

# PROCEDURE FOR THE DRAFTING PROCESS OF THE SUSTAINABILITY STATEMENT

(in accordance with the Italian Legislative  
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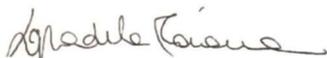
Version 02

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01	First issue	January 2017
02	Update based on compliance with the Corporate Sustainability Reporting Directive (CSRD) and the Italian Legislative Decree no. 125 of September 6, 2024 New reference Standards: ESRS.	December 2024

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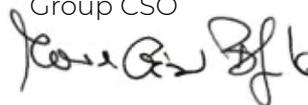


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### **Regulatory context of reference**

The European Directive 2022/2464 regarding corporate Sustainability Reporting (*Corporate Sustainability Reporting Directive*) has amended Directive 2014/95/EU, concerning the obligation to disclose non-financial information for certain types of companies.

The purpose of the CSRD is to promote transparency and the disclosure of information by companies regarding the environmental, social, and governance (Esg) impacts of their activities, through the strengthening of reporting obligations. In particular, the CSRD aims to ensure that investors and stakeholders have access to more detailed, clear, and as standardized and comprehensive as possible sustainability information, with evident positive consequences for the financial market in terms of informational completeness, transparency, and data comparability.

The main new elements introduced by the CSRD concern the following areas:

- **placement of sustainability information:** companies will have to include sustainability information within the Management Report and not in a separate document, in order to ensure greater integration between financial and non-financial information;
- **adoption of a single reporting standard:** to ensure greater comparability between disclosures, companies will be required to adopt a single reporting standard Esrs (European Sustainability Reporting Standard), issued by European Commission and developed by Efrag (European Financial Reporting Advisory Group);
- **greater focus of sustainability information on strategy, sustainability objectives and targets,** impact assessments and description of relevant Esg risks;
- **sustainability governance:** to define sustainability strategies and monitor ESG objectives, companies are required to disclose the role of the administrative management, and control bodies regarding sustainability issues, specifying their skills and capabilities;
- **double materiality:** integration of a dual relevance perspective in the materiality analysis process. Companies must provide sustainability information both regarding the impact

of their activities on people and the environment (inside-out approach) and how sustainability factors affect them in terms of development and performance (outside-in approach);

- **integration of ESG aspects along the Value Chain:** companies, when reporting sustainability information, must consider not only the reference perimeter of the financial statement but also include information on relevant impacts, risks, and opportunities related to the entire value chain upstream and downstream, as resulting from due diligence activities and materiality analysis;
- **European Taxonomy:** according to the requirements of EU Regulation 2020/852, starting from January 1, 2023, organizations, subject to the obligation to publish non-financial information, must also report information related to economic activities aligned and not aligned with the European Taxonomy (so-called *Taxonomy alignment*). The Taxonomy, which is the unified system for classifying sustainable economic activities in Europe, aims to promote investments with environmental and social objectives. The Taxonomy currently defines six environmental objectives, which are consistent with the minimum environmental reporting requirements set by the CSRD; in detail:
  - » Climate change mitigation
  - » Climate change adaptation
  - » Sustainable use and protection of water and marine resources
  - » Transition to a circular economy
  - » Pollution prevention and control
  - » Protection and restoration of biodiversity and ecosystems;
- **Assurance obligation:** the Sustainability Statement included within the Management Report, including the disclosure on the European Taxonomy, required by Regulation 852/2020, must be subjected to a “limited assurance” activity;
- **digitized sustainability information:** to increase the dissemination of sustainability information, companies will be required to digitize the information present in their respective *reports*, using XHTML language and XBRL markup language.

The CSRD Directive has been transposed into Italian law through Legislative Decree No. 125/2024. This Decree requires companies, falling within its scope, to prepare the Sustainability Statement according to the ESRS reporting standard and to provide disclosure on the European Taxonomy according to the requirements set out in European Regulation 852/2020.

Furthermore, Decree No. 125/2024 provides for issuers the extension of the certification obligation already required of the delegated administrative body and the Manager in charge of accounting documents, also introducing the responsibility to certify that the Sustainability Statement included in the Management Report has been prepared in accordance with the relevant Sustainability Reporting standard and the provisions of Regulation 852/2020 on the European Taxonomy.

