SUPPLY CHAIN AND VENDOR MANAGEMENT STRATEGY

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prysmian

The planet's pathways

Supply Chain and Vendor Management Strategy

FOREWORD

Following the increasing development of activities related to sustainability within the supply chain, Prysmian drives and further integrates the assessment of Environmental, Social and Governance (ESG) factors within its supply chain strategy.

The Supply Chain and Vendor Management Strategy document has been introduced for the first time in 2018 with the purpose of detailing Prysmian's Purchasing organization approach and implementation of ESG factors in its processes. This document aims to provide a full overview of initiatives; the actions performed in 2025 and an outlook for the future.

APPROVED BY L. COLLI (GLOBAL CHIEF PURCHASING OFFICER)

Contents

1. Prysmian's Global Purchasing Mission

Prysmian's Purchasing global mission is focused on keeping high competitiveness and profitable and sustainable growth for the enterprise, by building holistic and longer-term relationships with suppliers. This is done by prioritizing solutions that bring more value, better quality, increased flexibility, leading sustainability and innovation to clients.

Global Purchasing leaders ensure adherence to the use of tools, methods and processes at every level in the organization in compliance with purchasing directive.

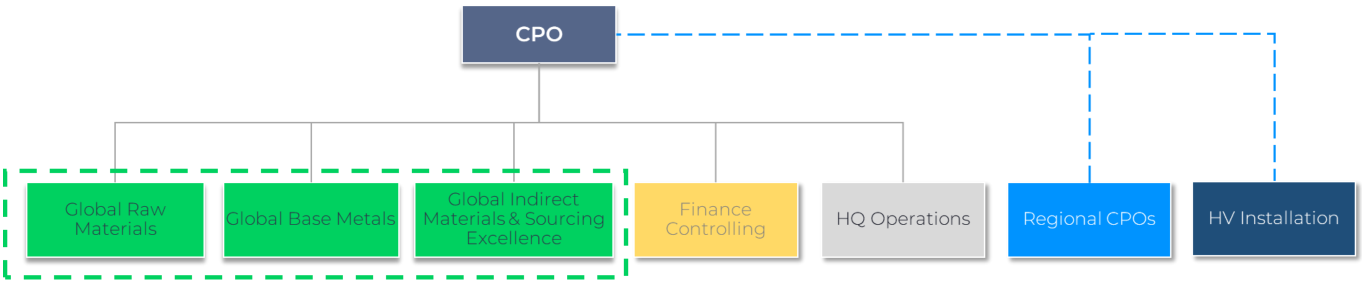
The Purchasing team is committed to collaborating with the Global Operations , Research & Development (R&D) departments and Regional Business areas to achieve the abovementioned. The Purchasing Leadership Team holds the responsibility of ensuring that all team members engage in this collaboration on a permanent basis.

2. Purchasing Organization

Purchasing is Prysmian's global function with the mission of supporting Regions and Business Units (BUs) to enhance Group results through cost competitive advantage and full leverage of the Group dimension and global presence, acting as one team worldwide. This entails that the Purchasing organization operates under the same common rules, systems, processes and key performance indicators (KPIs) for monitoring and reporting purposes.

Prysmian's Purchasing Organization has undergone a re-organization, following the Group's simplification of regions, now streamlined to North America, Europe, LATAM, MEART and APAC.

The new structure is depicted and explained below.



A further detail on the functioning of the Purchasing structure is provided below:

- One mirror organization across the Group based on three Global Commodities Heads, directly reporting to Global Chief Purchasing Officer (CPO): Base Metals, Raw Materials, Indirect Materials.
    - They are globally responsible for implementing and managing the global strategy dedicated to each commodity and rely on Global Commodity Leaders (GCLs), which follow a specific subject related to the commodity. The GCLs

coordinate and address the assigned commodity strategy, performing benchmarking and cost analysis, guaranteeing best sourcing at Group Level.

- Sourcing Excellence: with primary scope to operate cross functions and Region's scope, enhancing operational efficiency and market responsiveness, ensuring greater agility, sharing best practices and streamlining processes. The function is focused on implementing sustainable procurement practices and promoting responsible sourcing while driving Innovation ideas through Program Management (PMO).
- The Regional Purchasing Officers (Regional CPOs) are responsible for the execution of Purchasing global strategy and accountable to deploy regional purchasing strategy, identifying and implementing local efficiencies in the value chain. At Regional level, the Purchasing organization mirrors the global one and adds the Country Manager role:
    - Locally, the Country Manager reports to the Regional CPO and the Country CEO. It oversees the coordination of spend and performance for base metals, raw materials and indirect materials for the Country, in close cooperation with local management and regional/global stakeholders. Furthermore, it provides and enables support in the Country for the implementation of regional/global developments/initiatives in line with the regional/global commodity strategies.

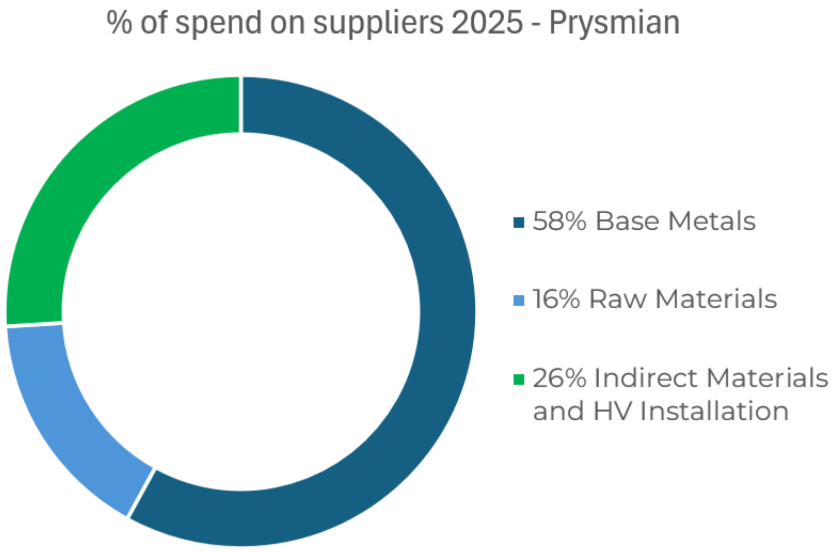
- HV Installation Purchasing Director is responsible for the purchasing strategy and its deployment for goods and services related to the cable installation activities.

  Regional Purchasing Officers and High Voltage Installation (HV) Purchasing Director report to the Global CPO and additionally to Regional CEO and Transmission Installation and Services SVP, respectively.

- Only at global level, the following dedicated functions also report to the Global CPO:
    - HQ Operations: serves headquarters (HQ) with high level of efficiency and drives support to corporate functions strategies towards simplicity.
    - Finance Controlling: guarantees right monitoring, reliability, and accuracy of Purchasing data analytics in terms of financial and non-financials targets and KPIs.

3. Purchasing Facts and Figures

In 2025 Prysmian's purchased value accounts for a total of 80-85% of the total Group's turnover and it was the first full year of expenditure considering the new acquisition of the Group (Encorewire) and hence now comprises a larger perimeter and supplier base. The commodity view is depicted below:



The overall Annual Purchased Values (APV) variation year over year is primarily influenced by base metals (aluminum, copper and lead) quotations fluctuation, driven as an example in Europe by the London Metal Exchange.

The supplier base for base metals and raw materials of the Group counts a total of ca. 3.200 suppliers for such commodities.

Prysmian considers suppliers to be "local" when based in the same Country as Prysmian companies. Such consideration is however not applicable for base metals and raw materials due to their dependance on the location of resources. Furthermore, for suppliers of HV Installation the definition of "local" follows a different criterion. For example, in this case, a supplier is intended to be "local" if the services are rendered into the Country where the supplier is based.. It is worth considering that most turnkey projects involve works in international waters, which therefore do not contribute to local content. In addition, Tier 1 suppliers will be encouraged to engage local companies at Tier 2 and Tier 3 level, promoting local content across the supply chain and increasing the share of cost allocated to local suppliers.

