



Pirelli & C. S.p.A.

Shareholders' Meeting of 12 December 2024

Amendment to the Company Bylaws

Legislative references

December 2024

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Law No. 21 of 5 MARCH 2024 - INTERVENTIONS IN SUPPORT OF CAPITAL COMPETITIVENESS AND DELEGATION TO THE GOVERNMENT FOR THE ORGANIC REFORM OF THE PROVISIONS ON CAPITAL MARKETS CONTAINED IN THE CONSOLIDATED TEXT OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998, AND OF THE PROVISIONS ON CORPORATIONS CONTAINED IN THE CIVIL CODE ALSO APPLICABLE TO ISSUERS.

The Chamber of Deputies and the Senate of the Republic have approved;

THE PRESIDENT OF THE REPUBLIC

Promulgates

the following law:

Chapter I

Simplification of access to and regulation of capital markets

Art. 1

Provisions on off-site offerings

1. In Article 30(2) of the Consolidated Law on Financial Intermediation, referred to in Legislative Decree No. 58 of 24 February 1998, the following subparagraph shall be added after subparagraph (b)

"(b-bis) offers to sell or subscribe for own shares or other financial instruments of its own issuance enabling the acquisition or subscription of such shares, provided that they are issued by issuers whose shares are traded on regulated markets or multilateral trading facilities in Italy or in countries of the European Union, provided that they are made by the issuer through its directors or its managerial staff for subscription or purchase amounts exceeding or equal to EUR 250,000. This letter does not apply to shares issued by Sicavs and Sicafs.

Art. 2

Extension of the definition of the category of small and medium-sized issuers of listed shares

1. In Article 1(1)(w-quater.1) of the Consolidated Act referred to in Legislative Decree No 58 of 24 February 1998, the words "to EUR 500 million" is replaced by the following: "to EUR 1 billion".

Art. 3

Dematerialisation of shares of small and medium-sized enterprises

1. In Article 26 of Decree-Law No. 179 of 18 October 2012, converted, with amendments, by Law No. 221 of 17 December 2012, the following paragraphs are inserted after paragraph 2:

"2-bis. Units belonging to the categories of subsection 2, having equal value and conferring equal rights, of the companies referred to in the same subsection may exist in book-entry form pursuant to the provisions of Article 83-bis of the Consolidated Law on Finance referred to in Legislative Decree No. 58 of 24 February 1998.

2-ter. The rules set forth in Section I of Chapter IV of Title II-bis of Part III of the Consolidated Act referred to in Legislative Decree No. 58 of 24 February 1998 shall apply to units issued in book-entry form pursuant to Paragraph 2-bis.

2-quater. For the companies referred to in subsection 2 that make use of the provisions of subsection 2-bis, it is mandatory to keep the shareholders' register. In the case of participations issued in other than book-entry form, the names of the shareholders, the participation to which each shareholder is entitled, the payments made on the participations, as well as changes in the persons of the shareholders must be indicated in the shareholders' book, separately for each category. In the case of units issued in book-entry form, the company is required to update the shareholders' register in accordance with the provisions for shares in Article 83-undecies(1) of the Consolidated Law on Finance as set out in Legislative Decree No. 58 of 24 February 1998. The results of the book shall be made available to the members, at their request, also in computerised form in a commonly used format'.

2. In Article 100-ter, paragraph 2, introductory sentence, of the Consolidated Act referred to in Legislative Decree No. 58 of 24 February 1998, after the words: "by Law No 133 of 6 August 2008," the following shall be inserted: "as well as, limited to the shares representing the capital of small and medium-sized enterprises, by Article 26, paragraph 2-bis, of Decree-Law No 179 of 18 October 2012, converted, with amendments, by Law No 221 of 17 December 2012,".

Art. 4

Reform of the regulation of issuers of popular financial instruments

1. The Consolidated Text set forth in Legislative Decree No. 58 of 24 February 1998 is amended as follows:

- a) In Article 83-sexies, paragraph 3, the words: "With regard to meetings of holders of shares widely distributed among the public, the time limit may not exceed two non-holidays." are deleted;
- b) In Article 102, paragraph 4, the words: "or disseminated to the public within the meaning of Article 116" shall be replaced by the following: "or traded on multilateral trading facilities";

- c) in Article 114-bis:
 - 1) in paragraph 1, introductory sentence, the words: "Compensation plans" are replaced by the following: "In listed issuers, compensation plans";
 - 2) Paragraph 2 is repealed;
- d) Article 116 is repealed;
- e) Article 118(2) shall be repealed;
- f) in Article 148-bis:
 - 1) in paragraph 1, the words: "as well as companies issuing securities that are widely distributed among the public within the meaning of Article 116," are deleted;
 - 2) in paragraph 2, the words: "as well as companies issuing securities that are widely distributed among the public within the meaning of Article 116," are deleted;
- g) Article 165-ter:
 - 1) paragraph 1 shall be replaced by the following

"1. Italian companies with shares listed on regulated markets, as referred to in Article 119, which control companies having their registered office in States whose legal systems do not guarantee transparency in the constitution, assets and liabilities, financial situation and management of the companies, as well as Italian companies with shares listed on regulated markets which are affiliated with the aforesaid foreign companies or are controlled by them, are subject to the provisions of this Section;
 - 2) in paragraph 6, the words: "and to Italian companies issuing financial instruments that are widely distributed among the public pursuant to Article 116" are deleted;
- h) In Article 165-quater, paragraph 1, the words: "and Italian companies issuing financial instruments that are widely distributed among the public, within the meaning of Article 116," are deleted;
- i) In Article 165-quinquies, paragraph 1, the words: "and Italian companies issuing financial instruments that are widely distributed among the public, within the meaning of Article 116," are deleted;
- l) In Article 165-sexies, paragraph 1, the words: "and Italian companies issuing financial instruments that are widely distributed among the public, within the meaning of Article 116," are deleted;
- m) In Article 191-ter, paragraph 6, the words: "or widely circulated among the public" are deleted;
- n) In Article 193, paragraph 1, the words: "116, paragraph 1-bis," are deleted.

2. Article 19-bis(1)(a) of Legislative Decree No. 39 of 27 January 2010 is repealed.

3. The Civil Code shall be amended as follows:

- a) The following Article shall be inserted after Article 2325-bis:

"Article 2325-ter (Companies issuing widespread financial instruments). - For the purposes of Article 2325-bis, issuers of shares that are widely distributed among the public are Italian issuers not listed on Italian regulated markets that have shareholders, other than shareholders holding more than 3 per cent of the capital, in

excess of five hundred that together hold a percentage of share capital of at least 5 per cent and exceed two of the three limits set forth in Article 2435-bis, first paragraph.

Issuers whose shares are subject to legal restrictions on circulation also concerning the exercise of rights having an equity content, or whose corporate purpose provides exclusively for the performance of non-profit activities of social utility or for the enjoyment by shareholders of a good or a service, are not deemed to be public issuers.

They are not considered to be widespread issuers:

- 1) issuers under extraordinary administration from the date of issue of the decree ordering the cessation of business activities;
- 2) issuers in an arrangement with creditors in liquidation or in indirect continuity since the date of approval by the court;
- 3) issuers in respect of which compulsory liquidation or compulsory administrative liquidation is declared pursuant to the Code of Corporate Crisis and Insolvency, pursuant to Legislative Decree No. 14 of 12 January 2019, or special laws;
- 4) issuers in respect of which the total reduction of the shares or the value of the bonds has been ordered since the date of publication of the measure referred to in Article 32(3) of Legislative Decree No 180 of 16 November 2015.

Issuers of bonds that are widely distributed among the public are Italian issuers of bonds, also relating to several ongoing issues, with a total nominal value of not less than EUR 5 million and with a number of bondholders exceeding five hundred.

The provisions of the preceding paragraphs do not apply to financial instruments issued by banks other than shares or financial instruments that permit the acquisition or subscription of shares.

Issuers shall be deemed to be issuers of widespread financial instruments from the beginning of the financial year following the financial year in which the conditions provided for in this Article have been met until the end of the financial year in which it has been established that these conditions no longer apply.

In the case provided for in the second paragraph of Article 2409-bis, Article 155(2) of the Consolidated Law on Financial Intermediation, pursuant to Legislative Decree No. 58 of 24 February 1998, shall apply to the auditing firm.

For the purposes of Article 2343-ter, transferable securities and money market instruments shall mean those referred to in Article 1(1-bis) and (1-ter) of the Consolidated Law on Financial Intermediation, referred to in Legislative Decree No. 58 of 24 February 1998";

- b) In Article 2341-ter, first paragraph, after the words: "to the venture capital market" shall be inserted: "or with shares traded on multilateral trading facilities";
- c) Article 2391-bis:
 - 1) in the first paragraph, the words: "resorting to the venture capital market" is replaced by the following: 'with shares listed on regulated markets';

- 2) in the third paragraph, point (b), the words: "resorting to the venture capital market" are deleted.

4. Article 111-bis of the provisions for the implementation of the Civil Code and transitional provisions, set forth in Royal Decree No. 318 of 30 March 1942, is repealed.

Art. 5

Extension of the option to prepare financial statements in accordance with international accounting standards to companies with shares traded on multilateral trading facilities

1. In Article 2(1) of Legislative Decree No 38 of 28 February 2005, the following subparagraph shall be inserted after subparagraph (a):

"(a-bis) companies issuing financial instruments admitted to trading on a multilateral trading facility referred to in Article 1(5-octies)(a) of the Consolidated Law on Financial Intermediation, referred to in Legislative Decree No. 58 of 24 February 1998".

Art. 6

Floating Provisions

1. In Article 112(1) of the Consolidated Act referred to in Legislative Decree No. 58 of 24 February 1998, the words: "By order to be published in the Official Journal, it may, after consulting the market management company, raise the percentage laid down in Article 108 for individual companies' shall be deleted.

Art. 7

Amendment to the rules on the subscription of bonds issued by joint-stock companies and debt securities issued by limited liability companies

1. The Civil Code shall be amended as follows:

a) Article 2412:

- 1) in the first paragraph, after the words: "twice the share capital" shall be inserted: "resulting from the last of the entries referred to in Article 2444(1)";
- 2) in the fifth paragraph, after the words: "to be" shall be inserted: "subscribed, also upon resale, exclusively by professional investors within the meaning of special laws, if such provision is among the terms of the issue, or to be";

b) In Article 2483, the following paragraph shall be inserted after the second paragraph:

"Para. (2) shall not apply to securities to be acquired exclusively by professional investors within the meaning of special laws if such a provision is among the terms of the issue referred to in para.

Art. 8

Simplification of listing procedures

1. The Consolidated Text set forth in Legislative Decree No. 58 of 24 February 1998 is amended as follows:

- a) Article 66-bis(2)(a) and (c) shall be deleted;
- b) in Article 66-ter:
 - 1) Paragraphs 4 and 5 are repealed;
 - 2) in paragraph 6(a), the words: "prohibit the implementation of the decisions on admission to listing and exclusion from trading referred to in paragraph 4, or" are deleted.

Art. 9

Amendments to the Rules on the Approval of Prospectus and Liability of the Placer

1. Article 94 of the Consolidated Act referred to in Legislative Decree No 58 of 24 February 1998 is amended as follows:

- a) In paragraph 3, the following sentences are added at the end: "The time limits for the approval of the prospectus provided for in Article 20(2), (3) and (6) of the Prospectus Regulation shall run from the date of submission of the draft prospectus. If Consob determines that the draft prospectus does not meet the criteria of completeness, comprehensibility and consistency necessary for its approval or that amendments or additional information are required, the procedure and time limits set out in Article 20(4) of the Prospectus Regulation shall apply in accordance with the proportionate approach set out in Article 41 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019."
- b) Paragraph 7 is repealed.

Art. 10

Repeal of the obligation to report transactions by controlling shareholders

1. Article 114(7) of the Consolidated Act referred to in Legislative Decree No. 58 of 24 February 1998 is repealed.

Art. 11

Conduct of Shareholders' Meetings of Listed joint-stock Companies

1. The following is inserted after Article 135-undecies of the Consolidated Act referred to in Legislative Decree No 58 of 24 February 1998

"Art. 135-undecies.1 (Participation in the shareholders' meeting through the appointed representative) - 1. The Articles of Association may provide that participation in the shareholders' meeting and the exercise of voting rights shall take place exclusively through the representative designated by the company pursuant to Article 135-undecies.

The appointed representative may also be granted proxies or sub-delegations pursuant to Article 135-novies, notwithstanding Article 135-undecies, paragraph 4.