## 1. Purpose & Objective

The objective of this document is to define roles, responsibilities, as well as management and control activities related to the Sustainability Statement of the Prysmian Group, prepared in accordance with Italian Legislative Decree No. 125/2024.

Specifically, the document describes and defines:

- the phases of the reporting process for the Sustainability Statement of Prysmian;
- the timing and relevant milestones of the Sustainability Statement process;
- the activities, roles, and responsibilities of the functions involved in the Sustainability Statement process.

The aforementioned reporting activities aim to ensure, as required by Esrs 1, the quality of the information reported within the Sustainability Statement included in the Management Report in terms of:

- **relevance**: sustainability information is relevant when it can make a difference in stakeholder decisions; therefore, false information could lead investors to make different choices than they would have otherwise made;
- **faithful representation**: sustainability information must faithfully represent the substance of the phenomenon it intends to represent. For a faithful representation, the information must be complete, neutral, and accurate;
- **comparability**: sustainability information is comparable when it can be compared with information provided by the company in previous periods and can be compared with information provided by other companies;
- **verifiability**: sustainability information is verifiable if the information itself or the data from which it was derived can be corroborated;

- **comprehensibility:** sustainability information is comprehensible when it is clear and concise. Comprehensible information allows a reasonably competent reader to understand the communicated information.

## 2. Procedure Owner

Sustainability Function owns this Procedure and is responsible for periodically reviewing and updating it to ensure it accurately reflects organizational updates or legal and regulatory changes.

## 3. Applicability

This Procedure applies to the Parent Company, Prysmian S.p.A., and to all its controlled subsidiaries, belonging to the reporting perimeter, and involved in the process of preparing the Sustainability Statement.

## 4. Operating Rules

### 4.1 Definitions

“**CSRD**”: Directive 2022/2464/EU “Corporate Sustainability Reporting Directive” (CSRD) published in the Official Journal of the EU on December 16, 2022, which revises and strengthens the regulations introduced by Directive 2013/34/EU concerning the disclosure of non-financial information.

“**Legislative Decree 125/2024**”: Legislative Decree 6 September 2024 No. 125 implementing Directive 2022/2464/EU of the European Parliament and of the Council of 14 December 2022, amending Regulation 537/2014/EU, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU regarding corporate Sustainability Statement. Through the Decree, Sustainability Statement introduced, replacing the Non-Financial Declaration previously provided for by Legislative Decree 254/2016.

**“Sustainability Statement”**: reporting of information related to sustainability issues in accordance with Article 4 of Legislative Decree 125/2024. This reporting is to be included in a specific section of the Management Report and includes information related to the European Taxonomy.

**“EFRAG”**: acronym for European Financial Reporting Advisory Group, is an independent advisory organization that provides technical advice and recommendations to the European Commission regarding international accounting standards (IFRS - International Financial Reporting Standards). EFRAG extended its mission in 2022 as it is also responsible for developing the ESRS (European Sustainability Reporting Standards) within the framework of the CSRD (Corporate Sustainability Reporting Directive).

**“ESRS”**: acronym for European Sustainability Reporting Standards, the single European standard for Sustainability Statement, developed by EFRAG and adopted by the European Commission through specific delegated acts.

**“Reporting scope and value chain”**: in line with what is defined by the ESRS, the Sustainability Statement concerns the same company that prepares the financial statement. If the reporting company is a parent company required to prepare consolidated financial statement, the Sustainability Statement concerns the companies included within the reporting scope of the consolidated financial statement. In relation to certain disclosure obligations and/or under certain conditions (e.g., operational control), the information provided in the Sustainability Statement is extended to include relevant information related to the company's value chain.

**“Double materiality”**: principle based on which the company communicates information on sustainability issues. Double materiality has two dimensions, namely: Impact materiality (inside-out dimension) and Financial materiality (outside-in dimension). In determining at what level, within its own operations and the upstream and downstream value chain, a relevant sustainability issue arises, the company uses its own assessment of impacts, risks, and opportunities based on the principle of double materiality. A sustainability issue meets the double materiality criterion if it is material from an impact perspective, a financial perspective, or both perspectives.

**“Financial materiality”**: this “outside in” view focuses on how sustainability matters may pose either a prospective material risk or opportunity that could affect our company's financial performance and position over the short, medium and long term. Sustainability matters are considered material for the Stakeholders of our company's financial reports if omitting or misstating the information could influence the users' decisions.