4. Commodities overview

4.1. Base Metals

Three main raw materials fall under the Base Metals category, namely aluminum, copper and lead, with copper and aluminum representing most of the Group's raw material purchases.

Prysmian's production process starts with aluminum and copper wire rod for the manufacturing of cable conductors. These metals are purchased from the world's leading mining and smelting companies. The Group in some cases self-produces its own rod: approximately 20% of the required copper rod and approximately 25% of the required aluminum.

The Group consumes ca. 2-3% of the world's copper production and ca. 7% of the copper used in the electrical and electronic sector. Given the highly fragmented copper market, Prysmian Group is one of the leading economic players in the sector.

Prysmian is currently a partner of **The Copper Mark**, a common framework aimed at promoting the best practices across the copper value chain, linking different organizations of miners, producers and consumers.

The following three aspects are considered in the Group's metal sourcing strategy:

- importance of suppliers within the Group's value chain,
- high consumption of metals, and,
- wide geographical distribution of Prysmian production sites.

Concerning the purchase of aluminum, the Group increasingly focuses on suppliers that are vertically integrated (with processes that manufacture aluminum rod directly from aluminum oxide), in preference to those that are not integrated (manufacturers that purchase aluminum ingots to produce rod). This strategy has environmental advantages due to simplification of the logistics and elimination of the ingot re-melting cycle, in addition to cost advantages and helping the Group guarantee security of supplies.

Due to the high electricity consumption required by aluminum production process, Prysmian has included the aluminum carbon footprint as a supplier selection criterion, assigning a considerable portion of the business portfolio to low-carbon aluminum producers, as better described in section 7.1.2.

Long-term strategies for the purchase of copper and aluminum lead Prysmian to work with the largest players in the respective sectors with a strong focus on sustainability, thus creating a highly sustainable end-to-end cycle. As mentioned, some of these strategic players are vertically integrated suppliers which support the traceability of raw materials to their origin.

4.2. Raw Materials

While Base Metals are mainly used for the conductors of energy cables, all other raw materials represent a greater variety of products and applications:

- Raw Materials for cables (aimed at insulation and protection of the conductor or of the fiber optics) such as Polyethylene and PVC compounds, rubbers, special plastics, yarns, tapes, galvanized steel wires, etc.
- Raw Materials for optical fiber manufacturing such as coatings, glass tubes, high purity quartz sand and silicon donors' products, etc.
- Components for energy and telecommunication applications accessories such as connectors, metal parts composite insulators, casings, connecting boxes, etc.
- Raw Materials and components for elevators, and,
- Materials and components for electronics and optical sensing solutions.

Given the large variety and low volume of raw materials purchased, Prysmian represents a minor actor for most of the vendors in our supply base. Prysmian commonly uses either commodities fully available from multiple sources or high-performance raw materials that are only manufactured by a limited number of suppliers that are often multi-national companies highly specialized with strong technological know-how and well-focused on wire & cable market. Prysmian continuously assesses potential risks such as single sourcing, offer/demand unbalance and financial risk. These risks are managed by long-term supply agreements when the supplier is unique or substitutable only with great difficulties and long time. Multi-sourcing remains a key strategy in all cases where sourced materials are commonly available on the market, and to this extent, the Purchasing team cooperates with the technical functions to identify alternative suppliers to ensure diversification of sourcing.

4.3. Indirect Materials

The Indirect Materials category includes all the services and goods which are not directly connected to the final products. Among the most important categories which belong to the Indirect Materials are: Transportation & Logistic, Packaging, Maintenance Repair and Operations (MRO) and Utilities. These four categories are managed in different ways based on the centralization level required:

- Transportation & Logistic: this category is managed globally by the GCL responsible with the primary scope to negotiate global contracts and support regional agreements with worldwide providers which bring expertise in the logistics' aspects as well in the management of the invoicing process. The business relationships with these suppliers are long-term partnerships with the aim of reaching:

  - Top quality efficiency in the logistics flows,
  - High service level and on-time deliveries, and,
  - Cost Management & price stability to avoid "spot" market fluctuations

  Progressive relevance is given also to the capability of transportation & logistics suppliers to track the CO_2 emission and consider where possible low carbon transportation alternatives such as multimodal transport, biofuels such as Hydrotreated Vegetable Oil (HVO) for road and sea transportation and electric vehicles for road.

- Packaging: this includes drums and packaging material.
  - Drums: represent the most relevant packaging solution used to transport cables to customers and are typically managed through framework agreements with strong coordination from the Global Purchasing organization. Prysmian uses wooden, steel and plastic drums. Steel and wooden reels are returnable assets and, after repair when needed, are reintroduced into the supply cycle. Maximizing drum reuse is a key priority for the Group. In Europe, reuse models are more advanced, supported by established collection networks and higher operational standardization; in 2025 approximately 40% of wooden drums have been reused. In other regions, Prysmian is progressively scaling reuse practices by strengthening collection processes and increasing collaboration with logistics partners. . To further support this objective, Prysmian through its direct ownership of **ALESEA** is scaling the deployment of tracking devices to monitor drum location, improve collection rates and increase reuse volumes, leveraging logistics partners for efficient retrieval. This initiative is already active across Europe and North America. In parallel, the Group is increasing the share of drum kits compared to fully assembled drums, reducing transport volumes and contributing to lower carbon emissions in logistics operations. For plastic drums, Prysmian is evaluating alternative materials and promoting the use of recycled polymers over virgin plastics. A closed-loop initiative is ongoing with a selected supplier, enabling the use of Prysmian's own plastic scrap, arising from its cable manufacturing process, in the production of new drums, with up to 15% recycled content. Prysmian continues to strengthen its procurement approach for

packaging materials, prioritizing recycled and low environmental impact solutions while improving life cycle monitoring.
  - Other packaging materials, including pallets, wooden battens, end caps and protective foams used for drum covering, are also part of ongoing initiatives aimed at increasing sustainability performance and reducing environmental impact.

- MRO: This category includes a variety of materials/services but mainly spare parts (mechanical and electrical) and personal protection equipment (PPE). The sourcing management of this category related to spare parts and PPE for factory use is carried out by each Region but, in some cases, Country buyers can find smaller local suppliers which provide streamlined service levels (for instance, for spare parts repairs). This strategy supports the engagement of local suppliers and can contribute to local community's economies. The PPE portion of this category is under a strict Regional control with close collaboration of the Country structure to ensure that all the safety requirements are met based on specific national guidelines.
- Utilities: the majority of utilities purchased refer to electricity (ca. 85%). The Group annually assesses the utilities spend and is constantly scouting for market opportunities and implementing different alternatives for increasing the energy efficiency of its sites and share of green energy used for its operations, with, for example, on-site photovoltaic solar plants at selected facilities, Power Purchase Agreements, electrification and biomethane supply to replace natural gas usage.

4.4. HV Installation

This category includes supply of goods and services related to the installation phase of land and marine cables which is a key phase of the turnkey projects that Prysmian carries out through its Transmission BU. The most strategic purchases are attributable to offshore activities carried out in preparation for, in support of, and following the laying of the submarine cable, which is typically performed using Prysmian's cable-laying vessels. These services range from seabed surveys and route preparation to cable pulling at landfalls and cable protection operations.

Prysmian relies on its supplier base also for land portion activities (on-shore), such as: civil works, the actual cable laying, and the support to Prysmian jointing personnel. HV

Installation also comprises all the CAPEX necessary to deliver the projects (e.g. investment on new vessels and equipment).

5. Supply Chain Strategy Overview – Integration of ESG Factors

During the last few years, Purchasing focused its attention on streamlining the activities and processes related to Sustainability with the aim of maximizing its effectiveness. The next section outlines the pillars and how the strategy is deployed.

5.1. Supply Chain Pillars & Steps of Supply Base Management

Prysmian identifies 3 main pillars of its supply chain management:

- Policies, procedures and systems;
- Continuous Risk Assessment; and,
- Suppliers Performance Monitoring.

Regarding the first pillar: the Purchasing team worldwide relies on the same policies, procedures and systems, with the latter consisting of the Vendor Management Portal (Pry-Source) and the specific Enterprise Resource Planning modules.

