP at Prysmian. Under the current screening process – in the event of either doubts or true positives being encountered during the “check & decide” step – the screening reviewers are required to maintain the “hold” on the transaction in SAP, and to escalate to management for further investigation.

The business must establish appropriate procedures and processes, resources, and restricted party due diligence tools to screen international trade restrictions and sanctions, and ensure any necessary License is obtained or Export denied. Parties subject to screening include customers, buyers, sellers, consignees, agents, vessels (if known), financial institutions, and end-users, anyone that is party to the Export transaction. Due diligence must occur prior to physical shipment, transfer of controlled data, or provision of Services. Changes in ship-to or delivery addresses must be screened prior to Export.

Where appropriate and based on the risk associated with the Export, it is recommended that additional screening may be performed at 1) the start of a transaction negotiation, and/or 2) just prior to contract execution. Due diligence results and decisions should be documented and retained for the appropriate retention period. The Export Control Procedures also include managing and reporting any evidence of diversion or participation by other parties in the transaction.

## 5.3 Sanctions and Embargoes

New business endeavors should be done with consideration of international trade, including sanctions, risks, and restrictions. In addition to Export Controls on Items, many countries impose Restrictions, Sanctions or Embargoes on business and financial transactions with certain countries, companies (entities) and individuals, or targeted industry sectors.

The list of countries and entities and the level of restrictions in place are frequently modified. Additionally, Prysmian maintains a list of “red flag” countries, currently maintained at the discretion of the Chief Risk and Compliance Officer, which have been named on various sanctions lists including those issued and maintained by the United Nations and the European Union. Given the important physical presence of Prysmian in the United States of

America (U.S.) and its global trade relations with that jurisdiction, it is Prysmian's continued policy to adhere to U.S. sanctions and the definition of "U.S. person". Any future transaction by Prysmian companies with countries or regions subject to comprehensive U.S. trade sanctions is prohibited even if the trade is legal under applicable foreign law. **Therefore, direct or indirect transactions with or sales to the countries, individuals or entities of Cuba, Iran, North Korea, Syria, and Ukraine regions – Crimean, Donetsk, and Luhansk are prohibited. This list is subject to change.**

In the event you receive a request or order inquiry for Export to these countries you must notify your Regional Compliance Team who will advise on the action to be taken. It is important to note that the U.S. sanctions refer to the term "U.S. person" which includes any permanent resident alien as well as any person in the United States. Accordingly, a foreign person is subject to U.S. trade sanctions law when in the United States. Further, among other things, foreign persons may be prosecuted for causing a violation of U.S. law, or from using the means and instrumentalities of U.S. commerce relating to a prohibited transaction. This means that a telephone call, fax, email or other communication by a foreign person employee of Prysmian to or from the U.S. authorizing, negotiating, or otherwise "facilitating" trade with a sanctioned country could subject both Prysmian as well as the employee to civil and criminal penalties.

## 6. CONSEQUENCES OF POLICY VIOLATION

As a Prysmian employee or a Prysmian business partner, you agree to uphold our commitment to ethical conduct, integrity, and the Prysmian *Code of Ethics*. Company employees and/or Prysmian business partners who violate this Policy shall be subject to disciplinary procedures as an employee, including possible dismissal, or as a business partner termination of our business relationship and any other legal action required to protect the interest and reputation of Prysmian. The Company reserves the right, at its sole discretion, to disclose information about violations of law by Prysmian Employees to relevant regulatory agencies.

## 7. REPORTING A POLICY VIOLATION

If any Prysmian employee has reason to believe that an Export has or may be destined for an inappropriate end-use, end-user or destination, or that there is or may be a violation of a trade control regulation, the person must immediately place the transaction on hold, and contact the Trade Compliance Team, or Group Compliance.

It is critical that potential violations are reported, internally, promptly as this may allow for immediate containment of any situation and prevention of an actual breach. Additionally, reporting is required to allow Prysmian to take the appropriate action, internally and

externally, with regulatory reporting if it is required. Communication with the regulatory authority will be managed and coordinated by Corporate Affairs to protect the reputation and manage the liabilities of Prysmian.

As a Prysmian employee, you are required to report any policy violation to:

- a) The [Prysmian Integrity First Helpline](#); or
- b) your Regional Compliance Team or the other designated subjects indicated in the [Helpline Policy](#).