2. Proposals for resolutions may not be tabled in the assembly. Notwithstanding the provisions of Article 126-bis, paragraph 1, first sentence, those entitled to vote may individually submit proposals for resolutions on items on the agenda or proposals the submission of which is otherwise permitted by law no later than fifteen days prior to the date of the first or single call of the shareholders' meeting. The resolution proposals are made available to the public on the company's website within two days after the deadline. Entitlement to submit individual resolution proposals is subject to the company's receipt of the notice provided for in Article 83-sexies.

3. The right to ask questions referred to in Article 127-ter shall only be exercised prior to the general meeting. The company shall provide answers to the questions received at least three days before the meeting.

4. Paragraph 1 also applies to companies admitted to trading on a multilateral trading facility'.

2. The deadline set forth in Article 106, paragraph 7, of Decree-Law No. 18 of 17 March 2020, converted, with amendments, by Law No. 27 of 24 April 2020, relating to the holding of shareholders' meetings of companies and entities, is postponed to 31 December 2024.

Art. 12

List of the Board of Directors in Listed joint-stock Companies

1. After Article 147-ter of the Consolidated Act referred to in Legislative Decree No. 58 of 24 February 1998, the following is inserted

"Article 147-ter.1 (List of the Board of Directors). - 1. Notwithstanding the provisions of Article 147-ter, paragraphs 1-ter, 3 and 4, the Articles of Association may provide that the outgoing board of directors may submit a list of candidates for the election of the members of the board of directors. In that case:

- a) The outgoing board of directors decides on the presentation of the list with the favourable vote of two thirds of its members;
- b) the list contains a number of candidates equal to the number of members to be elected plus one third.

2. The list referred to in paragraph 1 shall be filed and made public in the manner specified in Article 147-ter, paragraph 1-bis, no later than the fortieth day prior to the date of the shareholders' meeting called to resolve on the appointment of the members of the board of directors.

3. If the list referred to in paragraphs 1 and 2 is submitted:

- a) if the list of the outgoing board of directors is the one that obtained the highest number of votes, the number of directors due according to the sequential order in which the

candidates are listed shall be drawn from the same list, in accordance with the procedures set forth in letter b), as follows

- 1) the assembly proceeds to a further individual vote on each candidate;
 - 2) the candidates are ordered according to the number of votes obtained by each of them from highest to lowest;
 - 3) the candidates with the highest number of votes, in proportion to the posts to be filled, are elected;
 - 4) in the event of a tie between candidates, the order in which they appear on the list shall be used;
- b) If the list of the outgoing board of directors is the one that received the most votes at the shareholders' meeting, the members of the new board of directors pertaining to minority shareholders are taken from the other lists as follows:
- 1) if the total number of votes cast by the other lists, no more than two in order of consensus at the Shareholders' Meeting, is no more than 20 per cent of the total votes cast, the aforesaid lists shall compete for the allocation of seats on the board of directors in proportion to the votes cast by each of them at the Shareholders' Meeting, and in any case for a total amount of no less than 20 per cent of the total number of members of the same body. The remaining seats on the board of directors shall be allocated to the list with the highest number of votes, and the candidates shall be voted on by the shareholders' meeting in the manner set out in (a);
 - 2) if the total number of votes cast at the shareholders' meeting by the other lists, no more than two in order of consensus gathered, exceeds 20 per cent of the total votes cast, the members of the new board of directors pertaining to minorities shall be assigned in proportion to the votes obtained by the minority lists that obtained a percentage of votes of no less than 3 per cent. For the purposes of calculating the distribution of councillors pursuant to the first sentence, the votes of the lists with a percentage of votes below 3 per cent shall be allocated in proportion to the votes obtained by the minority lists that exceeded that threshold;
- c) If the list of the outgoing board of directors is the only one duly submitted, the directors to be elected shall be drawn in full from it.

4. If the list of the outgoing board of directors has competed, in accordance with this Article, for the distribution of the elected directors by being the one that received the highest number of votes at the Shareholders' Meeting, the Articles of Association shall provide that any endo-consultative committee set up on internal control and risk management shall be appointed by the board of directors and chaired by an independent director identified from among the elected directors who were not taken from the list of the outgoing board of directors”.

2. The National Commission for Companies and the Stock Exchange (Consob) shall lay down, by its own regulation, implementing provisions of the provisions set forth in Article 147-ter.1 of the Consolidated Act referred to in Legislative Decree No. 58 of 24 February 1998, introduced by paragraph 1 of this Article, within thirty days of the date of entry into force of this Law.

3. Issuers shall adapt their articles of association so as to enable the application of the provisions of this Article as from the first general meeting called for a date after 1 January 2025.

Article 13

Provisions on multiple voting

1. In Article 2351, fourth paragraph, last sentence, of the Civil Code, the word: "three" is replaced by the following: "ten".

Article 14

Provisions on enhanced voting

1. The Consolidated Text set forth in Legislative Decree No. 58 of 24 February 1998 is amended as follows:

a) In Article 106, the following paragraph shall be inserted after paragraph 5:

"5-bis. The obligation to make a bid does not apply if the thresholds are exceeded as a result of an increase in voting rights following a merger, cross-border transformation or proportional demerger carried out pursuant to Legislative Decree No. 19 of 2 March 2023, where in each of the aforementioned cases there is no change in the direct or indirect controlling relationship over the company resulting from such transactions";

b) Article 127-quinquies is replaced by the following:

"Article 127-quinquies (Voting Enhancement). - 1. The Articles of Association may provide that an increased vote, up to a maximum of two votes, is to be attributed for each share held by the same person for a continuous period of not less than twenty-four months from the date of inclusion in the list provided for in paragraph 4.

2. The Articles of Association may also provide for the granting of an additional vote upon the expiration of each twelve-month period, following the expiration of the period referred to in paragraph 1, during which the share has belonged to the same person on the list provided for in paragraph 4, up to a total maximum of ten votes per share. For shareholders who have accrued the increase referred to in subsection 1 and who are included in the list provided for in subsection 4 on the date of the registration of the resolution of the shareholders' meeting amending the statutes pursuant to this subsection, the further accrual period shall commence on that date.

3. The statutes may also provide that the person entitled to vote may irrevocably waive, in whole or in part, the increased voting right referred to in subsection 1 or subsection 2.

4. The Articles of Association shall lay down the modalities for the attribution of the enhanced vote provided for in paragraphs 1 and 2 and for ascertaining the relative prerequisites, providing in each case for an appropriate list. Consob shall lay down by its own regulation the provisions implementing this Article in order to ensure transparency of ownership structures and compliance with the provisions of Section II of Chapter II of Title II of this Part. The disclosure requirements for holders of major holdings remain unaffected.

5. The transfer of the share for consideration or free of charge or the direct or indirect transfer of controlling interests in companies or entities that hold shares with the enhanced voting rights provided for in paragraphs (1) and (2) above the threshold provided for in Article 120 (2) entails the loss of the enhanced voting rights. If the statutes do not provide otherwise, the right to vote shall be increased:

a) shall be retained in the event of succession by reason of death as well as in the event of merger and demerger of the holder of the shares;

(b) extends to newly issued shares in the event of a capital increase pursuant to Article 2442 of the Civil Code.

6. The draft terms of merger or division of a company whose articles of association provide for the enhanced voting right referred to in paragraphs 1 and 2 may provide that the enhanced voting right also applies to the shares to which the enhanced vote is attributed. This provision also applies in the case of a cross-border merger, demerger or transformation pursuant to Legislative Decree No. 19 of 2 March 2023. The articles of association may provide that the increased voting rights extend proportionally to shares issued in execution of a capital increase by means of new contributions.

7. The shares to which the benefit provided for in paragraphs 1 and 2 applies do not constitute a special class of shares within the meaning of Article 2348 of the Civil Code.

8. An increase of the vote pursuant to Section 1 does not confer a right of withdrawal, whereas an increase of the vote pursuant to Section 2 confers a right of withdrawal pursuant to Article 2437 of the Civil Code.

9. Where the resolutions to amend the articles of association referred to in paragraph 8 are adopted in the course of the procedure for the listing on a regulated market of the shares of a company not resulting from a merger involving a company with listed shares, the relevant clause may provide that for the purposes of the continuous holding provided for in paragraphs 1 and 2, the holding prior to the date of inclusion in the list provided for in paragraph 4 shall also be taken into account.

10. Unless otherwise provided for in the statutes, the increased voting right is also counted for the purpose of determining the quorums for constitution and passing resolutions, which refer to percentages of the share capital. The surcharge has no effect on rights, other than voting rights, to which one is entitled by virtue of owning certain capital ratios.

11. In cases of cross-border mergers, demergers or transformations pursuant to Legislative Decree no. 19 of 2 March 2023, or pursuant to Article 25 (3) of Law no. 218 of 31 May 1995, if the company resulting from such operations is a company with listed shares or shares in the process of being listed, the by-laws may provide that, for the purposes of calculating the continuous period referred to in paragraph 1, the period of uninterrupted ownership prior to the entry in the list provided for in paragraph 4 of shares with voting rights of the company being acquired, demerged or transformed, as attested by a certificate issued by an authorised intermediary or by other suitable means in accordance with the law of the State that governs the company being acquired, demerged or transformed, shall also be taken into account.

Art. 15

Provisions on the institutions referred to in Legislative Decree No 509 of 30 June 1994 and Legislative Decree No 103 of 10 February 1996

1. In Article 6(2-quater)(d)(1) of the Consolidated Act referred to in Legislative Decree No 58 of 24 February 1998, after the words "pension funds," the following shall be inserted: 'the bodies referred to in Legislative Decree No 509 of 30 June 1994 and Legislative Decree No 103 of 10 February 1996,'.

Art. 16

Simplification of the supervisory regime for hetero-managed Sicavs and Sicafs

1. The Consolidated Text set forth in Legislative Decree No. 58 of 24 February 1998 is amended as follows:

a) in Article 1(1):

- 1) In point (i), after the words: "own shares" shall be added as follows: "and which directly manages its own assets";
- 2) the following point is inserted after point (i):

"(i.1) "externally managed open-ended investment company" (Sicav under external management) means an open-ended UCI established as a joint-stock company with variable capital with registered office and head office in Italy the sole object of which is the collective investment of the assets raised through the distribution of its own shares and which appoints as external manager an EU SGR or an EU management company or an EU AIFM as referred to in Article 38";

- 3) In point (i-bis), after the words: "participatory financial instruments" shall be added: "and manages its assets directly";
- 4) the following point shall be inserted after point (i-bis):

"(i-bis.1) "externally managed closed-ended investment company" (Sicaf in external management) means a closed-end UCI constituted in the form of a closed-ended investment joint-stock company with registered office and head office in Italy the sole object of which is the collective investment of the assets raised through the offer of its own shares and other participatory financial instruments and which appoints as external manager an SGR or an EU AIFM in accordance with Article 38";

- 5) In point (i-quater), introductory part, the words: "which directly manages its own assets" are deleted;
- 6) in point (l), the words: "Sicavs and Sicafs" are replaced by the following: 'externally managed Sicavs, Sicafs and externally managed Sicafs';
- 7) in point (m), the words: "and the Sicav" are replaced by the following: ", Sicav and externally managed Sicav';

- 8) In point (m-ter), the words: "and the Sicaf" are replaced by the following: "Sicav under external management, Sicaf and Sicaf under external management";
- 9) In point (q-bis), the words: "and the Sicaf that manage their assets directly" are replaced by the following: ", Sicaf";
- 10) In point (q-quinquies), the words: "and shares and other participatory financial instruments of Sicaf" are replaced by the following:

"and externally managed Sicaf, shares and other participatory instruments of Sicaf and externally managed Sicaf";

b) in Article 35-bis:

- 1) in paragraph 6, after the words: "from that of the other sub-funds" shall be inserted:
"; The Sicav or Sicaf shall be liable for the obligations contracted on behalf of the individual sub-fund exclusively out of the assets of that sub-fund. No action by creditors of the company or in the interest of the company, nor action by creditors of or in the interest of the depositary or sub-custodian are allowed on the assets of the individual sub-fund; similarly, no action by creditors of or in the interest of the depositary or sub-custodian are allowed on the assets of the Sicav or Sicaf. The acts performed in connection with the management of an individual sub-fund must expressly mention the sub-fund; failing which the Sicav or the Sicaf shall also be liable with its general assets";
- 2) The following subparagraphs are added after subparagraph 6:

"6-bis. Each sub-fund of Sicavs and SicaFs constitutes a UCI for all purposes.