Pry-Source is Purchasing's digital platform for comprehensive Supplier Base Management. It is utilized by the Purchasing team for supplier onboarding and management, performing sourcing processes and as a digital repository.

Supply base management encompasses the above-mentioned pillars and it comprises 3 main steps: **Introduction of new suppliers, Assessment of the actual supply base and Continuous improvement.** The scheme below shows how ESG factors are embedded within each of the three steps.

Prysmian decided to embed ESG factors directly in its purchasing strategy and decisions rather than developing a dedicated sustainability stream such as in a more traditional supply chain.

Purchasing practices towards suppliers (such as sourcing processes and tender requirements) are continuously reviewed to ensure alignment with Prysmian's Code of Business Conduct and policies and to avoid potential conflicts with ESG requirements.

5.1.1. Introduction of New Suppliers

Every recurring supplier (Base Metals, Raw Materials, Indirect Materials and HV Installation) who starts a business relationship with Prysmian is required to be compliant with Prysmian's Code of Ethics, Code of Business Conduct, Human Rights Policy and Conflict Minerals Policy, all publicly available at Prysmian's website (**Prysmian | Cables, Energy & Telecom Solutions | Prysmian**).

Any new Base Metals or Raw Materials supplier must go through a qualification process. The latter starts with a questionnaire, the Supplier Qualification Questionnaire, aimed at collecting information related to Quality, ESG management systems and financial performance. The qualification questionnaire's ESG section is comprehensive and assesses Environmental, Occupational Health and Safety, Energy, Anti-Bribery, and Whistleblowing management systems, as well as Social Accountability practices. In addition, some commodities are subject to additional assessments. Each new Base Metals supplier, potentially affected by the risk of sourcing Conflict Minerals (tin, tungsten, tantalum and gold, known as 3TG) must submit the CMRT (Conflict Minerals Reporting Template).

The final step for supplier qualification is the process/product audit, which is performed only in case of critical material supplied or unsatisfactory answers to the Supplier Qualification

Questionnaire. New supplier introduction is subject to technical approval and full industrial test of the related products, as well as to comply with specific applicable regulations, for example the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) present in Europe. All the above-mentioned points allow Prysmian to assess the potential risk associated with the new vendor and to determine whether the supplier matches the conditions to be considered qualified.

For some specific Indirect Materials categories, starting from the beginning of 2020, Prysmian introduced a compliance screening platform (Exiger), an external provider. Exiger is a global tool coordinated centrally but managed locally by each Country/Region. The tool performs a screening for any non-compliances or allegations that the potential supplier might have faced, as a second step the supplier is requested to respond to a specific questionnaire and provide as much information about processes and internal organization. Every supplier is then evaluated based on the results of the assessment and approved by the Purchasing and Compliance functions.

5.1.2. Assessment of the Actual Supply Base

According to Prysmian's policy, only raw materials technically approved and sourced from qualified suppliers can be utilized. Following the Group's practice; Purchasing in collaboration with Quality and R&D functions carry out product/process audits aimed at assessing the ability of the supplier to manufacture the related critical materials as well as to grant the requested technical performances and expected level of quality. Audits are performed onsite with a deep assessment of the production lines, production process and full respect for all the quality procedures developed by the supplier. In 2025, 111 product audits were performed on suppliers of base metals, raw materials and indirect materials in different regions. These audits were led by Prysmian Quality department personnel.

Moreover, when it comes to monitoring the supply base performance, Prysmian takes into consideration the priorities below:

- Price Competitiveness
- Quality Level
- Service and On-Time Delivery
- Terms of Payment
- Establishing competitive partnership with market leaders in their commodity

- ESG factors consideration in supplier offers' evaluation (chapter 7 for further details)

The Purchasing Dashboard is used to monitor the above-mentioned parameters monthly and drives actions following main KPIs:

- Year over Year Variances by Commodity
- Base Metals Stock
- On-Time Delivery
- Utilities Expense Reporting

The following sections deep dive the activities conducted for the assessment of Prysmian's supplier base from an ESG standpoint.

5.1.2.1. Responsible Sourcing

To manufacture certain safety cables and make them fire resistant, Prysmian purchases limited quantities of a few types of glass-based tape that contain small quantities of mica through both producers and distributors. In 2025, the amount of mica glass-based tapes was worth 0,02% out of the total direct materials purchased by Prysmian.

Mica minerals are not used directly in the Group's products and production processes. The extraction process for this mineral takes place in geographical areas where a variety of factors can potentially contribute to human rights violations such as poor working conditions and child labor (for Prysmian, Mica mines are tier 4/5 in the supply chain). Prysmian has been tackling this issue since 2016, by requesting that all suppliers provide sufficient information about Mica mineral sources and related "Child-Labor Free" Certificates, hence also an assessment of its non tier-1 suppliers.

As of now, the sourcing of mica glass tape is based on the following minimum conditions,

- All suppliers must submit yearly the EMRT (Extended Minerals Reporting Template, developed by Responsible Minerals Initiative - RMI), and,
- All suppliers must declare compliance with human rights policy, confirming the absence of child labor across their supply chain.

Currently 94,2% of the quantity purchased by Prysmian of glass-based tapes that contain Mica come from traced and RMI certified smelters supply chain from a total of 12 active suppliers, which Prysmian with a proactive approach considers as significant suppliers. This proactive approach is further confirmed with Prysmian's performance in 2025 of a sustainability on-site audit for its largest glass Mica tape supplier and in 2026 another audit for its second largest. Prysmian is actively working to ensure compliance of the remaining

5,8%, which originates from small suppliers currently in the process of implementing the EMRT tracking process, in an effort to promote disclosure at all levels.

Moreover, regarding the social impacts deriving from the origin the materials used, Prysmian adopts measures to monitor and prevent potential infringements of human rights. Prysmian implements a "Conflict Minerals Policy", with the aim of guaranteeing a conflict-free supply chain that does not contribute to fueling armed clashes in conflict zones and high-risk areas; this is objective is pursued through the following activities:

- identification of purchased materials and/or semi-finished products containing 3TG;
- requesting all new and regular suppliers of products containing the above materials to complete the latest version of the Conflict Minerals Reporting Template (CMRT), developed by the Responsible Minerals Initiative (RMI) (using international formats and standards);
- analysis of the information received for red flags and inconsistencies and implementation of appropriate corrective actions.

The policy, firstly approved by the Group CEO in 2017 is publicly available at Prysmian's website and has been reviewed in 2025.

A conflict minerals assessment is carried out annually to ensure compliance with regulatory requirements and responsible sourcing practices. The scope of the assessment includes all materials purchased during the year that contain 3TG. For the most recent assessment, which focused on materials sourced in 2025, a comprehensive review of the supply chain was conducted. Since last year, Prysmian has enhanced its conflict minerals due diligence process by engaging Assent (an external provider) to manage the CMRT campaign on its behalf. Assent has been responsible for collecting, consolidating, and analyzing suppliers' CMRT submissions, with a particular focus on verifying whether identified smelters and refiners are conformant with the RMI assessment standards, therefore an assessment also on non Tier-1 suppliers. Even though conflict minerals other than tin are marginal in terms of volume, the engagement of an independent third-party surveyor enabled the expansion of the due diligence scope to include suppliers of materials containing gold (primarily used in the US market). As a result, the overall number of participating suppliers and reported smelters has increased, providing broader transparency and coverage across the supply chain. Furthermore, considering the expanded scope, reporting approach has been modified by generating not only a company-level CMRT but also dedicated CMRTs for Automotive and Elevator businesses, specifically covering the supply chains involving gold smelters.

All smelters identified in the supply chain were verified against the RMI standards and the majority was confirmed to be conformant with RMI's Responsible Minerals Assurance Process (RMAP).

Prysmian's current supply of 3TG minerals already largely avoids conflict-affected and high-risk areas (CAHRA), with approximately 93% of tin smelters and 84% of gold smelters **not** located in such regions. The remaining smelters are periodically monitored to ensure responsible sourcing practices..