Any form of retaliation against reporters, including threats and attempts of retaliation, is strictly prohibited. Prysmian is committed to ensuring that all employees are free to disclose any violation, either real or suspected, of the Prysmian's Code of Ethics or any other Company Procedure or procedure, to the extent they have reasonable grounds to believe that the matters reported are true. You will not be adversely impacted or retaliated upon in the workplace, either personally or professionally, for raising a valid and legitimate concern.

## 8. AUDIT, MONITORING AND CONTINUOUS IMPROVEMENT

Group Compliance, as the Owner of this Policy, is responsible to perform periodic reviews and updates of this document, examining, in particular, revisions to be made based on internal organizational updates, changes to external legislation and best practices.

Using a risk-based approach, on a periodical basis, Group Compliance and separately the Internal Audit Department may perform, respectively, monitoring or audit activities aimed at verifying the correct enforcement of this Policy within the organization.

## 9. RELATED DOCUMENTS

The following Documents are related to this Policy and must be consulted by all Prysmian employees for further guidance. Part of such documents are available on the Prysmian Ethics & Integrity Homepage of our [Company's Intranet](#) and are also publicly available within the correspondent Section of our [Corporate website](#).

- a) Code of Ethics
- b) Helpline Policy
- c) Export Control Procedure

## APPENDIX A – DEFINITIONS

**Controlled Export:** Is the Export of an Item or Service that requires authorization typically in the form of a License or the use of a License exception.

**Defense Article:** Any Item or Technical Data designated, as a defense or military controlled product or information, in accordance with U.S. or non-U.S. local regulations (in the European Union, Directive 2009/43/EC provides for the common list of defense related Products and each Member State, through its Laws and Regulation, may specify the National List of Defense products). This term includes Technical Data recorded or stored in any physical form, models, mockups, or other Items that reveal Technical Data directly relating to designated Items. It also includes forgings, castings, and other unfinished products, such as extrusions and machined bodies that have reached a stage in manufacturing where they are clearly identifiable by mechanical properties, material composition, geometry, or function as defense articles. It does not include basic marketing information on function or purpose or general system descriptions.

**Defense Service:** Furnishing assistance, including training, to a Foreign Person, whether performed in the country of origin or abroad, in the design, development, engineering, manufacture, assembly, testing, repair, maintenance, modification, operation, demilitarization, destruction, processing, or use of any Defense Article designated on any governments military list.

**Dual-Use:** Items and Technical Data that have both commercial and military or proliferation applications. In the European Union, Dual-Use products and technologies are exclusively those listed in Annex I to EU Regulation 821/2021 and subsequent modifications. In the United States, Items and Technical Data subject to control under the Export Administration Regulations (EAR) are frequently referred to as Dual-Use, although some are entirely commercial in use and others, are entirely military in use.

**Employee:** Individual with an employment contract with any Legal Entity of Prysmian. The definition includes any contracted temporary resources.

**End-Use:** What the Item or Services will be used for; for instance, the project requirement, the purpose for which the final customer or end-user will use it, the industry it is going to be finally destined for.

**End-User:** The final customer, entity or individual that will receive the Exported Item or Service

**Export:** The movement of an Item or Service from one country to another country or within a foreign country. Export includes:

- ✓ Sending or taking Items out of the country of origin or dispatch (i.e., the country from which it was sent), in any manner
- ✓ Disclosing (verbally or visually) or transferring Technology or Technical Data to any person (an individual or a legal entity) outside the country of origin or dispatch
- ✓ Disclosing (verbally or visually) or transferring Technology or Technical Data to a Foreign Person whether in the country of origin or dispatch or in another country, and
- ✓ Performing a Defense Service whether in the country of origin or dispatch or other country.

Note: There does not have to be a sale for an Export to occur. Similarly, an Export can occur even if an Item does not leave the country.

The term Export is used in this policy to cover **Exports, Re-Exports, Transfers and Re-transfers** (as defined herein) unless the context requires otherwise.

**Export Controls:** Laws and regulations that allow, restrict, or prohibit the Export of an Item or Service. The applicable Export Control in each transaction will depend on the Item or Service, its destination, its end-use and end-user.