**“Impact materiality”**: This “inside out” view focuses on the actual or potential short, medium and long-term impacts on people or the environment that are directly linked to our company’s operations and our value chain. These impacts can be both positive and negative.

**“IRO”**: acronym that refers to Impacts, Risks, and Opportunities, which are aspects that, according to the CSRD (Corporate Sustainability Reporting Directive), must be considered in the Sustainability Statement of organizations. The IROs represent the foundation of the concept of double materiality analysis, which assesses how environmental, social, and governance issues affect the organization and vice versa.

**“Impacts related to sustainability issues”**: effects that the company has or could have on the environment and people, including the repercussions on their human rights, connected to the company's own activities and the upstream and downstream value chain, also through its products or services and its business relationships. The impacts can be actual or potential, negative or positive, intentional or unintentional, reversible or irreversible, and can manifest in the short, medium, or long term. They indicate the company's contribution, negative or positive, to sustainable development.

**“Risks related to sustainability issues”**: events or environmental, social, or governance conditions of an uncertain nature, which, if they occur, could have a significant negative impact on the company's strategy or business model, or its ability to achieve its objectives and create value, and consequently could influence the decisions of the company and those of its commercial partners regarding sustainability issues. Like any other risk, sustainability-related risks are a combination of the magnitude of the impact and the likelihood of occurrence.

**“Opportunities related to sustainability issues”**: Events or environmental, social, or governance conditions, of an uncertain nature, which, if they occur, could have a significant positive effect on the company's strategy or business model, or on its ability to achieve its objectives and create value, and consequently could influence the decisions of the company and those of the partners with whom it has commercial relationships regarding sustainability issues. Like any other opportunity, sustainability-related opportunities are also measured as a combination of the magnitude of the impact and the likelihood of occurrence.

**“Value chain”**: all the activities, resources, and relationships connected to the business model and the external context in which the company operates. The value chain includes the activities, resources, and relationships that the company uses and relies on to create its products or services, from conception to delivery, consumption, and end of life. The value chain includes actors upstream and downstream of the company. Upstream actors (e.g., suppliers, contractors)

provide the products or services used in the development of the company's products or services. Downstream actors (e.g., distributors and customers) receive the company's products or services.

**“European Taxonomy”**: classification system introduced by Regulation (EU) 2020/852, which establishes which economic activities can be considered sustainable in relation to the identified environmental objectives. This Regulation and the subsequent Delegated Acts define specific criteria to assess the sustainability of business activities. The KPIs provided by the Taxonomy are part of the disclosure obligations required by the CSRD.

**“Stakeholders”**: in line with the general provisions of ESRS 1, stakeholders are those who can exert influence on the company or be influenced by the company.

There are two main groups:

- involved stakeholders: the people or groups whose interests are or could be affected (positively or negatively) by the company's activities and its direct and indirect business relationships along the value chain;
- the users of Sustainability Statement: the main users of general financial information (investors, lenders, and other existing and potential creditors, including asset managers, credit institutions, and insurance companies), as well as other users, including the company's business partners, trade unions and social partners, civil society and non-governmental organizations, public administrations, analysts, and academic representatives.

**“Reference period”**: the period covered by the Sustainability Statement (i.e., for Prysmian , from January 1 to December 31).

**“Functions”**: those functions within the Group involved in the Sustainability Statement process and contributing to it by providing qualitative and quantitative information.

**“Focal Point”**: employees who, within each function, are designated by both Sustainability department and their Function Manager as the internal contact for the various phases of the Sustainability Statement process.

## 4.2 Roles and responsibilities

The main activities, roles, and responsibilities of the parties involved in the Sustainability Statement process are listed below.

**Board of Directors (BoD)**

- Ensure that Prysmian 's Sustainability Statement is prepared and published in accordance with the provisions of Legislative Decree 125/2024. In particular, the BoD:
  - reviews (or approves) the relevant issues that emerged from the double materiality assessment;
  - approves the Group's Sustainability Statement, simultaneously with the approval of the Consolidated Financial Statement, in such a way the BoD approves the Integrated Annual Report;

**Board of Statutory Auditors**

- Monitor compliance with the provisions established by Decree 125/2024 and report information regarding this in the annual report to the assembly.

**Control and Risk Committee**

- Support the Board of Directors in evaluations and decisions related to the internal control and risk management system and the approval of the Group's Sustainability Statement.