Prysmian uses procurement spend as a proxy for revenues, as it provides the most reliable and consistent estimation of exposure to minerals from conflict-affected and high-risk areas, given that revenues cannot be directly traced or attributed to specific suppliers or sourced materials with sufficient accuracy. As a result, percentage of total revenues from products containing minerals from conflict-affected and high-risk areas has been reported as 0.1% since the total CAHRA spend represents a very minor part of total Group spend.

Percentage of total revenues from products containing minerals from conflict-affected and high-risk areas coming from suppliers that have been verified conflict-free has been reported as 100% since Prysmian adopts a forward-looking approach that includes suppliers currently undergoing structured remediation processes; these suppliers are actively implementing corrective actions and are expected to meet conflict-free standards, supporting our objective of a fully conflict-free supply chain.

Revenues from	**FY 2025**
Percentage of total revenues from products containing minerals from conflict-affected and high-risk areas	0.1%
Percentage of total revenues from products containing minerals from conflict-affected and high-risk areas coming from suppliers that have been verified conflict-free	100%

In line with its Conflict Minerals Policy, Prysmian has established a robust due diligence framework that includes a dedicated internal management structure overseeing conflict minerals compliance, the integration of conflict mineral requirements into supplier agreements as part of Prysmian's broader human rights commitments, and the execution of a supply chain survey (annual recurring conflict minerals campaign), now conducted with the support of Assent, to identify smelters/refiners and trace the origin of materials. Therefore, Prysmian maintains traceability systems to determine the country of origin of minerals, implement risk management plans to mitigate or remediate identified risks, and actively investigate alternative sourcing options to reduce reliance on conflict-affected materials. Prysmian's helpline is also available for its stakeholder as a grievance mechanism.

This sourcing profile reflects Prysmian's ongoing commitment to responsible procurement and contributes to minimizing exposure to conflict-affected and high-risk areas.

Furthermore, Prysmian currently supplies ca. 70-80% of aluminum volumes from suppliers certified by the **Aluminium Stewardship Initiative** (ASI) and ca. 70-80% of its copper volumes from suppliers' participants to or either partners of the Copper Mark.

The above-mentioned is a testament of Prysmian's aim at the reduction of the potential negative social impacts of raw material production.

5.1.2.2. Suppliers Assessment – Desk & Risk Analysis

In addition, for the ESG assessment of its supplier base, the Supplier Desk & Risk Analysis has been developed and validated, with the involvement and guidance of the Prysmian Purchasing executive team, with the main purpose of carrying out an assessment and evidence collection/verification on sustainability aspects regarding the main Prysmian suppliers. The analysis is executed by a third-party partner on the sustainability aspects of the company and afterwards weighted with business relevance factors for Prysmian regarding the specific supplier.

For each supplier, the partner investigates websites and **publicly available data** to assess elements of analysis regarding three macro-areas:

- Governance practices and business relevance,
- Environmental criteria, and,
- Social (human and labor rights).

Specifically, the Desk part of the analysis follows the below recognized standards concerning each pillar:

- Governance: having an Ethical Code/Code of business conduct, having anti-corruption/Anti-bribery Policy, operations in countries with high Corruption Perception Index (published by Transparency International).

- Environmental: ISO 14001 Certification, monitoring of production of hazardous waste, purchase/production of energy from renewable sources, Carbon Disclosure Program participation, availability of sustainability targets on environmental aspects and certifications such as B-Corp.

- Social (human and labor rights): OHSAS 18001/ISO 45001 certification, having a human rights policy, operations in countries with high Human Rights Risk Index (published by Maplecroft), presence of workplace injuries monitoring system, availability of H&S policies and eventual targets on social aspects.

As of 2022, an additional Media Analysis has been incorporated. This analysis aims to identify actual or potential ESG irregularity documented by media, regulators and Non-Governmental Organizations.

The overall score assigned to each supplier is calculated based on the number of elements it has publicly disclosed to have implemented in its own operations processes.

The Group also developed an internal classification of the spend to better concentrate on the efforts of this assessment. Out of the entire spend of the group, approximately 13 to 15 B€, Prysmian classified part of it as "Significant Spend".

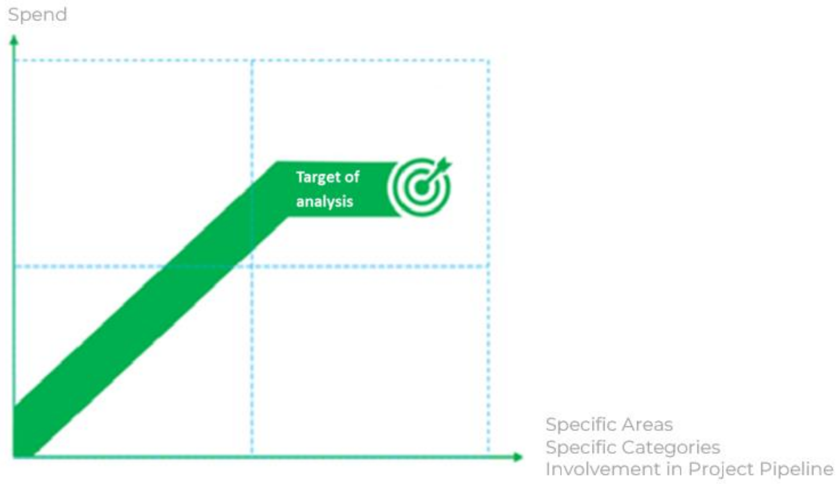
Sector & Commodity-Specific Criteria:

- Base Metals: All Recurring Spend
- Raw Materials: All Suppliers with yearly revenue with Prysmian higher than 100kEur
- Indirect Materials:
  - Country-Specific Criteria: Selected Suppliers coming from the following Geographical Areas (LATAM, APAC, MEART) on these specific Categories:
    - TRANSPORTATION
    - PACKAGING/REELS
    - MRO
    - UTILITIES

- HV Installation: selected Suppliers with relevant scope of work and on-going projects engagement.

The assessment conducted prioritizes raw materials suppliers, given its share of spend and strategic importance.

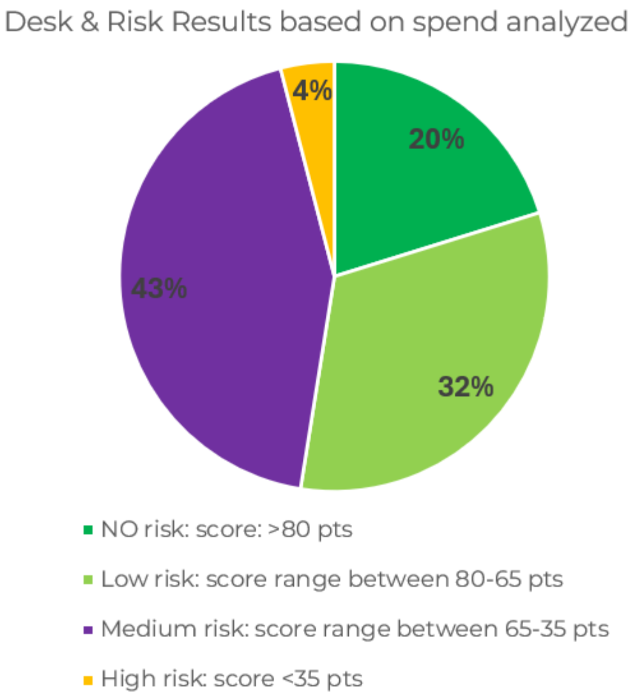
As part of the latest assessment of the actual supply base, Prysmian has analyzed 500 top spend Suppliers through the "Desk & Risk Analysis". These suppliers account for ca. 70% of the global Prysmian 2025 spend and were selected per commodity based on the above criteria; which the graph depicted below summarizes. These 500 suppliers are characterized as Significant Suppliers.



The results of the Desk part of the analysis represent the larger weight of the total score, which is afterwards further calibrated by the 3rd party partner with the input of business relevance and risk factors (country, commodity and specific sector) provided by Prysmian, relevant to each major commodity. This constitutes the second step of the analysis: the “Risk Analysis”. The overall output is a sustainability potential risk that is based on thresholds and allows Prysmian to identify risk clusters and assess dedicated actions.