**Export Compliance Program (ECP):** incorporates appropriate local procedures, processes and controls related to export controls.

**Export Management and Compliance Program (EMCP):** A formal framework of policies, procedures, assessment, processes and controls and training resources, to ensure adherence to international trade requirements. At Prysmian, it consists of this *Export Control Policy* and country and/or business unit or facility.

**Foreign Person(s):** A person who is not a citizen or lawful permanent resident of the country of origin or dispatch or any foreign corporation, business, association, partnership, trust, society, or any other entity or group that is not incorporated or organized to do business in the country of origin or dispatch, including international organizations, foreign governments, and any agency or subdivision of foreign governments.

**Group Compliance:** Prysmian Organization responsible for overseeing and managing all compliance issues within the organization. This office develops programs to safeguard the Company by ensuring all Prysmian Employees comply with regulatory requirements and internal policies, and procedures. This Organization will provide guidance, training, advice, and support on all compliance topics and is a resource for all Prysmian Employees. The Group Compliance Organization contact information may be found at the Prysmian Ethics & Integrity Homepage of our [Company's Intranet](#).

**Item:** A term used in the Export Control context that covers a good or commodity, Technology or Technical Data, and software. As used herein, it also covers a Defense Article

**License:** Authorization from the applicable government(s) to Export (Export, Re-Export, Re-Transfer, and transfer), import or conduct other Export regulated activity.

**Prysmian:** Prysmian S.p.A. and all subsidiaries and entities, operations or investments controlled by Prysmian or where Prysmian holds a majority legal or beneficial interest.

**Re-Export or Transfer/Re-Transfer:** A re-export is an export of an Item from the country of original Export to another country including, in some instances, to a person from another country. At the time of the initial Export there was no belief for understanding that the re-export would occur. Transfer or re-transfer also known as in-country transfer is providing the Item to an end use, or end-user within the same country but not previously authorized.

**Sanctions and Embargoes:** Many countries impose embargoes and economic sanctions on countries, companies and persons for foreign policy and security reasons. These typically prohibit (i) direct and indirect transactions with the target country, company or person and/or (ii) the export or re-export of certain items Sanctions and embargoes are implemented through screening of parties to the transaction through various lists.

**Services:** Export Controls on services generally apply in the sanctions, weapons of mass destruction, and defense areas. In the defense area, services include furnishing assistance, including training, to a Foreign Person, whether performed in the country of origin or abroad, in the design, development, engineering, manufacture, assembly, testing, repair, maintenance, modification, operation, demilitarization, destruction, processing, or use of any Defense Article or Technical Data designated on any governments military list. In the Dual-Use area, services include the same activities described above and – according to EU applicable law – an authorization shall be required for the provision of technical assistance related to dual-use items if the provider of technical assistance has been informed by the competent authority that the items in question are or may be intended for uses in connection to the development of weapons of mass destruction or other unlawful uses.

**Technical Data:** Information, which is required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance, or modification of Defense Articles. This includes information in the form of blueprints, drawings, photographs, plans, instructions or documentation. It also includes classified information relating to Defense Articles and Defense Services on the U.S. Munitions List and 600-series items controlled by the Commerce Control List, Information covered by an invention secrecy order; or software directly related to Defense Articles. For the purposes of non-U.S. regulations, it refers to military or defense Items that are subject to list-based Export Controls. It excludes

information concerning general scientific, mathematical, or engineering principles commonly taught in schools, colleges, and universities, or information in the public domain. It also does not include basic marketing information on function or purpose or general system descriptions of Defense Articles.

**Technology:** Any nonpublic information required for the design, development, manufacture, assembly, or use, installation (including on-site installation) of Items. The information may be in the form of blueprints, drawings, photographs, plans, instructions, diagrams, models, formulae, tables, engineering designs, specifications, manuals, and documentation no matter the media. Typically defense controls refer to such information as “Technical Data,” while other Export Controls referred to this information typically as “Technology.” Different jurisdictions may define and apply Prysmian’s term Technology differently as noted in the country Export Compliance Program manuals or procedures.

**Technology Control Plan(s):** A formal, written plan to monitor and control the access to Controlled Exports, Technology/Technical Data, and Defense Services for a specific facility.