**Sustainability Committee**

- Align with the *Sustainability Function* on the progress of the Sustainability Statement process
- review and validate, presenting any suggestions for improvement, for subsequent approval by the Board of Directors:
  - the results of the double materiality analysis process and, in particular, the identified relevant topics
  - the list of indicators to be reported within the Sustainability Statement
  - the content index of the Sustainability Statement
  - the content of the Sustainability Statement.

*Responsible manager*

- Issue, according to the format defined by the competent Authority, the certification of compliance of the Sustainability Statement with the reporting standards contained in the delegated acts issued by the European Commission pursuant to Article 29 ter of Directive 2013/34/EU and with the specifications adopted in accordance with Article 8 paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council, in line with the relevant legislation
- receive from the relevant central corporate functions, within the scope of internal control system audits, information on the adequacy and effective operation of the Internal Control System on Sustainability Statement
- align with the *Sustainability Function* on the definition of the reporting calendar, the definition of the scope of Sustainability Statement, and the progress status of the related drafting process.

*Sustainability Function*

- Coordinate the overall process of drafting Prysmian 's Sustainability Statement and in particular:
  - define the timelines and preparatory activities for the collection and processing of data useful for drafting Prysmian Sustainability Statement, communicating them to the Heads of Function and Focal Points of the companies within the scope, in coordination with the schedule for the preparation of the Consolidated Financial Statement;
  - coordinate the double materiality assessment process for identifying relevant topics for Prysmian and its stakeholders, planning and carrying out the necessary activities in line with the ESRS to be submitted for approval by the Board of Directors;
  - organize and supervise, where required, the stakeholder engagement process for sustainability;
  - define the structure and layout of Prysmian Sustainability Statement;

Scope: Group level

Issue Date: 01/12/2024

- identify/update, based on the results of the double materiality analysis, the indicators to be reported within the Sustainability Statement and share them with the Responsible Functions;
- identify and involve the Functions with their Function Heads in the Sustainability Statement process;
- analyze, on an annual basis, the Group's value chains;
- ensure that each Function Head identifies their Function Focal Points for data collection;
- organize clarification meetings with the Functions;
- coordinate periodicals follow up meetings with Functions for checking the status of qualitative information's collection process;
- coordinate the interviews between the auditor and internal functions on the collection process and data availability;
- ensure, together with the Consolidated Financial Statement team of Administration Function, that each Function Head enters the necessary data and information into the reporting software tool, to ensure timely and accurate data collection;
- include the contributions of the Functions within the draft of the Sustainability Statement;
- ensure the coherence and consistency of the content of the Sustainability Statement;
- ensure that the reporting scope of the Sustainability Statement is in line with the requirements of the ESRS reporting standard; manage and coordinate the site-visits requested by the auditor in Prysmian plants during the last months of the year;
- provide the Administration Function with the final draft of the Sustainability Report within the deadlines set up in the Financial Calendar, to let the Administration Function preparing the Integrated Annual Report;

Scope: Group level

Issue Date: 01/12/2024

- share the Sustainability Statement with both the Sustainability and the Control and Risk Committees for validation before the Board of Directors' approval;
- share the final version of the Sustainability Statement with the Board of Directors for approval;
- define an appropriate internal and external communication plan, using the channels available to the Group;
- realize at the end of the process, together with the Administration Function, a gap analysis for identifying all the weaknesses and improvement activities

#### Administration Function

- Monitor the Functions and the Regions in following the defined timeline for the Sustainability Statement process;
- updates the list of companies within the scope of Prysmian's Sustainability Statement;
- coordinate the automation process in the ESGeo system (or other IT system) for some sustainability KPIs;
- provide, on a quarterly basis, all Regional CFOs with Sustainability Reporting packages for their respective Regions;
- grant and revoke access profiles to the ESGEo data and information collection system for Reviewers and Owners of the companies within the scope;
- collect attestation letters from Regional CFOs and CEOs regarding sustainability disclosures and attestation letters along with 262 matrices from Local CFOs and CEOs and relevant central corporate functions.