6-ter. The distribution of income relating to an individual sub-fund may also take place in the absence of overall profits of the company; losses relating to a sub-fund are charged exclusively to the assets of the same sub-fund and within the limits of the amount of the sub-fund.

6-quater. If the assets of the hetero-managed Sicav and Sicaf, or of the sub-fund in the case of an umbrella Sicav and Sicaf, do not permit the fulfilment of their respective obligations and there is no reasonable prospect that this situation can be remedied, paragraph 6-bis of Article 57 shall apply;

- c) In Article 35-quinquies, paragraph 5, after the words: "Articles 2349, 2350, second and third paragraphs," the following shall be inserted:

"2351, second paragraph, last sentence,";

- d) In Article 35-decies, paragraph 1, introductory sentence, the words: "who manage their own assets" are deleted;
- e) Article 38 shall be replaced by the following

"Article 38 (Sicavs and SicaFs appointing an external manager). - 1. Externally managed Sicavs and SicaFs comply with the following conditions:

- a) adopt the form of a joint-stock company;

- b) the registered office and general management of the company are located in the territory of the Republic;
- c) have a share capital at least equal to that provided for in Article 2327 of the Civil Code;
- d) the statute provides:
 - 1) for Sicavs, as their exclusive corporate purpose, the collective investment of the assets collected by offering their shares to the public; for Sicafs, as their exclusive corporate purpose, the collective investment of the assets collected by offering their shares and other participatory financial instruments provided for in their articles of association to the public;
 - 2) with reference to the entire assets collected, the entrusting of the performance of the activities referred to in Article 33 to an external manager and the indication of the designated company;
- e) define appropriate procedures to ensure continuity of management in the event of replacement of the external manager;
- f) enter into agreements with the external operator to enable the company's board of directors to have at its disposal the documents and information necessary to verify the proper fulfilment of the operator's obligations and to define the timing and manner of transmission of such documents and information;
- g) the conclusion of an agreement between the external manager, if different from an Sgr, and the depositary ensuring the latter the availability of the information necessary for the performance of its tasks, as provided for in Articles 41-bis (3) (c) and 41-ter (2) (b).

2. The company name of the externally managed Sicav contains the indication of investment company for shares with variable capital under external management. The company name of the Sicaf under external management contains the indication of investment company for shares with fixed capital under external management. These designations appear in all company documents. Articles 2333, 2334, 2335 and 2336 of the Civil Code do not apply to externally managed Sicavs and Sicafs; contributions in kind are not permitted.

3. In the case of externally managed Sicavs and Sicafs with several sub-funds, each sub-fund constitutes autonomous assets, separate for all purposes from those of the other sub-funds. The assets of the same externally managed Sicav may be divided into sub-funds consisting exclusively of AIFs or UCITS.

4. In the event of the termination of the contract or the liquidation of the external manager, the board of directors of the externally managed Sicav or Sicaf shall promptly convene the shareholders' meeting to decide on the replacement of the manager. If, within two months of the occurrence of one of the causes referred to in the preceding sentence, the replacement of the external manager has not been arranged, the company is dissolved.

5. Articles 35-quater, 35-quinquies, 35-sexies, 35-septies, 35-octies and 35-novies apply.

6. The external manager is responsible for ensuring that the managed Sicavs and Sicafs comply with the provisions applicable to them under this decree.

7. For the purpose of verifying compliance with paragraph 6, the Bank of Italy and Consob may, within the framework of their respective competences and in accordance with the provisions of the European Union, request information from the external manager on the managed Sicavs and Sicafs as well as carry out inspections and require the production of documents and the performance of acts deemed necessary at such companies.

8. In the case of non-reserved externally managed Sicavs and Sicafs, the commencement of operations is subject to the approval of the articles of association by the Bank of Italy at the request of the external manager. The Bank of Italy certifies the conformity of the by-laws with the legal and regulatory requirements and with the general criteria and minimum content of the by-laws predetermined by it and ascertains that the technical or organisational situation of the designated external manager ensures the latter's ability to manage the assets of the Sicav or Sicaf in the interest of investors.

9. The external manager transmits to the Bank of Italy the statutes of the reserved Sicavs and Sicafs under external management and any amendments thereto within ten days of the fulfilment of the requirements of Articles 2330 and 2436 of the Civil Code';

f) In Article 57, the following paragraph shall be inserted after paragraph 6-bis.1:

"6-bis.2. The procedure governed by Paragraph 6-bis shall also apply in respect of externally managed Sicavs and Sicaf's or sub-funds thereof, the aforementioned provisions referring to externally managed Sicavs and Sicafs or sub-funds thereof in lieu of funds or sub-funds, and to the external manager appointed pursuant to Article 38 in lieu of the Sgr".

2. The amendments set out in this Article apply to all proceedings concerning Sicavs and Sicafs under external management pending on the date of entry into force of this Law.

3. The Bank of Italy orders the deletion of all externally managed Sicavs and Sicafs from the register referred to in Article 35-ter of the Consolidated Act referred to in Legislative Decree No. 58 of 24 February 1998, within six months from the date of entry into force of this law.

4. Sicavs and Sicafs under external management established before the date of entry into force of this Law shall adapt to the new provisions within twelve months of the same date of entry into force.

Art. 17

Simplification of the modalities of representation for the exercise of voting rights at general meetings

1. In Article 24(1)(c) of the Consolidated Act referred to in Legislative Decree No. 58 of 24 February 1998, the words: "per individual meeting in compliance with the limits and in the

manner established by regulation of the Minister of Economy and Finance, after consulting the Bank of Italy and Consob" are replaced by the following: "for more than one meeting, notwithstanding Article 2372(2) of the Civil Code".

Art. 18

Provisions on asset limits of cooperative banks

1. In Article 29(2-bis) of the Consolidated Law on Banking and Credit, referred to in Legislative Decree No 385 of 1 September 1993, the words "EUR 8 billion" is replaced by the following: "16 billion.

Art. 19

Delegation of power to the Government for the organic reform of the provisions on capital markets set out in the Consolidated Act referred to in Legislative Decree No. 58 of 24 February 1998, and of the provisions on joint stock companies contained in the Civil Code also applicable to issuers

1. The Government is delegated to adopt, within twelve months from the date of entry into force of this Law, upon the proposal of the Minister of Economy and Finance, in agreement, for the profiles of competence, with the Minister of Justice, one or more legislative decrees for the organic reform of the provisions on capital markets contained in the Consolidated Act referred to in Legislative Decree No. 58 of 24 February 1998, and, where necessary, of the provisions on joint stock companies contained in the Civil Code also applicable to issuers. The legislative decrees referred to in this Article shall be adopted in compliance with constitutional principles and in particular the protection of savings, European Union law and international law, as well as on the basis of the guiding principles and criteria set out in this Article, without new or increased burdens on public finance.

2. In exercising the delegation of power referred to in paragraph 1, the Government shall observe the following guiding principles and criteria:

- a) to support the country's growth, to facilitate companies' access to venture capital with a focus on regulated markets, to facilitate small and medium-sized enterprises' access to alternative forms of financing and the channelling of investment to companies, and to make companies more attractive to international investors;
- b) increase the competitiveness of the domestic market and simplify and rationalise issuers' regulations, including the related sanctioning system, the rules on related party transactions, also with reference to the shareholding thresholds, in line with international standards, and the possibility of providing for voting right multiplication systems, reducing the obligations and burdens provided for under current legislation;
- c) facilitate the transition from listing on non-regulated markets to listing on regulated markets;
- d) revise the rules on private investment activities to encourage maximum disclosure, ensuring fairness and compliance with disclosure requirements to protect investors;
- e) Simplify corporate governance rules also taking into account the rules laid down in the self-regulatory codes;

- f) provide for the reorganisation and updating of the rules on appeals to public savings, with particular regard to public offers of securities and public takeover bids;
- g) balancing the level of administrative burdens imposed on businesses with the need to ensure the efficiency, effectiveness and relevance of controls;
- h) ensure a coherent and integrated system of internal controls, eliminating overlaps or duplications in control functions and structures and also identifying appropriate forms of coordination and exchange of information for a more effective fight against detected irregularities;
- i) update the liability regime referred to in Article 24(6-bis) of Law No. 262 of 28 December 2005, taking into account the rules applicable to the Italian supervisory system as well as international recommendations and standards;
- l) proceed to an overall streamlining and coordination of the Consolidated Act referred to in Legislative Decree No 58 of 24 February 1998, the Consolidated Act referred to in Legislative Decree No 385 of 1 September 1993, the Private Insurance Code referred to in Legislative Decree No 209 of 7 September 2005, and Legislative Decree No 252 of 5 December 2005, in order to ensure greater consistency and simplification of regulatory sources.

3. The outlines of the legislative decrees referred to in paragraph 1 shall be forwarded to Parliament for the opinion of the competent parliamentary committees. Forty days after the date of transmission, the decrees are issued even in the absence of an opinion. If this time limit expires in the thirty days prior to the expiry of the time limit provided for in paragraph 1 or later, the expiry of the latter shall be extended by ninety days.

4. Within eighteen months from the date of entry into force of the decrees referred to in paragraph 1, the Government, if necessary, may issue decrees correcting and supplementing them in compliance with the guiding principles and criteria set forth in paragraph 2.

Chapter II

Regulation of national supervisory authorities

Art. 20

Amendments to the provisions of Article 24 of Law No. 262 of 28 December 2005, with reference to compensation for damages

1. In Article 24 of Law No 262 of 28 December 2005, the following paragraph is added after paragraph 6-bis:

"6-ter. Without prejudice to the provisions of Paragraph 6-bis, any person who has suffered damage as a result of an act or conduct on the part of a person supervised by one of the Authorities referred to in that Paragraph may bring an action against that Authority in order to obtain compensation only for damage that is the immediate and direct consequence of the violation of laws and regulations on the observance of which the Authority itself has failed to exercise supervision".

Article 21

Amendments to the rules on incompatibilities for members and managers of Consob, the Bank of Italy and the Institute for Insurance Supervision

1. Article 29-bis of Law No. 262 of 28 December 2005 is replaced by the following:

"Article 29-bis (Incompatibility for members and managers of CONSOB who have ceased to hold office). - 1. The members of the governing bodies and the managers of the National Commission for Companies and the Stock Exchange may not, until one year after their termination of office, directly engage in collaboration, consultancy or employment relationships with the regulated entities or with companies controlled by the latter. Contracts concluded in violation of this paragraph shall be null and void. The provisions of this paragraph do not apply to managers who were only responsible for support offices during their last year of service. The provisions necessary for the implementation of this paragraph shall be laid down, in accordance with the measure referred to in paragraph 2, by decree of the President of the Council of Ministers, to be adopted within one hundred and eighty days from the date of entry into force of this provision.

2. The provisions of this Article shall apply to the members of the governing bodies and to the managers of the Bank of Italy and of the Insurance Supervision Institute for a period, not exceeding one year, established by decree of the President of the Council of Ministers, to be adopted within one hundred and eighty days from the date of entry into force of this provision".

2. Article 4 of Legislative Decree No 39 of 8 April 2013 shall be amended as follows:

- a) in paragraph 1, introductory sentence, the words: "in the previous two years" shall be replaced by the following: "in the previous year";
- b) the following shall be added after subparagraph 1:

"1-bis. In cases where the office, position or professional activity is of an occasional or non-executive or supervisory nature, para. 1 shall not apply. This requires the adoption of organisational and transparency safeguards to manage potential conflicts of interest.

1-ter. The organisational safeguards referred to in paragraph 1-bis also apply to the members of the collegiate body of the independent administrative authorities'.

3. In Article 1(40) of Law No 208 of 28 December 2015, the words: 'To this end, the provisions necessary for the implementation of the provision referred to in the first sentence of paragraph 1 of Article 29-bis of Law No 262 of 28 December 2005 are laid down, consistently with the provision referred to in the fourth sentence of paragraph 1 of the aforementioned Article 29-bis of Law No 262 of 2005, by decree of the President of the Council of Ministers, to be adopted within sixty days from the date of entry into force of this Law.' are deleted.

Art. 22

Powers to counter advertising activity by unauthorised parties

1. In Article 7-octies of the Consolidated Act referred to in Legislative Decree No. 58 of 24 February 1998, the following paragraph is added after paragraph 1:

"1-bis. Consob may prohibit advertising campaigns conducted via the Internet or any other means of communication when they relate, directly or indirectly, to investment services and activities provided by persons not qualified under Article 18 of this decree'.