- Desk Analysis (weight 70%)
- Spend (weight 15%)
- Importance and strategic relevance of the suppliers (weight 15%) – for base metals & HV Installation Suppliers
- Single Source Risk or Replacement Risk (weight 15%) – for raw materials and indirect materials.

The graph below shows the result of the Desk & Risk Analysis carried out based on 2025 spend data. The result is provided with the evaluation from 0-100 score based on the categorization of the potential risk.



In addition, the Analysis provides also a separate score on each supplier on each ESG pillar, for a better understanding of the area with room for improvement and how to best to address it with each supplier. A low score can be connected to a lack of available public information, even if a supplier has the relevant necessary safeguards in place but does not publicly disclose them.

The results of the Desk & Risk Analysis are then reviewed with the Global CPO and the Global Commodity Heads to address requests for clarifications to suppliers and potential on-site sustainability audits. Suppliers with an outcome of High-Risk in the Desk & Risk analysis are prioritized for auditing as further explained in the next section.

5.1.2.3. Sustainability Audits

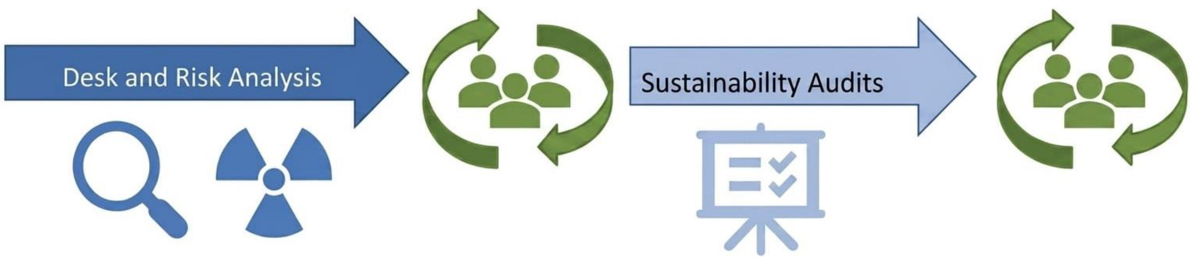
In addition to audits and checks at supplier qualification and product/process audit for incumbent suppliers, a sustainability on-site audit program has been developed in 2017 and is carried out on a yearly basis. The audits are performed by an independent and accredited 3rd party. The audit checklist has been based on the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to responsible business conduct in global supply chains.

Suppliers potentially subject to an audit process are identified through the score assigned according to the result of the Desk & Risk Analysis. More specifically, priority is given to auditing suppliers with potential High-Risk scores, as per above. However, significant suppliers are also subject to audit due to the high impact on the business or due to Prysmian's proactive approach of assessing its sustainability practices. Sustainability always plays a primary role in supplier assessments, and the results of the above audits are shared and discussed with suppliers with the aim of generating positive change and outlining improvement areas and relevant actions necessary, such as corrective measures. For those underperforming, Prysmian may carry out follow-up audits where necessary, and support on implementation of corrective/improvement actions identified.

Because of the ESG assessment, once a supplier undergoes the Desk & Risk analysis, as well as two audits with unsatisfactory results, they are at risk of exclusion from contracting if they cannot achieve the minimum ESG requirements within a set timeframe.

From the beginning of the program until December 2025 a total of 50 sustainability audits were carried out (during the year 2025, 6 sustainability audits were carried out). Overall, 48 suppliers have been audited, including 2 suppliers that have received follow-up audits as an outcome of unsatisfactory results in some areas. The follow-up audits are guided by an improvement plan tailored to the supplier and provided by Prysmian's accredited partner carrying out the ESG auditing process.

Following the increase of the HV installation projects and the specificity of installation and its ancillary services, the sustainability audits program has been extended to provide tailored sustainability audits to such suppliers that fall into categories, divided into land and marine works.



Below a summary of the KPIs obtained with the ESG supply chain analysis on FY25 data.

KPI for upplier assessment and development	FY 2025
Total number of unique suppliers (excluding tail spend of below of 30.000€)	10.715
Number of unique significant suppliers (suppliers subject to Desk&Risk Analysis, suppliers subject to CMRT assessment, Mica glass tapes suppliers described in section 5.1.2.1 and suppliers involved in first phase of Supplier Engagement Program described in section 5.1.3)	745
Number of unique significant suppliers supported with development measures (audited suppliers and suppliers with remediation plans from Supplier Engagement Program described in section 5.1.3)	13
Number of unique significant suppliers assessed via desk assessments/on-site assessments (including Desk & Risk Analysis, sustainability audits, assessments described in Section 5.1.2.1. and suppliers involved in first phase of Supplier Engagement Program described in section 5.1.3)	742
Number of unique suppliers assessed with potential negative impacts	96
Number of unique significant suppliers with potential negative impacts with agreed corrective action/improvement plan (addressed for sustainability on-site audits and remediation plans from Supplier Engagement Program described in section 5.1.3)	13
Number of unique suppliers with substantial actual/potential negative impacts that were terminated	0

5.1.3. Continuous Improvement – Suppliers Screening & Assessment

Prysmian has systems and procedures in place to evaluate the effectiveness of supplier ESG programs.

To streamline processes and further improve the ESG screening of its suppliers, from 2024 Prysmian introduced its innovative Supplier Engagement Program, designed to categorize suppliers, manage a comprehensive risk assessment questionnaire, and formalize interactions through a new Supplier Interaction model. The roll-out of the program included a pilot phase with several key suppliers, from which important insights were gathered to fine-tune the engagement process. The Program is delivered through Prysmian's vendor management platform, Pry-Source.

Building on the previous year's initiatives, Prysmian's Supplier Engagement Program represents a significant enhancement of the supplier assessment processes, with a strong focus on risk management across multiple dimensions, including ESG performance. This improvement positively impacts supplier development programs by motivating Prysmian's third parties to mitigate identified risks and encouraging them to adopt sustainable practices in their operations.

The program's structured monitoring process, facilitated by Pry-Source, allows Prysmian to significantly upgrade its supplier ESG program. This comprehensive approach ensures that suppliers are not only assessed for their current performance but are also guided towards enhancing their practices in alignment with Prysmian's sustainability goals.

During 2025, Prysmian engaged all 161 Top and Strategic vendors (as defined below), submitting them the engagement questionnaire. Based on their answers, which included also several third-party ISO certifications, a total scoring and an ESG-specific one was assigned to each of them. Seven suppliers with a red scoring in the ESG section were asked for and provided Prysmian with a remediation plan.

5.1.3.1. Supplier Engagement Program Overview

The program was devised in three phases.

1. <u>Suppliers Segmentation</u>: clustering of suppliers based upon relevant criteria for Prysmian.
2. <u>Supplier Risk assessment</u>: specific questionnaire by type of risk was distributed

to all suppliers within the key clusters.

3. <u>Supplier Interaction model:</u> is being introduced to further structure the Supplier Relationship Management (SRM).

The Supplier Engagement Program has the oversight of its implementation by the Executive Management of Prysmian and it is guided by the Purchasing organization.

5.1.3.2. Phase 1 - Clustering

Prysmian's overall supplier base was clustered into four classes: Top, Strategic, Collaborative, and Tactical. Each category describes a more strategic role and long-term partnership of the vendor for Prysmian's operations, going from Top to Tactical. In particular, Top, Strategic and Collaborative suppliers cover ca. 80-85% of Prysmian's yearly spend.

The clustering process was meticulously designed to ensure a comprehensive evaluation of each supplier's significance and potential impact on Prysmian's operations. The factors considered:

- Supplier Spend: This criterion evaluates the total expenditure on each supplier over the previous year.
- Risk Sources: This encompasses a range of risk factors such as single-source dependencies, instances of supply chain disruptions, historical performance, etc.
- Innovation Potential: Suppliers are assessed based on their ability to contribute to Prysmian's innovation goals. This includes their track record of introducing new technologies, products, or processes that can enhance Prysmian's competitive edge.
- ESG Enhancement Potential: This factor evaluates suppliers based on their commitment to environmental, social, and governance practices.