#### Heads of Function

- Participate in all the meetings for the preparation process of the Sustainability Statement
- communicate to the *Sustainability Function* any perimeter misalignments

Scope: Group level

Issue Date: 01/12/2024

- analyze the impacts, risks, and opportunities identified within the double materiality analysis process
- enter the required data and information into the reporting tool
- identify, together with Sustainability Function, the Function Focal Points for the Sustainability Statement process
- supervise the data and information collection and processing process
- coordinate any manual consolidations/reworkings of data at the function/topic level outside the dedicated tool
- promptly report to the Chief *Sustainability, Investor Relations and Communication* Officer any anomalies regarding the availability/reliability of data and information and/or in relation to the indicated timelines
- approve and validate the data and information entered into the system
- ensure the completeness and accuracy of the archiving of documentary evidence supporting the approved data and information
- ensure maximum availability and cooperation with the Control Bodies and the auditing company during the verification phase of the Prysmian Group's Sustainability Statement, ensuring the provision of necessary documentary evidence if required
- review, for each relevant ESRS, the consolidated qualitative-quantitative information for the purpose of its approval.

#### Function Focal Point

- Prepare and collect all necessary data and information, providing qualitative-quantitative contributions, clarifications, and insights where necessary
- store/archive all documentary evidence supporting the collected data and information
- support both *Sustainability and Administration* Functions in preparing the content of the Sustainability Statement
- ensure the accuracy and completeness of the data and information included in the reporting system or other tool

Scope: Group level

Issue Date: 01/12/2024

- promptly communicate any anomalies found in the data collection process, including trend changes and/or issues in the calculation methodology of any estimates adopted
- provide support during the validation phase of the data and contributions included in the Group's Sustainability Statement
- ensure maximum availability and cooperation with control bodies and the auditing company during the verification phase of the Group's Sustainability Statement, ensuring the provision of necessary documentary evidence if required.

#### Local and/or Regional CFOs

- Review and approve in the system the sustainability information entered into the system based on their respective areas of responsibility
- ensure the completeness of the area of responsibility and the timely submission of data and information according to the Group's calendar
- support and promote the development of a local internal control system integrated with the financial one by transferring best practices from the financial to the non-financial area
- promptly report any significant differences and/or deficiencies in the internal control system
- sign an annual attestation letter on the internal control system.

### 4.3 Process of preparation, approval, and disclosure of the Sustainability Statement

This paragraph describes the process of preparing the Sustainability Statement according to the ESRS reporting standard to ensure compliance with the provisions of Legislative Decree 125/2024.

#### 4.3.1 Activity Planning

Annually, the *Sustainability Function*, in order to comply with the provisions of Decree 125/2024 and the reference reporting standard (ESRS), initiates the planning of the activities necessary for the drafting, approval, and publication of the Group's Sustainability Statement.

Below are the main planning activities:

- identification and analysis of any new developments in the current regulatory context in the field of Sustainability Statement and evaluation of the consequent impacts on the methods, contents, and scope of the Sustainability Statement for the reference year;
- updating, where necessary, the list of companies within the scope of Prysmian's Sustainability Statement, taking into account both the relevant sustainability issues identified following the double materiality analysis (for more details, refer to the dedicated paragraph) and the companies within the scope for financial reporting, transmitted to *Sustainability Function* by the Administration Function;
- definition, in coordination with the drafting and approval calendar of Prysmian Consolidated Financial Statement, of the calendar for the preparation process of the Group Sustainability Statement, as the sustainability information is included within the Group's Consolidated Management Report, and related communication to the relevant Group Functions, identified by *Sustainability Function* based on their respective level of contribution;
- monitoring by the *Sustainability Function* of the activities carried out by each involved Functions throughout the reporting process to ensure compliance with the agreed timeline.

*Throughout the entire reporting process, for the purpose of monitoring, the following review moments are scheduled:*

- *Weekly internal operational SAL between the Administration Function, the Sustainability Function, the HSE, IT, and HR Functions*
- *periodic Steering Committee update meetings of the Functions (CTRL\_01).*

#### 4.3.2 Identification of the reporting scope

The Sustainability Statement process involves defining the reporting scope according to the requirements of Legislative Decree 125/2024.

The reporting scope corresponds to the consolidation scope defined by the *Administration Function* for the Consolidated Financial Statement (i.e., companies consolidated using the full consolidation method) and any additional companies not fully consolidated that fall within the

cases provided for by the regulations (for example, Joint Venture, Joint Operation) where significant impacts, risks, and opportunities can be identified. The reporting scope is, in fact, expanded compared to that provided by the previous Decree (D.Lgs 254/2016), as it must also take into account the entire value chain upstream and downstream of the Group.