2. In Article 36 of Decree-Law No 34 of 30 April 2019, converted, with amendments, by Law No 58 of 28 June 2019, the following paragraph shall be added after paragraph 2-terdecies:

"2-quaterdecies. Consob may order the persons referred to in subsection 2-terdecies to remove advertising campaigns conducted through telematic or telecommunication networks concerning investment services or activities provided by persons who are not authorised to do so'.

Art. 23

Amendments to Consob's sanctioning powers

1. In Part V of the Consolidated Act referred to in Legislative Decree No 58 of 24 February 1998, the following title is added after Article 196-bis:

"TITLE II-bis. - COMMON PROVISIONS

Article 196-ter (Commitments). - 1. For violations falling within Consob's competence, within thirty days of the notification of the letter of objections, the addressee of the letter of objections may submit commitments such as to remove the profiles of injury to the interests of investors and the market that are the subject of the objection. To this end, Consob, having assessed the seriousness of the breaches and the suitability of such commitments also in relation to the protection of the interests affected, and after consulting the sector operators, if necessary, may, within the limits provided for by European Union law, make the commitments undertaken binding on the persons subject to the sanctioning procedure and publish the commitments. This decision may be adopted for a fixed period of time and closes the sanctioning procedure without establishing the violation.

2. In the event of non-compliance with the commitments made mandatory pursuant to paragraph 1, the maximum limits of the administrative fine provided for in the relevant legislation are increased by 10 per cent. In order to monitor the implementation of the commitments, Consob may exercise the supervisory powers vested in it for the purpose of investigating the alleged infringement.

3. Consob may ex officio reopen the sanction proceedings if:

- a) a decisive change in the factual situation with respect to an element on which the decision is based;
- b) those concerned are in breach of their commitments;

- c) the decision is based on information submitted by the parties that is incomplete, incorrect or misleading.

4. Consob shall define by its own general measure, in accordance with European Union law and guaranteeing the right to be heard, the procedural rules governing the submission and assessment of the commitments referred to in this Article."

Art. 24

Authentic interpretation of Article 19(14) of Legislative Decree No 164 of 2007

1. Paragraph 14 of Article 19 of Legislative Decree No 164 of 17 September 2007 shall be understood as referring to all the persons meeting the requirements for access to the Register of Financial Advisers referred to in Article 4 of the regulation referred to in the Decree of the Minister of the Treasury, Budget and Economic Planning of 11 November 1998, No 472, in the period preceding the transfer of the functions of maintaining the single Register of Financial Advisers from Consob to the Supervisory Body and maintaining the single Register of Financial Advisers referred to in Article 31(4) of the Consolidated Act referred to in Legislative Decree No 58 of 24 February 1998.

Chapter III

Measures to promote financial inclusion

Art. 25

Measures on financial education

1. Law No 92 of 20 August 2019 is amended as follows:

- a) In Article 1, paragraph 1, after the word: "cultural" shall be inserted as follows: "economic";
- b) In Article 1(2), the words: "right to personal health and well-being" shall be replaced by the following: "the right to health, personal wellbeing, savings and investment, financial and insurance education and pension planning, also with reference to the use of new digital money management technologies, new forms of sustainable economy and finance and business culture";
- c) in Article 3:
 - 1) in paragraph 1, introductory sentence, the words: "by decree of the Minister of Education, Universities and Research" shall be replaced by the following: "by decree of the Ministry of Education and Merit";
 - 2) In paragraph 1, the following point is added after point (h):

"(h-bis) financial and insurance education and pension planning, also with reference to the use of new digital money management technologies and new forms of sustainable economy and finance";
 - 3) the following subparagraph shall be inserted after subparagraph 1:

"1-bis. For the teaching referred to in subparagraph h-bis) of paragraph 1, the Ministry of Education and Merit shall determine the contents in agreement with the

Bank of Italy, the National Commission for Companies and the Stock Exchange, the Institute for Insurance Supervision and the Pension Fund Supervisory Commission, after consulting the Committee for the planning and coordination of financial education activities and after consulting the most representative associations of banking, financial and insurance operators and users";

- d) In Article 3, paragraph 2, after the words: "and active citizenship" shall be inserted: "and financial education".

2. Article 24-bis of Decree-Law No 237 of 23 December 2016, converted, with amendments, by Law No 15 of 17 February 2017, shall be amended as follows:

- a) in paragraph 3, the words: 'Ministry of Education, Universities and Research' shall be replaced by the following: "Ministry of Education and Merit";
- b) in paragraph 6, the words: 'Minister of Education, Universities and Research' shall be replaced by the following: 'Minister of Education and Merit';
- c) In paragraph 10, the following sentence is added at the end: "As from the year 2023, the Committee shall, by its own resolution, approve the three-year plan of activities, consistent with the programme referred to in paragraph 3";
- d) The following paragraph shall be inserted after paragraph 10:

"10-bis. The Ministry of Education and Merit, having consulted the Committee, signs specific agreements with the Bank of Italy, the National Commission for Companies and the Stock Exchange, the Institute for Insurance Supervision and the Commission for the Supervision of Pension Funds in order to promote the culture of financial, insurance and social security education, in compliance with school autonomy and within the limits of the human, instrumental and financial resources available under current legislation".

Chapter IV

Amendments to the rules governing earmarked assets

Art. 26

Measures to Strengthen the Operability of the Destined Assets

1. In order to strengthen the operation of the Destined Assets, Article 27 of Decree-Law No. 34 of 19 May 2020, converted, with amendments, by Law No. 77 of 17 July 2020, is amended as follows:

- a) In paragraph 4-quater, the following sentence is added at the end: "Companies resulting from mergers or divisions may also meet the requirements of the first sentence on the basis of one or more pro forma balance sheets, certified by an auditor."
- b) The following paragraph shall be inserted after paragraph 4-quater:

"4-quinquies. Limited to the operation at market conditions referred to in Paragraph 4, the provisions of Article 3(1)(h) of the regulation referred to in Decree No. 26 of the Minister of Economy and Finance of 3 February 2021 apply only to companies against

which a conviction or sanction has been pronounced pursuant to Article 63 of Legislative Decree No. 231 of 8 June 2001, even if not final".

Chapter V Financial Provisions

Art. 27

Financial Provisions

- 1.** The costs arising from the implementation of Article 3 of this Law, amounting to €3.3 million per annum as from the year 2024, shall be covered by a corresponding reduction in the appropriation of the special current account fund entered, for the purpose of the three-year budget 2024-2026, within the programme "Reserves and special funds" of the mission "Funds to be allocated" of the budget of the Ministry of Economy and Finance for the year 2024, for the purpose of partially using the appropriation relating to the same Ministry. The Minister of Economy and Finance is authorised to make the necessary budgetary changes by means of his own decrees.
- 2.** Except as provided for in subsection 1, no new or additional burdens on public finance shall arise from the implementation of this law. The administrations concerned shall implement the tasks arising from this law with the human, instrumental and financial resources available under current legislation.

This law, bearing the seal of the State, shall be included in the Official Compendium of Legislative Acts of the Italian Republic. It is the obligation of everyone to observe and enforce it as a law of the State.

Given in Rome, on 5 March 2024

See, the Keeper of the Seals: Nordio

MATTARELLA

Meloni, President of the Council of Ministers

Giorgetti, Minister of Economy and Finance

**LEGISLATIVE DECREE NO. 125 OF 6 SEPTEMBER 2024 - IMPLEMENTATION OF
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 AS REGARDS
CORPORATE SUSTAINABILITY REPORTING.**

THE PRESIDENT OF THE REPUBLIC

Having regard to Articles 76 and 87 of the Constitution;

Having regard to Law No. 400 of 23 August 1988, entitled "Disciplina dell'attività di Governo e ordinamento della Presidenza del Consiglio dei Ministri" and, in particular, Article 14;

Having regard to Law No. 234 of 24 December 2012 on "General rules on the participation of Italy in the formation and implementation of European Union laws and policies" and, in particular, Articles 31 and 32;

Having regard to Law No. 15 of 21 February 2024, containing 'Delegation to the Government for the transposition of European directives and the implementation of other acts of the European Union - European Delegation Law 2022-2023' and, in particular, Article 13;

Having regard to Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting;

Having regard to Legislative Decree No. 127 of 9 April 1991, entitled "Implementation of Directives No. 78/660/EEC and No. 83/349/EEC on companies, concerning annual and consolidated accounts, pursuant to Article 1, paragraph 1, of Law No. 69 of 26 March 1990;

Having regard to Legislative Decree No. 58 of 24 February 1998, containing the "Consolidated Law on Financial Intermediation, pursuant to Articles 8 and 21 of Law No. 52 of 6 February 1996;

Having regard to Legislative Decree No 209 of 7 September 2005, entitled 'Private Insurance Code;

Having regard to Legislative Decree No. 39 of 27 January 2010, on 'Implementation of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, amending Directives 78/660/EEC and 83/349/EEC and repealing Directive 84/253/EEC;

Having regard to the Legislative Decree of 18 August 2015, no. 136, on 'Implementation of Directive 2013/34/EU on the annual accounts, consolidated accounts and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Directives 78/660/EEC and 83/349/EEC, for the part relating to the annual accounts and consolidated accounts of banks and other financial institutions, as well as to the disclosure of the accounting documents of branches, established in a Member State, of credit and financial institutions having their registered office outside that Member State, and repealing and replacing Legislative Decree No. 87";

Having regard to the prior deliberation of the Council of Ministers, adopted at its meeting on 10 June 2024;

Having obtained the opinions of the competent Committees of the Chamber of Deputies and the Senate of the Republic;

Having regard to the deliberation of the Council of Ministers adopted at its meeting on 30 August 2024;

On the proposal of the Minister for European Affairs, Southern Italy, Cohesion Policies and the NRRP and the Minister of Economy and Finance, in agreement with the Ministers of Foreign Affairs and International Cooperation, the Minister of Justice and the Minister of Enterprise and Made in Italy;

Issues

the following legislative decree:

Art. 1

Definitions

1. For the purposes of this legislative decree

- a. "parent company" means the company required to prepare consolidated financial statements pursuant to Legislative Decree No. 127 of 9 April 1991;
- b. "Subsidiary company" means a company included in the scope of consolidation of another company pursuant to Legislative Decree No. 127 of 9 April 1991;
- c. "European parent company" means a company established in a Member State of the European Union and required to prepare consolidated financial statements pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013;
- d. "Reporting standards" means the standards contained in the delegated acts issued by the European Commission pursuant to the provisions of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013;
- e. "Attestation standards" means the attestation standards issued pursuant to national legislation or, once issued, the standards contained in the acts delegated by the European Commission pursuant to Article 26-bis of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006;
- f. "Sustainability issues" means environmental, social, human rights and governance factors, including sustainability factors as defined in Article 2(24) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019;
- g. "sustainability reporting" means the reporting of information on sustainability issues in accordance with Articles 3 and 4 of this decree;
- h. "essential intangible resources": resources without physical substance on which the business model of the company fundamentally depends and which constitute a source of value creation for the company;
- i. "non-European parent company" means companies, established in a State other than an EU Member State, which exercise control over subsidiary companies or have

established branches established in the national territory and which have a legal form comparable to the legal form of a joint-stock company, limited partnership limited by shares, limited liability company;

- l) "Micro-enterprises" means companies which, on the balance sheet date, have not exceeded, in their first financial year of activity or subsequently for two consecutive financial years, two of the following limits:
 - 1) balance sheet total: euro 450,000;
 - 2) net revenue from sales and services: euro 900,000;
 - 3) average number of employees employed during the financial year: 10;
- m) "listed small and medium-sized enterprises" means companies with securities admitted to trading on regulated markets in Italy or the European Union which, at the balance sheet date, in their first financial year of operation or subsequently for two consecutive financial years, fall within at least two of the ranges indicated below:
 - 1) balance sheet total: greater than EUR 450,000 and less than EUR 25,000,000;
 - 2) net revenue from sales and services: greater than EUR 900,000 and less than EUR 50,000,000;
 - 3) average number of employees employed during the financial year: not less than 11 and not more than 250;
- n) "Large companies" means companies which on the balance sheet date have exceeded, in their first financial year of activity or subsequently for two consecutive financial years, two of the following limits:
 - 1) balance sheet total: euro 25,000,000;
 - 2) net revenue from sales and services: euro 50,000,000;
 - 3) average number of employees employed during the financial year: 250;
- o) "Large group" means a group consisting of a parent company and subsidiaries to be included in the consolidated accounts and which, on a consolidated basis, on the balance sheet date of the parent company exceeds, in its first financial year of operation or subsequently for two consecutive financial years, the numerical limits of at least two of the three following criteria:
 - 1) balance sheet total: euro 25,000,000;
 - 2) net revenue from sales and services: euro 50,000,000;
 - 3) average number of employees employed during the financial year: 250.