5.1.3.3. Phase 2 – Assessment Questionnaire & Risk Score

Designing an assessment questionnaire was the second step in the roll-out of the Supplier Engagement Questionnaire.

The engagement questionnaire comprises five sections: Financial, Operational, Cyber, Geopolitical, and ESG. Each section and the frequency with which it shall be updated is tailored to assess the supplier's risk level based on their cluster and commodity, ensuring a thorough evaluation. A detailed explanation of the sections is provided below:

- *Financial*: this section assesses the financial strength of the supplier's corporate group for multinational corporations and the legal entities for smaller companies. The information may be public for listed companies but private for non-listed ones. This assessment helps Prysmian understand the financial stability and resilience of its suppliers.
- *Operational*: this section evaluates a supplier's capacity to continue manufacturing or delivering services despite temporary or serious issues, while maintaining the desired level of quality. The standards referenced include ISO 9001 (Quality Management Systems) and ISO 23001 (Business Continuity Management). This ensures suppliers can meet Prysmian's quality and continuity expectations.
- *Geopolitical*: this section assesses the supplier's ability to avoid disruptions due to geopolitical issues. This helps Prysmian mitigate risks associated with global political instability.
- *Cyber*: this section evaluates a supplier's capacity to prevent disruptions from cyber threats. The desired standards are based on ISO 27001 (Information Security Management). This ensures suppliers have robust cybersecurity measures in place to protect against digital threats.
- *ESG:* tailored to each material and service category. Prysmian's desired level of ESG performance by its suppliers is full compliance with international standards on Environmental Management, Energy Management, Occupational Health and Safety, Anti-Bribery, Whistleblowing, and Social Accountability. Third-party assessments, such as those from globally recognized platforms, are considered valid performance evaluations. In case a supplier cannot provide such scores, it is asked to demonstrate adherence of its operations to: anti-corruption measures and human rights principles, including the prohibition of forced and child labor, non-discrimination, health and safety standards and worker rights, emission reduction targets and renewable energy usage. Moreover, all vendors are asked about. Lastly, they are all assessed on the implementation of anti-corruption measures. Additional information is requested for specific commodities:
    - Suppliers of glass-based tapes that contain small quantities of Mica must provide the EMRT fulfilled template.
    - Suppliers of base metals are asked to communicate any ESG-related public

initiatives, such as: ASI, Copper Mark, as well as the usage of recycled materials and its percentage.

- Suppliers of specific base metals must provide the related CMRT questionnaire.
- Specific products suppliers are also asked about the origin of wood and other ESG-sensitive materials~~.~~

Supplier answers are condensed into a risk score. Such score is the basis of the following section.

5.1.3.4. Phase 3 – Interaction Model

Structuring and rolling-out an interaction model is the third step of the Supplier Engagement Program.

Prysmian's new Supplier Interaction model provides a blueprint on the interaction with each supplier segment. Its goal is to set different objectives, interaction mechanisms and ensure a clear governance for suppliers' management.

This is a major advancement in supplier management, demonstrating Prysmian's commitment to fostering strong, efficient, and mutually beneficial partnerships. Interactions are tailored to supplier characteristics, ensuring consistency, considering diverse perspectives, and promoting a collaborative environment.

One example of how the interaction model can foster collaboration with suppliers, is support the conveying of information useful for supplier development. For instance, with the risk scoring of suppliers in the same category, a Supplier can be given access or information for ESG benchmarks against peers.

The model rewards stronger ESG commitments. Since the Engagement Questionnaire was designed to comply with stringent regulation on the matter that shall be effective in coming years. Hence, Suppliers with better ESG performance are preferred in supplier selection and contract awarding.

6. ESG factors – Commitments & Targets

6.1. Commitment on Sustainable Raw Materials

Prysmian, through its Purchasing function, is committed to:

- Minimize the negative sustainability impacts of raw materials,
- Collaborate with external stakeholders on best practices for sustainable raw materials,
- Increase the use of third-party verified raw materials,
- Increase the use of recycled raw materials, and
- Avoid raw materials from sites containing globally or nationally important biodiversity sites.

Prysmian performs a set of activities on its raw materials purchases that can encompassed, such as:

- Conducting an assessment to prioritize raw materials and its traceability to origin: as described in sections 4.1, 4.2, 4.3, 5.1.1., 5.1.2 and 5.1.3.
- Reduction of the negative environmental and social impacts of raw material production: as described in sections 4.1, 4.2, 4.3, 5.1.1., 5.1.2,5.1.3, 7.1, 7.2 and 7.3.
- Setting targets for the share of sustainable raw materials: as described in section 6.3. 7.1.,7.2 and 7.3,
- Setting targets for the share of recycled raw materials: as described in section 6.3.
- Reporting progress on sustainable raw materials sourcing targets as described in section 6.2, 6.3., 7.1., 7.2 and 7.3
- Training the company's internal stakeholders on their roles related to sustainable raw materials: as described in section 8.1.
- In terms of the supply chain, the Group has yet to set specific nature and biodiversity-related targets, but is committed to: conducting an assessment of the supply chain to identify any hotspots for biodiversity related impacts; developing supplier engagement strategies to minimize these impacts; continuing with innovation and circularity initiatives designed to reduce dependency on raw materials from biodiversity hotspots.

6.2. Performance on Recycled and Sustainable Materials

Regarding 2025, the following performance regarding recycled and sustainable materials has been obtained:

- Recycled content on polyethylene jackets and copper (percentage by weight): 21,3%

- share of recycled content on copper purchased (percentage by weight) is 21,4%. It excludes occasional suppliers and semi-finished products.

- Recycled steel regarding the total quantity purchased (percentage by weight): 38%
- Recycled plastics regarding the total quantity purchased (thermoplastics, percentage by weight): 2,7%

Transparency regarding the percentage of recycled materials purchased by Prysmian is essential for fostering a more sustainable value chain. Given the company's significant influence on the global cable market, communicating this data contributes to:

- Demonstrating commitment to the circular economy,
- Reducing environmental impact from the production of energy-intensive materials,
- Encouraging suppliers and customers to make more responsible choices, and,
- Aligning with ESG standards and investor expectations.

A clear disclosure can become a competitive lever and a driver of responsible innovation.

6.3. Sustainability Targets

Within Prysmian's Sustainability Scorecard (available at **The Sustainability Scorecard | Prysmian**), the Purchasing Organization plays an active role in supporting objectives such as Circular Economy and reduction of Climate Change by increasing the share of recycled content in addressable materials and supporting the increase of purchase green energy for its operations (reduction of Scope 1 and 2 emissions vs 2019 baseline), whilst also leveraging its role as a driver of change for its supply chain emissions (reduction of Scope 3 emissions vs 2019 baseline)

In 2026, Prysmian introduced the Sustainability & Innovation Scorecard 2026–2028, a three-year impact scorecard based on a 2025 baseline with targets set for 2028. This updated framework translates the Group's ESG commitments and innovation priorities into measurable and monitorable objectives that can be embedded into decision-making processes. In addition to consolidated indicators, the new scorecard includes dedicated KPIs focused on innovation, technology and the development of advanced solutions, assessing performance in terms of human capital, governance, and the Group's capability to lead the energy and digital transition. Below the targets identified:

- Target on raw materials: percentage of recycled content in addressable materials, with a 2025 result of 21.8% and 2028 targets set at 26%–29%. The scope includes the share of recycled content over total purchases of copper, polyethylene used for low- and medium-voltage cable jackets, steel and lead. Copper is considered at Group purchasing level, excluding occasional suppliers and semi-finished products. Polyethylene is limited to jacket applications where the use of secondary raw materials is permitted by customer specifications, while the addressable scope for steel and lead is restricted to defined markets in line with technical and business constraints.