*In relation to the consolidation scope to be considered for Sustainability Statement, the Administration Function provides it to the Sustainability Function, highlighting any differences in the reporting scope compared to the previous year (CTRL\_02).*

The *Sustainability Function* communicates the reporting perimeter to all Heads of Function involved in the reporting process and ensures the collection of data and information of any newly acquired companies.

*The Sustainability Function is also responsible for annually updating the mapping of the value chains upstream and/or downstream of the Group, necessary to subsequently carry out the double materiality analysis (CTRL\_03).*

All Heads of Function involved are responsible for the communicated reporting perimeter and must highlight and communicate any misalignments with the perimeter, if present.

#### 4.3.3 Definition of the contents of the Sustainability Statement

The double materiality analysis is the crucial starting point for the preparation of the Sustainability Statement as the sustainability contents to be reported are defined based on its results. This analysis must be carried out annually.

Following the double materiality analysis process, the impacts, risks, and opportunities relevant for the Group's Sustainability Statement are identified, considering the Group's value chains and key stakeholders.

Based on these results, the thematic ESRS on environmental, social, and governance issues to be reported are then identified.

In detail, based on the identified reporting perimeter and according to the analysis carried out on the value chains, the impacts, risks, and opportunities in the short, medium, and long term are analyzed for all themes, sub-themes, and sub-sub-themes provided by the thematic ESRS, using appropriate evaluation scales.

The double materiality analysis process is coordinated by *Sustainability Function* and involves, on one hand, the engagement of top management/management of the various relevant

corporate functions and the Risk & Compliance Function and, on the other hand, through the organization of specific meetings, stakeholders considered strategic for the Group. According to the ESRS, this process requires the assessment of the impacts generated by the Group regarding sustainability issues (inside-out perspective) as well as the sustainability risks and opportunities generated by these issues on the Group (outside-in perspective) and, therefore, that trigger or may trigger significant financial effects on cash flows, the development of the Group, etc.

Below are listed the main activities in which the double materiality analysis process is articulated:

- identification of a preliminary list of impacts, risks, and opportunities (IRO), also based on market and sector benchmarking activities and external context analysis;
- integration of the IRO list following the involvement of the relevant Functions and stakeholders;
- evaluation of the IRO according to the perspective of impact materiality and financial materiality by applying the defined methodology;
- identification of the IRO relevant to the Group; Regarding risks and opportunities' identification and evaluation process, the Sustainability Function works together with the Risk & Compliance Function
- presentation/sharing of the analysis results with the Officer in Charge, the Sustainability Committee, the Control and Risk Committee, and the Board of Statutory Auditors for subsequent review/approval by the Board of Directors (BoD).

*The Sustainability Function shares the results of the double materiality analysis with the Officer in Charge, the Sustainability Committee, the Control and Risk Committee, and the Board of Statutory Auditors for the relevant validation (CTRL\_04).*

*The Board of Directors, on an annual basis, reviews/approves the results of the double materiality analysis (CTRL\_05).*

Regarding the disclosure on the EU Taxonomy to be included in the Sustainability Statement, the relevant contents to be reported are defined by Regulation (EU) 2020/852 and subsequent Delegated Acts. The regulation establishes a list of economic activities and the related criteria to be met to be defined as environmentally sustainable under the regulation itself. The Sustainability Function coordinates the analysis process, with the collaboration of *Management Control and R&D Function* and with the involvement of the other Group Functions impacted by

the regulations, to define the admissibility of the Group's activities and their alignment with the provisions of the Regulation and to provide for the calculation of the required economic KPIs (specifically revenues, capex, and opex).

For more details on the activities carried out by Prysmian in relation to the obligations set out by Regulation (EU) 2020/852, please refer to the "EU TAXONOMY DISCLOSURE PROCEDURE".

#### 4.3.4 Definition of the indicators and structure of the Sustainability Statement

Based on the results of the double materiality analysis, the *Sustainability Function*, together with the Heads of Function involved in the Sustainability Statement process, selects, for the relevant topics identified based on significant impacts, risks, and opportunities, the indicators to be reported according to the ESRS reporting standard. The Group may also decide to disclose additional key performance indicators to better represent its performance on relevant aspects not covered by the reporting standard.

At the same time as identifying the indicators to be reported, the *Sustainability Function* also defines the structure/index of the Sustainability Statement, taking into account the requirements set out by the ESRS standard on the aspects to be addressed.