The verification of whether the numerical limits referred to in this paragraph (o) have been exceeded may be carried out on an aggregate basis without consolidation. In this case, the numerical limits indicated in numbers 1) and 2) are increased by 20 per cent;

- p) "management report" means the management report referred to in Article 2428 of the Civil Code, Article 40 of Legislative Decree No 127 of 9 April 1991, Article 41 of Legislative Decree No 136 of 18 August 2015, Article 94 of Legislative Decree No 209 of 7 September 2005, as applicable;
- q) "branch" means the branch office of a non-European parent company with permanent representation in the national territory, pursuant to Article 2508 of the Civil Code;
- r) "sustainability report" means the reporting of information on sustainability issues in accordance with Article 5 of this decree;

- s) "Public interest entities" means the public interest entities referred to in Article 16(1) of Legislative Decree No. 39 of 27 January 2010.

2. For the purposes of this Decree, 'net revenue from sales and services' means:

- a) amounts from the sale of products and the provision of services, after deducting sales discounts, value added tax and other taxes directly related to sales and service revenues;
- b) by way of derogation from point (a), for insurance undertakings referred to in Article 88(1) of Legislative Decree No 209 of 7 September 2005, the gross written premiums referred to in Article 45 of Legislative Decree No 173 of 26 May 1997;
- c) for credit institutions referred to in Article 4(1)(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, the amounts defined in accordance with Article 43(2)(c) of Council Directive 86/635/EEC of 8 December 1986;
- d) for undertakings from third countries referred to in Article 5 of this decree, the revenues as defined in the financial reporting framework on the basis of which the undertaking's financial statements are drawn up.

Art. 2

Scope of application

- 1.** Without prejudice to the provisions of special laws, this Decree applies to the companies referred to in the following articles that are constituted in the legal form of a company limited by shares, a limited partnership limited by shares, a limited liability company as well as a general partnership and a limited partnership if they have as partners companies constituted in the forms of Annex I to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 or, if not governed by the law of a Member State, that have a legal form comparable to those listed in the aforementioned Annex I.
- 2.** In implementation of Article 1(3)(2) of Directive 2013/34/EU, the Bank of Italy does not fall within the scope of this Decree.
- 3.** The financial products listed in Article 2(12)(b) and (f) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 do not fall within the scope of this Decree.
- 4.** Micro-enterprises do not fall within the scope of this decree, even if they have securities admitted to trading on Italian or EU regulated markets.
- 5.** Pursuant to Article 1(3)(2) of Directive 2013/34/EU, for the purposes of preparing the consolidated sustainability report referred to in Article 4 of this Decree, Cassa Depositi e Prestiti S.p.A. is required to make exclusive reference to the information relating to the companies over which it exercises management and coordination activities, and the companies over which the latter exercise such activities, pursuant to Article 2497 et seq. of the Civil Code, with the exception of companies controlled by collective investment undertakings. The same criteria apply to companies subject to the management and coordination activities referred to in the first sentence for the purposes of their consolidated sustainability reporting.

6. Notwithstanding the provisions of paragraph 1, this Decree also applies to the following entities regardless of their legal form:

- a) insurance undertakings within the meaning of Article 88(1) of Legislative Decree No 209 of 7 September 2005, and undertakings referred to in Article 95(2) and (2-bis) of the same Legislative Decree No 209 of 7 September 2005;
- b) credit institutions referred to in Article 4(1)(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013.

Art. 3

Individual Sustainability Reporting

1. Large undertakings referred to in Article 2 as well as small and medium-sized listed companies include in a separate section of the annual report the information necessary for understanding how sustainability issues affect the company's performance, results and position.

2. The individual sustainability reporting referred to in paragraph 1 includes:

- a) a brief description of the business model and strategy you indicate:
 - 1) the resilience of the company's business model and strategy in relation to risks related to sustainability issues;
 - 2) opportunities for the company related to sustainability issues;
 - 3) the company's plans, where prepared, including implementation actions and related financial and investment plans, designed to ensure that the company's business model and strategy are compatible with the transition to a sustainable economy and the limitation of global warming to 1.5°C in line with the Paris Agreement under the United Nations Framework Convention on Climate Change, adopted in Paris on 12 December 2015, ratified and made enforceable pursuant to Law 4 November 2016, no. 204, hereinafter referred to as the 'Paris Agreement', and the goal of achieving climate neutrality by 2050, as set out in Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021, and, where applicable, the company's exposure to coal-, oil- and gas-related activities;
 - 4) the way in which the company's business model and strategy take into account stakeholders' concerns and their impact on sustainability issues;
 - 5) how the company's strategy is implemented with regard to sustainability issues;
- b) a description of the time-bound targets related to sustainability issues identified by the company, including, if applicable, quantitative greenhouse gas emission reduction targets for at least 2030 and 2050, a description of its progress in achieving them, and a statement as to whether the company's targets related to environmental factors are based on conclusive scientific evidence;
- c) a description of the role of the governing and control bodies with regard to sustainability issues and their competences and capacities in relation to the performance of this role or the access of these bodies to these competences and capacities;
- d) a description of the company's policies in relation to sustainability issues;

- e) information on the existence of incentive schemes related to sustainability issues and aimed at members of management and control bodies;
- f) a description of:
 - 1) due diligence procedures applied by the company in relation to sustainability issues and, where applicable, in line with EU obligations requiring companies to implement a due diligence procedure;
 - 2) the main actual or potential negative impacts related to the company's activities and its value chain, including its products and services, its business relationships and its supply chain, the actions taken to identify and monitor these impacts, and the other negative impacts that the company is required to identify by virtue of other EU obligations requiring companies to implement a due diligence process;
 - 3) any actions taken by the company to prevent or mitigate actual or potential negative impacts, or to remedy or end them, and the results of such actions;
- g) a description of the main risks to the company related to sustainability issues, including a description of the company's main dependencies on these issues, and how the company manages these risks;
- h) relevant indicators for the reporting of information under (a), (b), (c), (d) (e), (f) and (g).

3. Obligated persons shall indicate the procedures implemented to identify the information that has been included in the management report in accordance with paragraph 1. The information in (a), (b), (c), (d), (e), (f), (g), and (h) of subsection (2) includes information on short, medium and long-term perspectives, as appropriate.

4. Where applicable, the information required by subparagraphs 1, 2 and 3 includes information on the company's activities and its value chain, including information on its products and services, its business relations and its supply chain. They also contain, where appropriate, references to other information included in the annual report and the amounts recorded in the annual financial statements, as well as further clarifications thereon. For the first three financial years to be reported under this decree, if not all information on its value chain is available, the obliged company shall include in its sustainability reporting an explanation of its efforts to obtain such information on its value chain, the reasons why it was not possible to obtain all the necessary information, and its plans to obtain it in the future.

5. Without prejudice to the obligations resulting from the admission or the application for admission of securities to trading on a regulated market, or on a multilateral trading facility, subject to a reasoned decision of the board of directors, after consultation with the control body, information concerning upcoming developments and transactions in the course of trading may, in exceptional cases, be omitted where their disclosure would seriously jeopardise the company's business position. If the company avails itself of the option referred to in the first sentence, it shall mention this in its sustainability reporting with an explicit reference to the provisions of this paragraph. Omission shall not, however, be permitted where it may impair a fair and balanced understanding of the company's development, performance and position, as well as the impact of its activities in relation to the areas referred to in paragraph 1.

6. Companies shall provide the information referred to in paragraphs 1, 2, 3 and 4 in accordance with the reporting standards adopted by the European Commission pursuant to Article 29b of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013.

7. The company, also in compliance with the relevant legislation and agreements, provides for ways of informing employee representatives at the appropriate level and discusses with them the relevant information and means of obtaining and verifying sustainability information. The employees' representatives communicate the opinion, if adopted, to the administrative and control body.

8. Notwithstanding subparagraphs (1), (2), (3), (4), (5) and (6) and without prejudice to Article 7, small and medium-sized listed companies, small and non-complex entities as defined in Article 4(1)(145) of Regulation (EU) No 575/2013, captive insurance undertakings as defined in Article 13(2) of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009, and captive reinsurance undertakings as defined in Article 13(5) of that Directive, may limit their sustainability reporting to the following information:

- (a) a brief description of the company's business model and strategy;
- (b) a description of the company's policies in relation to sustainability issues;
- (c) the main actual or potential negative impacts of the company in relation to sustainability issues and any actions taken to identify, monitor, prevent or mitigate those actual or potential negative impacts or to remedy them;
- (d) the main risks for the company related to sustainability issues and how the company manages these risks;
- (e) the key indicators necessary for reporting the information referred to in (a), (b), (c) and (d).

9. The companies referred to in paragraph 8 availing themselves of the exemption provided therein shall provide information in accordance with the sustainability reporting standards adopted by the European Commission pursuant to Article 29-quater of Directive 2013/34/EU.

10. For financial years beginning before 1 January 2028, by way of derogation from subsection 1, small and medium-sized listed companies may omit, by briefly stating the reasons for this in the management report, to provide the information referred to in that subsection.

11. The companies referred to in paragraph 1 shall prepare the management report in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 and mark their sustainability reporting, including the information referred to in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, in accordance with that electronic reporting format.

12. For companies providing information in accordance with this Article, the obligations set out in the first and second paragraphs of Article 2428 of the Civil Code, in Article 41(2) of

Legislative Decree No 136 of 18 August 2015, and in Article 94(1-bis) of Legislative Decree No 209 of 7 September 2005, limited to the analysis of non-financial information, shall be deemed to have been fulfilled.

Art. 4

Consolidated Sustainability Reporting

1. Companies referred to in Article 2 that are parent companies of a large group shall include in a separate section of the annual report the information necessary for understanding how sustainability issues affect the group's performance, results and position.

2. The information referred to in paragraph 1 includes:

- a) a brief description of the group's business model and strategy, indicating:
 - a. the resilience of the group's business model and strategy in relation to risks related to sustainability issues;
 - b. opportunities for the group related to sustainability issues;
 - c. the group's plans, including implementation actions and related financial and investment plans, to ensure that the business model and strategy are compatible with the transition to a sustainable economy and the limitation of global warming to 1.5°C in line with the Paris Agreement and the goal of achieving climate neutrality by 2050 as set out in Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021, and, where applicable, the group's exposure to coal, oil and gas activities;
 - d. how the group's business model and strategy takes into account the concerns of its stakeholders and its impact on sustainability issues;
 - e. how to implement the group's strategy with regard to sustainability issues;
- c) a description of the time-bound, defined sustainability-related targets set by the group, including, if applicable, quantitative greenhouse gas emission reduction targets for at least 2030 and 2050, a description of the progress made by the group in achieving these targets, and a statement as to whether the group's targets relating to environmental factors are based on conclusive scientific evidence;
- d) a description of the role of the governing and control bodies with regard to sustainability issues and their competences and capacities in relation to the performance of this role or the access of these bodies to these competences and capacities;
- e) a description of the group's policies in relation to sustainability issues;
- f) information on the existence of incentive schemes related to sustainability issues and aimed at members of management and control bodies;
- g) a description:
 - a. of the due diligence procedures applied by the group in relation to sustainability issues and, where applicable, in line with EU obligations requiring companies to conduct a due diligence procedure;
 - b. the main actual or potential negative impacts related to the group's activities and its value chain, including its products and services, its business relationships and its supply chain, the actions taken to identify and monitor these impacts, and the

other negative impacts that the parent company is required to identify by virtue of other EU obligations requiring due diligence;

- c. any actions taken by the group to prevent or mitigate actual or potential negative impacts, or to remedy or end them, and the results of such actions;
- h) a description of the main risks for the group related to sustainability issues, including the group's main dependencies on these issues, and how the group manages these risks;
- i) relevant indicators for the reporting of information under (a), (b), (c), (d) (e), (f) and (g).

3. Parent companies shall indicate the procedures implemented to identify the information that has been included in the consolidated annual report in accordance with paragraph 1. The information referred to in (a), (b), (c), (d) (e) (f), (g) and (h) of subsection (2) includes information on short-, medium- and long-term prospects, as the case may be.

4. Where applicable, the information referred to in paragraphs 1, 2 and 3 includes information on the group's activities and its value chain, including information on its products and services, its business relations and its supply chain. They also contain references to other information included in the consolidated annual report and to the amounts recorded in the consolidated financial statements, as well as further clarifications where appropriate. For the first three reporting financial years, if not all information on its value chain is available, the company obliged under this decree shall include in its sustainability reporting an explanation of its efforts to obtain such information on its value chain, the reasons why it was not possible to obtain all the necessary information, and its plans to obtain it in the future.