Target on emissions reduction:

- percentage reduction in Greenhouse Gas (GHG) emissions Scope 1 and 2 (market-based) versus the 2019 baseline. In 2025, Prysmian achieved a 40.2% reduction in Scope 1 and 2 GHG emissions compared to 2019, progressing towards the 2028 target of a 50% reduction. The scope covers GHG emissions from operational sites (Scope 1 and Scope 2), with Scope 2 calculated using a market-based method.
- percentage reduction in Scope 3 GHG emissions versus the 2019 baseline. In 2025, Prysmian achieved a 59.7% reduction in Scope 3 emissions compared to 2019, progressing towards the 2028 target range of 63%–65%. The scope includes emissions generated across the upstream and downstream value chain, covering suppliers and customers.

Additionally, Purchasing is also committed to:

- For other specific commodities, setting internal targets baselines for the purchase of sustainable raw materials (i.e. section 7.2 on internal target for CO_2 emissions for steel production).

- Maintain the high level of assessment of the Significant Spend, analyzing significant suppliers with an annual frequency to ensure limiting the exposure of ESG risks in the Group's supply chain, with a target for 2026 to continue to assess 500 suppliers through its Desk & Risk Analysis, which has been fulfilled.

- Maintain the yearly number of suppliers audited through the program of sustainability on-site audits, with a target for 2026 of 6-8 audits to be conducted.
- Scope 3 Upstream: Prysmian is setting a process to collect primary data from Suppliers regarding their CO_2 emissions and establish a common discussion table to align long term targets and ambitions on footprint decarbonization.

7. ESG Factors as Drivers for Business Award - Overview

ESG Factors considerations as a driver for sourcing decisions and business award are becoming increasingly important within Prysmian Supply Chain Strategy.

The Group's main suppliers are regularly involved in specific activities to generate a medium/long-term impact on the sector, such as workshops and ongoing collaborations on the development of more sustainable products and, consequently, more sustainable supply chains.

The actions outlined below aim to reduce the negative environmental and social impacts of raw materials production.

7.1 Base Metals

7.1.1. Initial Supplier Assessment

Base Metals have been the first area of great attention in terms of sustainability due to their impact on the Prysmian business in terms of both products and spend and due to the intrinsic nature of the materials supplied that are sensitive as far as environmental and social impact are concerned.

Having done for all the recurring rod suppliers the Assessment process, on one side it has been possible to have a clear assessment by supplier and to give to each and every supplier feedback based on the result, on the other hand a minimum scoring has been defined to use as preferential driver for sourcing decision and business award year over year.

7.1.2. Primary Base Metals – ESG Criteria in Business Decisions

Prysmian is committed to ensure the respect of the highest sustainability standard across its entire value chain, starting from the goods and services purchased from third parties up to the deliveries and operation of the finished products.

Focusing on the material purchased from third Parties, Prysmian acknowledges that there are different degrees of attention to the ESG factors among different Suppliers.

Suppliers who excel at ESG indicators may be favorably considered when it comes to contract awarding and selection for different projects.

Prysmian in fact aims to focus on best-in-class suppliers through multiple layers of selection criteria aimed to assure the best sustainable supply chain available for a certain product and in each region and to promote and develop best practices in those regions where there is lower maturity towards ESG factors

Along with the Vendor Management Portal, the Desk & Risk analysis and the Sustainability Audit program already described, there are other criteria for Base Metals that influence the business decision process. The parameters below are assessed in Prysmian's sourcing process for base metals and can drive business award decisions, even if not specifically required by customers or segments in which Prysmian operates, since it is a paramount aspect of the Group's ESG targets and ambitions.

- Copper recycled content: to meet the Group target the percentage of scrap in the metals sourced is a criterion of preference.
- Carbon footprint: the Group target to reduce Global Carbon footprint, and particularly Scope 3 emissions, is translated into a preferential choice of materials and suppliers that have best in class performances in terms of CO_2 per ton of material. This is particularly important for aluminum where Carbon footprint can be particularly high and to assess this specific carbon footprint and target "low-carbon aluminum" purchases, Prysmian refers to production cycles that use renewable energy and are therefore able to achieve a carbon footprint between 4 and 6 tons of CO2 per ton of aluminum produced (Scope 1 & 2). Prysmian aims to reach sourcing from the best in class regarding carbon emissions, currently at 4 tons of CO2 per ton of aluminum produced (Scope 1 & 2).
- Certifications: presence of certification such as Environmental Production Declaration (EPD), Life Cycle Assessment (LCA) or other documents is a preferred criterion.
- Suppliers that join globally recognized initiatives (i.e. Copper Mark, ASI) are to be preferred.

With Prysmian's global footprint it needs to be acknowledged that different regions offer different opportunities in terms of availability of green and sustainable products. Tariffs, constraints of different nature like sanctions, logistics etc. prevent the possibility of having material flowing freely across the globe. Nevertheless, Prysmian is committed to source from best-in-class suppliers and use the best solution available in the different markets acting as a development agent spreading best practices across different regions, creating a demand of sustainable products also in those markets less advanced on this requirement.

Prysmian is partnering with its supply chain in order to accelerate sustainability goals, as per press release available **here**. Another example is a strategic collaboration across the value chain, enabling the use of 100% recycled copper for a specific project (press release available **here**).

One further example of Prysmian's action as a driver of change, since 2022, there are ongoing projects for the supply of recycled aluminum content and to increase the percentage of recycled aluminum in cables produced. The process is designed to support circularity, whereby Prysmian sends scrap to the supplier, and the scrap is then used in the material Prysmian receives from the supplier.

7.2. Raw Materials

As part of Prysmian's ESG strategy, steel has been identified as a key material for targeted sustainability initiatives. A structured approach has been launched aimed at enhancing sustainability across the supply chain, starting with the monitoring of market opportunities related to recycled and low-carbon steel.

A comprehensive assessment of the supplier base was conducted to evaluate their performance in terms of CO_2 emissions and production methods (integrated blast furnace vs. electric arc furnace).

With the ambition to trigger market transformation—despite the current low maturity of the green steel market—a requirement has been introduced for all suppliers to provide a self-declaration certifying the percentage of recycled steel (scrap) used and the CO_2 emissions per ton of product, including Scope 1, 2, and 3 emissions. Additionally, suppliers are encouraged to initiate third-party EPD certifications, particularly for galvanized steel wire used in high-voltage submarine cables, to offer transparent and verifiable solutions to the market.

In parallel, ESG criteria have been embedded into the qualification process for new suppliers, with specific focus on CO_2 emissions and the use of recycled materials.

Although standard literature typically reports CO_2 emissions for steel production between 1,2 and 1,8 tons per ton of steel, Prysmian has set its internal target baseline of below 1,5 ton of CO_2 emission per ton of steel. This helps to encourage suppliers to improve production methods and processes and ultimately reduce emissions.

These criteria have also become fundamental in the business allocation process for new projects, where environmental sustainability, measured through recycled content and carbon footprint, now plays a key role in the evaluation of bids and the assignment of business at all levels.

In particular, the above-mentioned actions have led Prysmian in 2025 to obtain the results of ca. 38% of recycled steel regarding the total quantity purchased.

Furthermore, Prysmian is consistently monitoring opportunities offered by supply market when it comes to circular or low carbon content materials also for other categories such as XLPE, PVC, mineral fillers, polyolefin-based compounds and yarns. While none of these commodities is showing today a significant maturity in terms of sustainable solutions, some suppliers are investing into new technologies (e.g. advance recycling) and offering new products (e.g. bio-based polymers). As a result of this scouting, Prysmian promotes and invests effort in piloting initiatives involving the delivery of products to customers with a higher degree of circular/low carbon content, and prioritizing relationships with the suppliers that invest in technology and sustainable product offering. One example is the strategic partnership with an important chemical company to give new life to the plastic scrap of its manufacturing facilities (press release available **here**).