***Once defined, the Sustainability Statement index and the identified indicators are submitted for validation by the Sustainability Committee (CTRL\_06).***

#### 4.3.5 Preliminary activities for data collection

The *Sustainability Function* ensures, with the support of the *Administration* function, that:

- all Heads of Function provide, through the designated collection tool and files, the data and information necessary to meet the requirements of the indicators set by the ESRS reporting standard and in line with Legislative Decree 125/2024;
- all Heads of Function identify – together with the Sustainability Function - their own Function Focal Points who will be responsible for collecting all the necessary quantitative and qualitative information.

During this phase, the *Sustainability Function* is responsible for organizing meetings with Function Focal Points to align the collected data and information, ensuring a smooth data collection process.

Each Function is responsible for performing the necessary checks during the data collection and consolidation process to mitigate risks associated with Sustainability Statement and ensure the quality and accuracy of the data. Internal control over Sustainability Statement information is primarily intended to ensure that the Sustainability Statement provides a true and fair view of the Group's sustainability performance, in compliance with current standards and regulations. In detail, for the various ESRS/data points to be reported, the relevant business functions must progressively develop reporting procedures to regulate the activities carried out and the roles and responsibilities of the parties involved, also preparing the related Risk & Control Matrices. Additionally, further control matrices are required that the Administration Function must obtain from the HQ Functions and local CFOs for the areas within the scope of 262/ESG.

#### 4.3.6 Data collection and validation

*Once the Function Focal Points have entered all the necessary data and qualitative information into the reporting system, the Heads of Function proceed with the respective validation (CTRL\_07).*

*The system also provides for the validation of sustainability information entered by the Regional CFOs on a quarterly basis for the KPIs collected quarterly (CTRL\_08).*

*The Regional CFO and CEO then sign an integrated attestation letter (financial and non-financial), at least on an annual basis. Regarding the companies within the "262 integrated" perimeter (CTRL\_09).*

*The local CFOs and CEOs of the companies in scope provide at least twice a year an attestation letter on the integrated internal control system accompanied by an integrated ICQ control matrix (CTRL\_10).*

All Function Representatives involved in the data collection process are required to retain all evidence that must be readily available upon request by external or internal auditors, to allow them to perform appropriate checks.

The collection and validation of data in the system occurs on an annual basis, except for some sustainability KPIs, for which the system collection occurs quarterly with evidence of the related validation by the Regional CFOs.

#### 4.3.7 Preparation of the draft of the Sustainability Statement

Once the involved Functions have provided their contributions, the *Sustainability, Investor Relations and Communication Function* includes the content in the draft Sustainability Statement. The *Sustainability Function*, being responsible for the entire Sustainability Statement process, can request additional information and clarifications from the Functions to refine the draft document and prepare the necessary content.

***Following these activities, the draft Sustainability Statement is submitted to the Officer in Charge for verification and certification purposes (CTRL\_11).*** The Responsible Manager verifies the presence of all provided attestation letters and conducts a desk review based on the integrated ICQs received from the in-scope companies and central functions. The Responsible Manager also requests the IT function to perform ITGC on the software from which sustainability data is derived and obtains the related attestation letter. The Responsible Manager also contributes with proposals to the formation of the audit plan by requesting the inclusion of specific audits to be conducted by internal audit.

The Responsible Manager reviews the auditor's management letter, focusing on any improvement points possibly indicated to the functions or company sites, and monitors the evolution of the improvement points over time.

The Responsible Manager interfaces with Heads of Function and regional CFOs who are required to report any weaknesses in the internal control system and to implement specific resolution initiatives whose implementation timing is commensurate with the potential significance of the identified deficiency.

***Subsequently, the Sustainability Statement, after being included in the Management Report of Prysmian Consolidated Financial Statement and shared with the Responsible Manager, is submitted for validation to the Sustainability Committee and the Control and Risk Committee (CTRL\_12).***

#### 4.3.8 Finalization and approval of the Sustainability Statement

***Following the sharing activities with the Sustainability Committee and the Control and Risk Committee, the draft Management Report that includes financial and sustainability information is submitted for approval to the Prysmian Board of Directors (CTRL\_13).***

***Once approved, the Group's Sustainability Statement is made available to the Board of Statutory Auditors who, within the scope of the functions assigned to it by law, report on it in the annual report to the Assembly (CTRL\_14), and to the appointed auditing firm.***

In relation to the Sustainability Statement, the Board of Statutory Auditors is responsible for monitoring compliance with the provisions established by Legislative Decree 125/2024.