5. Without prejudice to the obligations resulting from the admission or the application for admission of securities to trading on a regulated market, or on a multilateral trading facility, subject to a reasoned decision of the board of directors, after consultation with the control body, information concerning upcoming developments and transactions in the course of trading may, in exceptional cases, be omitted where their disclosure would seriously jeopardise the company's business position. If it avails itself of this option, the parent company shall mention this in its sustainability reporting with an explicit reference to the provisions of this paragraph. Omission is, however, not permitted when it may impair a fair and balanced understanding of the company's performance, results and situation as well as the impact of its activities in relation to the areas referred to in paragraph 1.

6. Parent companies shall provide the information referred to in paragraphs 1, 2, 3, 4 and 5 in accordance with the reporting standards adopted by the European Commission pursuant to Article 29b of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013.

7. If the parent company identifies significant differences between the risks or impacts of the group and the risks or impacts of one or more of its subsidiaries, it shall provide an adequate explanation, as appropriate, of the risks and impacts of the subsidiary or subsidiaries in question.

8. The parent company shall indicate which subsidiaries included in the consolidation do not provide sustainability information pursuant to Article 7.

9. The parent company, also in compliance with applicable legislation and agreements on the matter, provides for ways of informing employee representatives at the appropriate level and discusses with them the relevant information and means of obtaining and verifying sustainability information. The employees' representatives communicate the opinion, if adopted, to the administrative and control body.

10. The companies referred to in paragraph 1 shall prepare their consolidated management report in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 and mark their sustainability reporting, including the information referred to in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, in accordance with that electronic reporting format.

11. For companies that provide information in accordance with this Article, the obligations set out in Article 40(1-bis) of Legislative Decree No 127 of 9 April 1991, Article 41(2) of Legislative Decree No 136 of 18 August 2015, and Article 100(1-bis) of Legislative Decree No 209 of 7 September 2005 shall be deemed to have been fulfilled as regards the analysis of non-financial information only.

12. The parent company that provides the information required under this Article is not required to provide the information referred to in Article 3 in the annual report.

Art. 5

Sustainability Report of Third Country Companies

1. This Article applies to subsidiaries and branches of non-European parent companies that have generated in the last two consecutive financial years, and for each of them, at group level or, if not applicable, at individual level, in the territory of the Union, net revenues from sales and services exceeding EUR 150 million.

2. Subsidiaries as referred to in paragraph 1 that are large or small and medium-sized listed companies shall publish and make accessible the sustainability report of the non-European parent company within the terms of Article 6(2), prepared at group level by the non-European parent company, including the information according to Article 4(2), letters a), numbers 3, 4 and 5, b), c), d), e) and f) and, where applicable, h).

3. Notwithstanding the provisions of Paragraph 1, Paragraph 2 applies to the branch of a non-European parent company in the event that it does not have a subsidiary established in the territory of the European Union and that branch generated net revenues from sales and services exceeding EUR 40 million in the preceding financial year.

4. The sustainability report published by the subsidiary or branch must be prepared by the parent company in accordance with the reporting standards contained in the delegated acts issued by the European Commission pursuant to Article 40-ter of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013.

5. By way of derogation from paragraph 4, the sustainability report published by the subsidiary or branch may be prepared by the parent company in accordance with the reporting standards contained in the delegated acts issued by the European Commission pursuant to the provisions of Article 29-ter of Directive 2013/34/EU or in a manner equivalent to the sustainability reporting standards determined in accordance with a Commission implementing act on the equivalence of sustainability reporting standards adopted pursuant to Article 23, paragraph 4, third subparagraph, of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004.

6. If the non-European parent company does not make the sustainability report available, the subsidiary or branch shall request that the non-European parent company provide all necessary information to enable them to fulfil their obligations under this Article. If all the information referred to in paragraph 2 is not provided, the subsidiary or branch shall draw up, publish and make accessible, within the time limits laid down in Article 6, the sustainability report containing all the information in its possession, obtained or acquired, and shall issue a declaration stating that the non-European parent company has not made the necessary information available.

7. Together with the publication of the sustainability report under this Article, the subsidiary or branch publishes the statement on compliance issued pursuant to Article 8(5). In the absence of such an attestation, the subsidiary or branch shall issue a declaration stating that the non-European parent company has not provided the necessary attestation of conformity.

8. Subsidiaries and branches of non-European parent companies shall ensure, to the best of their ability and knowledge, that the sustainability report required under para. 6 is prepared, published and made accessible in accordance with paragraphs 1, 2, 3, 4, 5, 6 and 7.

9. The reporting obligations under Articles 3 and 4, as applicable, and the cases of exemption under Article 7 remain unaffected for domestic subsidiaries.

Art. 6

Advertisement

1. Without prejudice to the provisions of Article 154-ter of Legislative Decree No. 58 of 24 February 1998, for the parties set forth therein, the individual and consolidated sustainability reporting included in the management report pursuant to this Decree, as well as the report certifying compliance pursuant to Article 14-bis of Legislative Decree No. 39 of 27 January 2010, are published in the manner and by the deadlines set forth in Articles 2429 and 2435 of the Italian Civil Code and on the company's website. If it does not have a website, the company makes a hard copy of the same documents available to anyone who requests it.

2. The sustainability report referred to in Article 5, together with the statement, if any, referred to in Article 5(6) and the certificate of conformity referred to in Article 5(7), shall be published in the same manner and within the same time limits as the publication of the subsidiary company's financial statements pursuant to Article 2435 of the Civil Code. In the case of publication by the branch, the same documents shall be published in the same manner as

the company documents of the branch pursuant to Article 2508 of the Civil Code, and, in any case, within twelve months of the closing of the financial statements to which the Sustainability Report relates. In the same terms, the documentation is also published on the website of the subsidiary or branch.

Art. 7

Exemption and cases of equivalence

1. Large as well as small and medium-sized listed companies are not subject to the reporting requirements of Article 3(1), (2), (3), (4), (5) and (6) if the information required therein is included:

- a. by the parent company in the consolidated sustainability report prepared in accordance with Article 4;
- b. by the European parent company in the consolidated management report prepared in accordance with Articles 29 and 29-bis of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013;
- c. by the non-European parent company in a consolidated sustainability report prepared in accordance with the reporting standards adopted by the European Commission pursuant to the provisions of Article 29-ter of Directive 2013/34/EU or in a manner equivalent to the sustainability reporting standards determined in accordance with an implementing act of the Commission on the equivalence of sustainability reporting standards adopted pursuant to Article 23(4) third subparagraph, of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004, as well as rendered in the electronic reporting format specified in Article 3 of Commission Regulation (EU) 2019/815 of 17 December 2018 and marked, including the information referred to in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, in accordance with the electronic reporting format specified in the same Delegated Regulation.

2. Parent companies of a large group are not subject to the reporting requirements of Article 4(1), (2), (3), (4), (5) and (6) if the information required therein is included:

- a) by the parent company in the consolidated sustainability report prepared in accordance with Article 4;
- b) by the European parent company in the consolidated management report prepared in accordance with Articles 29 and 29-bis of Directive 2013/34/EU;
- c) by the non-European parent company in a consolidated sustainability report prepared in accordance with the reporting standards adopted by the European Commission pursuant to Article 29-ter of Directive 2013/34/EU or in a manner equivalent to the sustainability reporting standards determined in accordance with a Commission implementing act on the equivalence of sustainability reporting standards adopted pursuant to Article 23 paragraph 4, third subparagraph, of Directive 2004/109/EC, as well as rendered in the electronic reporting format specified in Article 3 of Regulation (EU) 2019/815 and marked, including the information referred to in Article 8 of Regulation (EU) 2020/852, in accordance with the electronic reporting format specified in the same Delegated Regulation.

3. The exemptions referred to in paragraphs 1 and 2 are subject to the following conditions:

- a) the management report of the exempted company contains all of the following information:
 - 1) the name and registered office of the parent company providing the information pursuant to paragraphs 1 and 2;
 - 2) the link to the website on which the consolidated management report of the parent company or the European parent company or, where applicable, the consolidated sustainability report of the non-European parent company and the statement containing the conclusions on compliance as referred to in Article 34(1), second subparagraph, point (a-bis), of Directive 2013/34/EU and Article 8 of this Decree or by the national implementing provisions of the other Member States of the European Union or the statement containing the conclusions on compliance as referred to in point (b) are made available;
 - 3) that the company is exempt under this Article;
- b) in the cases referred to in paragraphs 1(c) and 2(c), the consolidated sustainability report of the non-European parent company and the statement containing the conclusions on compliance, issued by one or more persons or undertakings authorised to issue a statement containing the conclusions on compliance of the sustainability report under the law to which the non-European parent company is subject, shall be published within the time limits and in the manner set out in Article 6;
- c) In the cases provided for in paragraphs 1(c) and 2(c), the information referred to in Article 8 of Regulation (EU) 2020/852 relating to the activities carried out by the exempted subsidiary established in the European Union and its subsidiaries, if not included in the sustainability report prepared by the non-European parent company, shall be included in the exempted company's annual report.

4. In the event of an exemption from the preparation of sustainability reports under this Article, the exempted company shall publish, in accordance with Article 6, a copy of the consolidated sustainability report, i.e. the consolidated annual report of the European or non-European parent company, drawn up in Italian or in the language commonly used in international finance circles, or a translation into one of those languages of the original document. If the translation is not certified, the company inserts a declaration to that effect.

5. The exemptions provided for in this Article do not apply to large companies whose securities are admitted to trading on Italian or EU regulated markets.

6. For the purposes of this Article, insurance undertakings referred to in Article 2(6)(a) which are part of a group operating under a unitary management in accordance with Article 96 of Legislative Decree No 209 of 7 September 2005 shall be treated as subsidiaries of the parent undertaking of that group.

7. For the purposes of this Article and where Article 10 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 applies, the credit institutions referred to in Article 2(6)(b) of this Decree, which are permanently affiliated to a central body responsible for their supervision under the conditions laid down in Article 10 of Regulation (EU) No 575/2013, shall be treated as subsidiaries of that central body.

Art. 8

Attestation of Sustainability Reporting Compliance

- 1.** The auditor of the sustainability report authorised pursuant to Legislative Decree No. 39 of 27 January 2010, specifically appointed for this purpose, expresses in the report referred to in Article 14-bis of the aforesaid Legislative Decree No. 39 of 2010, its conclusions as to whether the aforementioned report complies with the rules of this decree governing the criteria for its preparation, whether it complies with the sustainability reporting obligation set forth in Article 3, paragraph 10, and Article 4, paragraph 9, and whether it complies with the disclosure requirements set forth in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.
- 2.** The auditor of the sustainability report, appointed pursuant to paragraph 1, may be the same as the one appointed for the audit of the financial statements or a different auditor.
- 3.** An auditing firm licensed pursuant to Legislative Decree No. 39 of 27 January 2010 may obtain the mandate referred to in paragraph 1 provided that the report referred to in Article 14-bis of the aforementioned decree is signed by an auditor of the sustainability reporting. The auditing firm may be either the same auditing firm responsible for the audit of the financial statements or a different auditing firm.
- 4.** The conclusions of the report referred to in Article 14-bis of Legislative Decree No. 39 of 27 January 2010 are based on an assignment aimed at acquiring a limited level of security. After the adoption by the European Commission of the delegated act referred to in Article 26-bis(3)(2) of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006.
- 5.** For the purpose of the publication of the sustainability report by the subsidiary or branch pursuant to Article 5(7), the mandate for the purpose of issuing the attestation of compliance is given to a sustainability auditor licensed pursuant to Legislative Decree No. 39 of 27 January 2010, or to a person authorised under the national law of the non-European parent company.