7.3 Indirect Materials

Below are some examples on responsible sourcing practices within Prysmian's indirect materials category:

- Packaging: Among the packaging solutions used by Prysmian, a significant share consists of wooden drums, alongside steel and plastic alternatives, to deliver products to customers. Given the strategic relevance of wood-based materials, the Group is committed to ensuring responsible sourcing, full traceability, and continuous improvement of sustainability standards across all regions. In Europe, Prysmian has achieved full alignment with leading sustainability standards, with 100% of suppliers providing wooden drums sourced from certified timber (**FSC** , **PEFC**, or equivalent). This positions the region as a benchmark within the Group. Beyond compliance with the EU Deforestation Regulation (EUDR), Prysmian proactively prepares for upcoming requirements such as the Packaging and Packaging Waste Regulation (PPWR), working closely with suppliers to ensure early readiness. Full adherence to the internally devised Operating Instruction "*Procurement Guideline for the Traceability of Wood-based Materials in Packaging"*, together with the integration of ESG criteria into supplier evaluation and tendering processes, ensures high transparency and consistent sustainability performance. Across other regions, Prysmian is accelerating the adoption of certified wood sourcing and enhanced traceability, using suppliers with certified timber under recognized schemes (PEFC, FSC, SFI, Canadian Wood Pallet Certification Program, Timber Trade Federation, and specific Countries issued certifications). The Group is committed to further strengthening procurement requirements, engaging suppliers, and scaling internal standards globally, leveraging the positive spillover of EU regulatory frameworks. In parallel, Prysmian promotes drum design standardization to enable reuse, improve logistics efficiency, and reduce environmental impact, in collaboration with suppliers and industry players.

- Utilities: Prysmian has also adjusted its vendor sourcing strategy to emphasize the importance of ESG factors. For example, in contract renewal phase for electricity providers, the electricity mix of the suppliers is a parameter requested as well as the supplier's alternatives for green energy supply. Furthermore, as part of the commitment to lower the environmental impact of the Company, Prysmian is actively securing renewable energy supply through a range of instruments. Off-site Power Purchase Agreements with renewable energy generators are currently in effect for securing part of its energy needs. .

- Transportation & Logistic: Incorporating sustainability into the transportation procurement process is a critical step towards reducing the environmental impact of logistics. Group's sourcing process requests disclosure of CO2 emissions during the tender phase (for Full Truckload transport service), carriers can make more informed decisions that align with their sustainability goals. This approach not only helps in selecting suppliers who are committed to environmental stewardship but also encourages the industry to move towards greener practices. Prysmian also requests the dedicated costs for the usage of biofuel for road and sea transport or electric vehicles for road transport, incentivizing the adoption of cleaner energy sources. Furthermore, selected suppliers are required to provide quarterly CO_2 emission reports during shipments execution to ensure ongoing accountability and enable companies to track their carbon footprint over time.

- MRO: exploring ESG factors is a part of tender phase for all Request for Proposals for facilities or regions beginning in 2022 for instance focusing on local environmental compliance, health and safety and ethical practices internally and within their supply chain. ESG criteria are incorporated into the evaluation, award, and ongoing management processes for suppliers in the MRO category. One example is for Europe region, where the suppliers declared levels are compared to standards required by public contracts regulations, ISO standards and health and safety work guidelines.

7.4 HV Installation

The major drivers leading the procurement strategy of this category are the following:

- Increase of early agreements with contractors during bidding phase (prior to the project award) to secure commitment from supplier base from early phases of a project;
- Enhance the local content (where applicable and possible) and focus on compliance with Quality and Health Safety and Environment (HSE) standards, as well as ensure respect of the highest sustainability standard across the entire value chain;
- Foster sustainable growth throughout the supply chain assessing long-term solidity of key suppliers, potentially discussing multi-project partnerships;
- Develop sustainability tailored initiatives on projects as per delivering Prysmian's clients a lifecycle perspective on environmental, with a focus on decarbonization, and social topics. This comprises a close dialogue and engagement with its contractors during the full project life cycle on the above-mentioned areas. Prysmian requires data to its installation Contractors to assess the overall project-specific carbon footprint. For example, for land activities, Prysmian requests data and information on diesel for equipment at site, as well as for marine operations, where MGO (Marine Gas Oil) is needed for vessels carrying out cable installation or other ancillary offshore scopes.

Furthermore, as part of the sourcing process in bidding phase, the Group has recently developed and introduced a dedicated annex containing project-specific sustainability requirements. This is part of the Request for Quotation issued to the market and feedback from its Contractors on such document is required during the bidding phase to assess subcontractors' sustainability approach and ensure alignment with project and client requirements. It helps identify subcontractors who can achieve measurable sustainability results and support project goals. After award, during project execution, suppliers are required to be available for second- and third-party sustainability audits, collaborate with Prysmian on emission reduction and environmental and social value initiatives, and provide regular reporting on fuel consumption in line with project requirements. These requirements are in place to ensure that sustainability commitments made during the bidding phase are effectively implemented, monitored, and verified throughout the project, enabling continuous improvement and alignment with project and client objectives.

8. Increasing ESG Awareness

8.1. Awareness within The Organization

The activities done to increase ESG factors importance and consideration within supply chain strategy and supply base management since 2015 are also part of the professional training of the Purchasing team worldwide. Prysmian Academy aims to give specialized professional training by function.

The Purchasing Professional Academy has a specific program devoted to upskilling its professionals, including core courses for Purchasing such as negotiation and contract management. Also, new Global Commodity Leaders & Buyers are required to attend the module "Purchasing Essentials". The program consists of one class per year, attended by ca. 30 people (10-15% of the total group Purchasing employees). Starting from 2015, the training program includes a recurring section, dedicated to the importance of ESG supplier assessment and its impact in business awarding.

In addition to the above, Global Sustainability Academy has been launched in 2023. This initiative involves all Prysmian employees and aims to spread the culture of sustainability within the entire corporate population worldwide and further strengthen the Group's commitment to the implementation of its Climate & Social Ambitions, with reference to the parameters related to employees' engagement and their up-skilling. The program of the Academy is training structured in five macro-modules - awareness, knowledge, impact, leadership and KPIs - each of which deals with one or multiple strategic topics related to sustainability.

Specific training initiatives have also been developed for the Purchasing and Supply Chain function. In 2025, a specific training has been held called "Purchasing Excellence", which has covered several topics, among which a step-by-step approach for the sustainable upstream supply chain, focusing on life-cycle assessments. This training raises the awareness and cooperation of the company's internal stakeholders on their roles related to sustainable raw materials, having been attended by ca. 15 colleagues.

8.2. Awareness Outside the Organization

Prysmian has numerous initiatives and events in which sustainability initiatives are discussed and awareness for such topics is raised.

- Capital Markets Day 2025 – Sustainability and Innovation

  The Group's Capital Markets Day took place in New York in March 2025. The 2025 edition focused also on the integration of sustainability and innovation into Prysmian's business strategy, with the presentation of updated targets related to climate change, circular economy and sustainability-linked revenues. The event addressed key topics such as energy transition, electrification, decarbonization and value chain engagement, highlighting the role of innovation in supporting the development of new solutions. It also provided an opportunity to engage with investors and external stakeholders, sharing how sustainability and innovation are embedded into the Group's business model and contribute to long-term value creation.

- Prysmian Periodic Supplier Conference

  Since 2024, Prysmian has been engaging its supplier base through periodic Supplier Conferences. The event includes discussions with the participation of internal stakeholders and suppliers, focusing on sustainability and innovation across the value chain. During the conference, Prysmian shares information on its sustainability strategy and ESG goals with its supplier base, with the aim of aligning with its main partners on meeting sustainability targets. The conference also provides space for suppliers to share knowledge and best practices, encouraging dialogue and collaboration on topics such as innovation, environmental performance and responsible sourcing. During the 2025 conference, Prysmian awarded 7 selected suppliers for excellence, innovation and sustainability, in recognition of their full alignment with the Company's goals and vision.

- Worldwide Purchasing Leadership Meeting (WWPLM)
  In February 2024 and 2025, within the WWPLM, Prysmian held panel discussions and welcomed the participation of major utility customers of the Group, highlighting the importance of sustainability across the value chain. In 2026, the WWPLM further addressed sustainability and innovation through focused sessions on driving competitive advantages through materials innovation and sustainable products, emphasizing the role of product innovation, advanced materials and supplier collaboration in supporting electrification, energy transition and long-term value creation.