#### 4.3.9 External assurance on the Sustainability Statement

Legislative Decree 125/2024 requires that the Sustainability Statement be subjected to the review process by a qualified entity (third-party auditor) who must express, with a limited level of assurance, their conclusions regarding the compliance of the aforementioned reporting with the requirements of the Decree, the reporting principles, as well as the disclosure obligations provided for by Article 8 of the European Regulation 852/2020.

*The Sustainability Function makes available to the auditor the prepared Sustainability Statement.* If requested by the latter, the Functions involved in the Sustainability Statement process provide supporting evidence to demonstrate the accuracy and reliability of the data and information included in the document. The supporting materials must be securely stored and made easily accessible to the auditor.

Upon completion of the audits, the auditor issues a specific Report with the results of the assurance procedures, to be attached to the Sustainability Statement.

Subsequently, the Sustainability Statement, together with the auditor's Report, is made available to the Shareholders' Meeting.

At the end of the process, the auditor also issues a Management Letter, to highlight the weaknesses, best practices and improvement areas, identified during the activities.

#### 4.3.10 Communication, filing, and publication

*The Sustainability Function, together with Communication function, defines the appropriate both internal and external communication channels and publication methods to publicly disclose the Sustainability Statement.*

The publication and filing of the annual Consolidated Financial Statement (including the Sustainability Statement) is carried out by the Corporate Affairs Department in accordance with the methods and timelines provided by current regulations.

The Italian and English versions of the Group's annual Consolidated Financial Statement are published on the company's website to make them accessible to all stakeholders.

## 5. Consequences of Procedure Violation

Prysmian employees who do not comply with this Procedure shall be subject to disciplinary procedures, including possible dismissal, and any other legal action required to protect the interest and reputation of Prysmian, in line with the applicable legislation.

## 6. Reporting a Procedure Violation

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

- a) the [Integrity First Helpline](#); or
- b) your Regional Compliance Team or the other designated subjects mentioned in Section 6.1 of 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 policy 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.

## 7. Audit, Monitoring and Continuous Improvement

The Owner of this Procedure is responsible to perform periodic reviews and updates of this document, examining revisions to be made based on internal organizational updates, changes to external legislation and best practices.

Using a risk-based approach, monitoring or audit activities may be carried out by competent departments to verify the correct enforcement of this Procedure within the organization.

## 8. Related Documents

The following Documents are related to this Procedure and must be consulted by all Prysmian employees for further guidance.

Such documents are available in our [Company's Intranet](#).

ESRS Standards

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02023R2772-20231222>

CSRD

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022L2464>

Regolamento 852/2020

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852&from=EN>

**Procedure approved by:** Prysmian Chief Sustainability IR and Communications Officer and  
by Manager in charge of the Financial Statement (Dirigenti Preposti).

**Approval date:** 01 December 2024

**ANNEX A -**

- 00. EU TAXONOMY DISCLOSURE PROCEDURE
- 01. CALCULATION OF ENERGY CONSUMPTION
- 02. CALCULATION OF EMPLOYEE TRAINING HOURS
- 03. WORKFORCE DATA
- 04. SHARE OF RECYCLED CONTENT ON ADDRESSABLE MATERIALS: RECYCLED POLYETHYLENE FOR CABLE SHEATHS
- 05. SHARE OF REVENUE LINKED TO SUSTAINABLE PRODUCTS- KPI CALCULATION
- 06. CALCULATION OF ESG KPI ENABLE ACCESS TO GREEN ELECTRICITY HOUSEHOLDS
- 07. CALCULATION OF ESG KPI ENABLE FAST DIGITAL ACCESS TO HOUSEHOLDS
- 08. CALCULATION METHODOLOGY OF THE LEADERSHIP IMPACT INDEX
- 09. SAFETY ASSESSMENT PLAN – KPI CALCULATION
- 10. CALCULATION OF TRAINING COMPLETION PERCENTAGE
- 11. CALCULATION OF PERCENTAGE OF EMPLOYEES AS SHAREHOLDERS
- 12. GUIDELINE FOR SCOPE 3 EMISSIONS