Art. 9

Amendments to Legislative Decree No. 39 of 27 January 2010

- 1.** Legislative Decree No. 39 of 27 January 2010 is amended as follows:
 - a) to Article 1:
 - 1) the following shall be inserted after point (a):

"(a-bis) 'attestation of compliance of sustainability reporting' means the engagement to issue a report containing the conclusions expressed by the sustainability auditor or the auditing firm in accordance with Article 8 of the Legislative Decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024 and Article 14-bis of this Decree;"
 - 2) point (d) shall be replaced by the following:

"(d) 'third-country audit entity' means an entity that, irrespective of its legal form, audits the annual or consolidated financial statements or, where applicable, performs a task for the purpose of issuing an attestation on the compliance of the sustainability report of a company incorporated in a third country and that is different from an entity registered in a Member State following the approval to perform audit pursuant to Article 2, paragraph 4, letter f-bis);"

3) after point (h), the following shall be inserted:

"(h-bis) 'sustainability assurance report' means the report of the sustainability auditor or auditing firm referred to in Article 14-bis;

(h-ter) 'sustainability reporting' means sustainability reporting as defined in Article 1(1)(g) of the legislative decree adopted as implementation of Article 13 of Law No. 15 of 21 February 2024;";

4) after point (i-bis), the following shall be inserted:

"(i-ter) 'person(s) responsible for the sustainability reporting attestation':

- 1) the sustainability auditor(s) entrusted with the task of certifying the compliance of sustainability reporting and signing the attestation report;
- 2) where the attestation task has been entrusted to a auditing firm, the sustainability auditor(s) designated by the auditing firm as being responsible for carrying out the attestation assignment on behalf of the auditing firm and signing the report attesting to the compliance of the sustainability report;

(i-quater): 'key sustainability manager(s)':

- 1) the person(s) in charge of the sustainability reporting attestation as defined in (i-ter);
- 2) in the case of an engagement to attest to the compliance of the sustainability reporting of a group, the sustainability auditors appointed by a auditing firm as the persons responsible for the attestation of the consolidated reporting as well as the sustainability auditors appointed by the significant subsidiaries as the persons responsible for the attestation of the compliance of the sustainability reporting;";

5) the following point is inserted after point (n):

"(n-bis) 'sustainability auditor' means the auditor referred to in point (n) who is also licensed to perform the sustainability reporting attestation in accordance with the provisions of this Legislative Decree, or the auditor who is also licensed to perform the sustainability reporting attestation in another Member State of the European Union in accordance with the provisions implementing Directive 2006/43/EC, as amended by Directives 2014/56/EU and (EU) 2022/2464;"

6) point (o) shall be replaced by the following:

"(o) 'third-country auditor' means a natural person who performs the audit of the annual or consolidated financial statements or, where applicable, issue an

attestation on the compliance of the sustainability report of a company incorporated in a third country and who is different from a person registered in a Member State following the approval to perform statutory audit;"

7) the following point is inserted after point (p):

"(p-bis) 'group sustainability auditor' means the sustainability auditor or the auditing firm in charge of certifying the compliance of the consolidated sustainability report;"

8) after point (r), the following shall be inserted:

"(r-bis) 'international attestation standards' means the international attestation standards and other related standards established by the International Federation of Accountants (IFAC) through the International Auditing and Assurance Standards Board (IAASB), to the extent that they are relevant to the sustainability attestation;

(r-ter) 'International Principles of Ethics and Independence' means the International Principles of Ethics and Independence established by the International Federation of Accountants (IFAC) through the International Ethics Standards Board for Accountants (IESBA);"

b) in Article 2:

1) paragraph 1 shall be replaced by the following:

"1. Audits and the performance of assignments for the purpose of certifying the compliance of sustainability reporting are reserved for persons registered in the Register. In order for the auditor to be approved for the activity of attesting the compliance of sustainability reporting, the conditions of Article 3, paragraph 1, letter d-bis) and 4, paragraph 3-ter, as well as, if auditor of a Member State or a third country, of paragraph 3, must be fulfilled;

2) In paragraph 3, in points (a) and (b), after the words: "concerning knowledge of the relevant Italian legislation" shall be inserted: "in the field of audit and, if so authorised in the home state, in the field of attestation of the conformity of the audit or both";

3) paragraph 4, point (f-bis) shall be replaced by the following:

"(f-bis) audit firms licensed in a Member State that have applied for registration in the Register and, where applicable, for authorisation to certify the compliance of sustainability reports, even at different times, in accordance with the procedures established by regulation adopted by the Ministry of Economy and Finance, after consulting Consob. Such firms will be allowed to perform audit and attestation of sustainability reporting provided that the persons in charge of the respective task fulfil the requirements of paragraphs 2 and 3(a);

c) in Article 3:

1) in paragraph 1:

3.1) in point (a), the words: "and for carrying out auditing activities" shall be replaced by the following: "for the performance of the audit and, if

necessary, for the performance of issuing an attestation on the compliance of sustainability reporting';

3.2) point (b) is replaced by the following:

"(b) shall be of a duration of at least three years, including at least eight months relating to the acquisition of the theoretical and practical knowledge required in the event that the trainee also intends to obtain the licence referred to in the second sentence of Article 2(1). This traineeship period of at least eight months may be completed by the auditor or by the person who has already completed the traineeship for the purpose of carrying out the audit, also separately from the traineeship period required for obtaining the audit licence, which shall last at least three years;";

3.3) the following point is inserted after point (d):

"(d-bis) implies, for the purposes of the auditor's approval to perform engagements for the purpose of attesting on the compliance of sustainability reporting, the requirement to cooperate during a period of at least eight months in the performance of engagements for the purpose of attesting on the compliance of annual and consolidated sustainability reports or other sustainability-related services;";

2) in paragraph 2:

3.1) In point (b) the following words are added at the end: audit';

3.2) the following shall be inserted after point (b):

"(b-bis) the date of commencement of the apprenticeship for the certification of compliance of sustainability reporting;";

3.3) point (c) shall be replaced by the following:

"(c) the subject or subjects where the traineeship is carried out, with specific identification of the purpose of the traineeship referred to in points (b) or (b-bis);";

3) Paragraph 4 shall be replaced by the following:

"4. Within sixty days after the end of each year of the traineeship, the trainee shall draw up a report on the activity performed pursuant to paragraph 1 lit. d), specifying the acts and tasks relating to statutory audit activities in the preparation and performance of which he or she participated, with an indication of the relevant subject matter and the relevant technical and practical services in the performance of which he or she assisted or cooperated. The report, together with the declaration of the statutory auditor or auditing firm with whom the traineeship was carried out certifying the truthfulness of the information contained therein, shall be forwarded to the person in charge of keeping the traineeship register. The report certifying the performance of the traineeship activities referred to in subsection 1 (d-bis) must be drawn up within 60 days of the end of the traineeship period, also separately from the annual report referred to in the first sentence. In the event of untruthful

declarations, the sanctions referred to in Article 24 shall be imposed on the trainee and on the auditor or auditing firm with whom the traineeship was carried out."

- 4) In paragraph 7, after the words: "for the purpose of qualification" shall be added the following: "to perform audits or to issue an attestation on the compliance of sustainability reporting";

d) in Article 4:

- 1) in paragraph 1, after the words: "to the performance of the audit" shall be inserted: 'and for the qualification to perform sustainability reporting attestation tasks';
- 2) The following paragraph shall be inserted after paragraph 3-bis:

"3-ter). For the purpose of the approval of the auditor also for the activity of certifying the compliance of sustainability reporting, the examination referred to in paragraph 2 shall cover the following additional matters:

- a) legal obligations and principles concerning the preparation of annual and consolidated sustainability reporting;
- b) sustainability analysis;
- c) due diligence procedures in relation to sustainability issues;
- d) legal obligations and principles of attestation of compliance for sustainability reporting as set out in Article 11';

3) in paragraph 4:

- 3.1) the following words are added at the end of point (a): "to the audit of the accounts and to the authorisation to perform a sustainability reporting attestation tasks";
- 3.2) In point (c) the following words are added at the end: "to the audit of the accounts and to the authorisation to perform sustainability reporting attestation tasks";

e) in Article 5:

- 1) In paragraph 2, the following sentence is added at the end: "The update programme also covers the subjects characterising the attestation of compliance of sustainability reporting."
- 2) In paragraph 5, the following sentence is added at the end: "Auditors qualified to certify sustainability reporting compliance must acquire at least twenty-five training credits each calendar year, of which at least ten must characterise audit and at least ten must characterise sustainability."
- 3) Paragraph 10 shall be replaced by the following:

"10. The training activities carried out by auditors and sustainability auditors, provided for by the professional registers to which they belong, and by those who collaborate in the activity of audit or sustainability attestation or are responsible for the audit or sustainability attestation within auditing firms that provide training, shall be recognised as equivalent if they are declared compliant by the Ministry of Economy and Finance with the annual programme of professional refresher courses referred to in paragraph 2;

f) In Article 6, the following paragraph is inserted after paragraph 1:

"1-bis. The Ministry of Economy and Finance, in agreement with the Ministry of Justice, having consulted with Consob, shall define, by decree, the content and procedures for the submission of applications for the approval of auditors and audit firms to perform the activity of certifying the conformity of sustainability reporting, as well as the content, procedures and deadlines for the transmission of information and its updates by those registered in the Register."

g) in Article 7:

1) in paragraph 1:

1.1) in point (f), after the words: "keeping of the registers or records" shall be added: "and information as to whether the auditor is qualified to audit or certify the compliance of the sustainability report";

1.2) after point (i), the following is added

"(i-bis) the qualification, if any, to perform the tasks of certifying the compliance of sustainability reporting.";

2) in paragraph 2, point (e) shall be replaced by the following:

"(e) name, surname and registration number of all statutory auditors employed by the company or of which they are partners or directors, indicating whether they are authorised to act as sustainability auditors, as well as any existing measures taken pursuant to Articles 24(1)(e) and (g), 26(1)(c) and (d) and 26-quater(1)(c) and (d);";

3) In paragraph 3, the following sentence is added at the end: "For each third country audit entity, the registration number with the competent authority of the third country, the name of that authority and whether the registration relates to audit, attestation of sustainability reporting compliance or both shall be indicated."

h) In Article 9, the following paragraph is added after paragraph 4:

"4-bis. This Article also applies to the attestation of sustainability reporting activities performed by sustainability auditors and auditing companies appointed for this purpose, with the exception of paragraphs 1 and 3;

i) in Article 9-bis:

1) in paragraph 7, the words: "only in the presence of cooperation agreements referred to in Article 36" shall be replaced by the following: 'pursuant to Article 33, paragraph 2-bis';

2) in paragraph 8, the words: "of Chapter IV of Directive 95/46/EC and the applicable national rules on the protection of personal data" are replaced by the following: 'of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016';

3) After paragraph 8, the following shall be added:

"8-bis. This Article also applies to the compliance attestation work performed by sustainability auditors and audit firms engaged for that purpose, with the exception of paragraphs 2, 7 and 8.

8-ter. The sustainability auditor entrusted with the attestation of compliance on the financial statements prepared by the companies referred to in Articles 3 and 4 of the Legislative Decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024 and the auditor entrusted with the audit of the financial statements of the companies, where different, shall exchange any information necessary for the performance of their respective tasks, also notwithstanding the provisions of paragraph 1. The responsibilities arising from the performance of the respective tasks remain unaffected, with the possibility of basing conclusions on the work performed by the party providing the information. This provision also applies with regard to audit and attestation engagements at the consolidated level.

8-quater. Article 7 of the European Regulation applies, *mutatis mutandis*, to the sustainability auditor or audit firm performing the activity of attesting the compliance of sustainability reporting of public interest entities and entities subject to an interim regime pursuant to Article 22, paragraph 1-bis;

l) In Article 10, the following shall be added after paragraph 13:

"13-bis. This Article also applies to the attestation activity of sustainability reporting, with the exception of paragraph 12.

13-ter. Sustainability auditors and auditing firms performing attestation engagements shall comply with the principles of deontology, confidentiality and professional secrecy, as well as independence and objectivity, taking into account the international principles of ethics and independence, drawn up by professional associations and orders jointly with the Ministry of Economy and Finance and Consob and adopted by the Ministry of Economy and Finance after consulting Consob, on the basis of the same agreement referred to in Articles 9 and 9-bis and Paragraph 12;

m) In Article 10-bis, the following paragraph is added after paragraph 1:

"1-bis. Paragraph 1 also applies to the activity of attesting sustainability reporting.';

n) In Article 10-ter, the following paragraph shall be added after paragraph 11:

"11-bis. This article also applies to the activity of attesting sustainability reporting';

o) in Article 10-c:

1) paragraph 1 shall be replaced by the following

"1. Where the audit is carried out by a auditing firm, the firm must designate at least one manager. The person in charge is allocated sufficient resources and personnel with the necessary skills and capabilities to adequately perform his or her activities.';

2) after paragraph 1, the following shall be inserted:

"1-bis. Where the attestation of the compliance of sustainability reporting is performed by an auditing company, the latter shall designate at least one sustainability manager, who may also be the audit engagement manager. The

sustainability manager is allocated sufficient resources and personnel with the necessary skills and capabilities to carry out their functions appropriately.

1-ter. The quality of the audit and the attestation of compliance, independence and competence shall be the main criteria for the selection of the auditors and, where applicable, sustainability officers by the audit firm for appointment.;

3) the following paragraph shall be inserted after paragraph 5:

"5-bis. Paragraphs 2, 3, 4 and 5 also apply to the sustainability reporting activity carried out by the sustainability officer.;"

4) The following paragraph shall be inserted after paragraph 6:

"6-bis. The sustainability auditor or the auditing company must create a file for each sustainability reporting compliance engagement, containing the relevant data referred to in paragraph 6;

5) the following paragraph shall be inserted after paragraph 7:

"7-bis. The attestation file must also contain all the data and documents referred to in Article 10-bis and, where applicable, in Article 9-bis, paragraph 8-quater, the data and documents relevant to support the report referred to in Article 14-bis, as well as the data and documents necessary to monitor compliance with the provisions of this decree and further applicable provisions. The attestation file is closed within 60 days from the date on which the aforementioned report is signed. The documents and information referred to in this paragraph shall be kept for ten years from the date of the report to which they relate."

6) Paragraph 8 shall be replaced by the following:

"8. The auditor, the sustainability auditor or the auditing firm shall keep records of any written complaints about the performance of audits or sustainability attestations for ten years from the date of the audit or attestation report to which they relate."

p) After Article 10-quinquies, the following is inserted:

"Art. 10-sexies (Attestation of compliance of consolidated sustainability reporting). - 1. In the case of an engagement for the attestation of compliance of the consolidated group sustainability report, the group sustainability auditor assumes full responsibility for the attestation report referred to in Article 14-bis.

2. For the purposes of the attestation referred to in paragraph 1, the group auditor shall assess the work carried out by any other sustainability auditors, auditing firms, third country auditors, third country audit entities as well as the work carried out by independent attestation service providers referred to in point (23) of Article 2 of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006, accredited in accordance with the transposing legislation of other Member States of the European Union, and maintains documentation of the nature, timing and extent of

the work performed by them and, where appropriate, of the review carried out by the group auditor of the relevant parts of the attestation documentation of those entities. The records kept by the group's sustainability auditor are adequate to enable the competent authority to examine their work.

3. For the purpose of carrying out the work referred to in the second sentence of paragraph 2, the group auditor shall seek the consent of sustainability auditors, auditors, third-country auditors, third-country audit entities as well as independent attestation service providers referred to in point 23 of Article 2) of Directive 2006/43/EC accredited in accordance with the transposing legislation of other Member States of the European Union, to the transfer or access to relevant documentation during the course of the work to issue the attestation of compliance of the consolidated financial statements, as a condition for the group's sustainability auditor to be able to rely on their work.

4. If the group sustainability auditor is not in a position to perform the activities referred to in the second sentence of paragraph 2, he/she shall take appropriate measures and inform the competent authority thereof without delay. Such measures include, where appropriate, the performance of additional compliance attestation work of the subsidiary concerned, which may be performed either directly or by outsourcing, the request of the directors of the subsidiary for additional documents and information relevant to the attestation work, and the performance by the group sustainability auditor of investigations, audits and examination of documents and records at the subsidiary concerned.

5. If the group sustainability auditor is subject to a quality assurance review or an investigation concerning the attestation of compliance of the consolidated sustainability report of a group of undertakings, he or she shall make available to the competent authorities, when requested, the relevant documentation he or she maintains on the attestation of compliance work performed by the entities referred to in paragraph 2, including all related working papers.

6. The competent authority may request from the relevant competent authorities of the Member States additional documentation on the attestation work performed by auditors, audit firms and independent attestation service providers referred to in point (23) of Article 2 of Directive 2006/43/EC accredited under the transposing legislation of other Member States of the European Union, for the purpose of attesting the compliance of the consolidated sustainability report, pursuant to Article 33. Where the attestation of compliance of the sustainability report of a parent company or a subsidiary of a group of undertakings is issued by one or more auditors or audit entity(ies) from a third country, the competent authority may request additional documentation from the relevant competent authorities of the third country on the attestation work carried out by those entities in accordance with the cooperation agreements referred to in Article 36.

7. Notwithstanding the second sentence of paragraph 6, where the attestation of a parent company or a subsidiary of a group is carried out by one or more auditors or

audit entities of a third country that does not have a cooperation agreement pursuant to Article 36, the group sustainability auditor is also responsible for ensuring, if requested, that additional documentation on the attestation work performed by such third country auditors or audit entities, including working papers relevant for the purpose of issuing the attestation, is duly delivered. In order to ensure such delivery, the group auditor shall keep a copy of such documentation or, alternatively, agree with the auditors or audit entities of the third country that they may have free and unrestricted access, upon request, to such documentation, or take any other appropriate measures. If the transfer of working papers from a third country to the group sustainability auditor is not possible for legal or other reasons, the documentation retained by the group sustainability auditor shall include evidence that the group sustainability auditor has taken appropriate measures to gain access to the attestation documentation and, in the case of impediments other than legal ones arising from the law of the third country concerned, evidence in support of the existence of such impediments."

q) in Article 11:

- 1) the heading is replaced by the following 'Principles of Auditing and Attestation of Compliance';
- 2) the following paragraph shall be inserted after paragraph 1:

"1-bis. The attestation of sustainability reporting is carried out in accordance with the attestation principles adopted by the European Commission pursuant to Article 26a(3) of Directive 2006/43/EC;

- 3) the following paragraph shall be inserted after paragraph 2:

"2-bis. Until the adoption of the principles referred to in paragraph 1-bis by the European Commission, the attestation activity shall be performed in compliance with the attestation principles drawn up, taking into account the international attestation principles, by professional associations and orders jointly with the Ministry of Economy and Finance and Consob and adopted by the Ministry of Economy and Finance, after consulting Consob, on the basis of the same agreements referred to in the last sentence of the preceding paragraph."

r) to Article 13:

- 1) in paragraph 1, after the words: "assignment of tasks" shall be inserted: "of statutory audit";
- 2) After paragraph 2-bis, the following shall be inserted:

"2-ter. The shareholders' meeting of the companies referred to in Articles 3 and 4 of the legislative decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024, on the reasoned proposal of the auditing body, awards the engagement for the attestation of the compliance of sustainability reporting and determines the fee payable to the sustainability auditor or the statutory auditing firm for the entire duration of the engagement and any criteria for adjusting this fee during the engagement. The term of office is three financial years, expiring on the date of the shareholders' meeting called to approve the financial statements for

the third financial year of the appointment. In the case of the companies referred to in Articles 3 and 4 of the Legislative Decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024, which are public interest entities or entities subject to an intermediate regime, the appointment may be renewed no more than twice and may be re-appointed to the same person only after the lapse of four financial years. Paragraph 2-bis applies.

2-quater. In the event that the engagement of the sustainability statement compliance attestation is given to the auditor or the auditing firm entrusted with the audit of the financial statements, the assignment of attesting the compliance of sustainability reporting may have a shorter duration than the one indicated in paragraph 2-ter in order to align the expiration of the assignment of attesting the compliance of the sustainability report with the financial statement audit assignment.';

3) paragraphs 3, 4, 5, 6 and 7 shall be replaced by the following:

"3. The shareholders' meeting shall revoke the appointment, after consulting the control body, when a just cause exists, at the same time providing for the appointment of another auditor, sustainability auditor or other auditing firm in the manner set out in subsection 1 or subsection 2-ter. A difference of opinion on an accounting treatment, a sustainability reporting standard, an audit or attestation procedure does not constitute grounds for revocation.

4. The auditor, the sustainability auditor or the auditing firm may resign from their appointments, subject to compensation for damages, in the cases and in the manner defined by regulation by the Minister for the Economy and Finance, after consulting Consob. In any event, the resignation must be tendered in such a time and manner as to enable the audited or audited company to make other arrangements, except in the case of a serious and proven impediment of the auditor, the sustainability auditor or the auditing firm. The same regulation defines the cases and modalities in which the contract by which audit and attestation assignment are conferred may be terminated by mutual agreement or for just cause.

5. In the cases referred to in Paragraph 4, the audited or attested company shall promptly confer new appointments.

6. In the event of resignation or consensual termination of the contract, the audit and attestation functions shall continue to be performed by the same statutory auditor, sustainability auditor or auditing firm until the resolution granting the new appointment has become effective and, in any case, no later than six months after the date of resignation or termination of the contract.

7. The audited or audited company and the auditor, the sustainability auditor or the auditing company shall promptly inform the Ministry of Economy and Finance and, for the audit and the attestation of sustainability reporting related to public interest entities and intermediate regime entities, Consob, about the revocation,

resignation or consensual termination of the contract, providing adequate explanations as to the reasons thereof."

4) Paragraph 9 shall be replaced by the following:

"9. In the case of a audit or an attestation of compliance of the sustainability report of a public-interest entity as referred to in Article 16, the shareholders of that entity, representing at least 5 per cent of the share capital, or the control body, or Consob have the right to bring an action before the civil court for the dismissal of the auditor, the sustainability auditor or the auditing firm if there are justified reasons.'

s) in Article 14(2):

- 1) point (e) shall be replaced by the following: "(e) an opinion on the consistency of the management report with the financial statements;";
- 2) after point (e), the following shall be added

"(e-bis) an opinion on the compliance of the management report with the law, excluding the section on sustainability reporting referred to in the legislative decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024;

(e-ter) a statement made on the basis of the knowledge and understanding of the company and its environment acquired in the course of the audit, as to whether significant errors in the management report have been identified;";

t) After Article 14, the following is inserted:

"Art. 14-bis (Attestation of Sustainability Reporting Compliance Report). - 1. The auditor of the sustainability report or the auditing firm, authorised pursuant to this decree, specifically appointed for this purpose, shall express in a specific certification report its conclusions on the compliance of the sustainability report with the provisions of the legislative decree adopted in implementation of Article 13 of Law no. 15, which regulate its drafting criteria, compliance with the sustainability reporting obligation set forth in Article 3, paragraph 10, and Article 4, paragraph 9, of the aforementioned decree, as well as on compliance with the disclosure obligations set forth in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

2. The attestation report, drawn up in accordance with the attestation principles set out in Article 11, includes:

- a) an introductory paragraph identifying the sustainability report submitted for attestation, the date and period to which it relates, and the relevant regulatory framework;
- b) a description of the scope of the sustainability reporting compliance attestation activities indicating at least the attestation principles according to which these activities were carried out;
- c) the conclusions referred to in paragraph 1.

3. Where the attestation of compliance of sustainability reporting has been performed by several sustainability auditors or auditing firms, they reach an agreement on the results of the attestation work and submit a joint report and conclusions. In case of disagreement, each sustainability auditor or auditing firm shall present its conclusions in a separate paragraph of the attestation report, stating the reasons for the disagreement.

4. The attestation report is signed and dated by the person in charge of the attestation of sustainability reporting. When the attestation activity is performed by a auditing firm, the attestation report bears at least the signature of the person in charge of the sustainability assurance assignment who performs the assignment on behalf of the auditing firm. Where several sustainability auditors or auditing companies have been jointly engaged, the attestation report is signed by all of them.

5. Those entrusted with the attestation of sustainability reporting are entitled to obtain from the directors documents and information relevant to the attestation activity, and may carry out inspections, checks and examination of deeds and documents.

6. The report certifying the compliance of the consolidated sustainability report complies with the requirements of paragraphs 1, 2, 3, 4 and 5.

u) to Article 17:

1) after paragraph 3, the following shall be inserted:

"3-bis. The sustainability auditor or the audit firm entrusted with the attestation by the entities referred to in Articles 3 and 4 of the legislative decree adopted in implementation of Article 13 of Law No. 21 February 2024, no. 15 which is a public interest entity or any member of the network to which the sustainability auditor or the audit firm belongs does not provide, directly or indirectly, to the public interest entity, its parent company or its subsidiaries within the European Union the prohibited non-audit services referred to in points (b), (c), (e), (f), (g), (h), (i), (j) and (k) of the second subparagraph of Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 during:

- a) the period between the beginning of the period covered by the attestation and the issuance of the attestation report; and
- b) the financial year immediately preceding the period referred to in point (a) in respect of the services referred to in point (e) of the second subparagraph of Article 5(1) of Regulation (EU) No 537/2014.

3-ter. The entities referred to in the preceding subparagraph engaged by a public-interest entity and, where they are part of a network, any member of that network, may provide to the public-interest entity, its parent company or its subsidiaries services other than attestation, other than the prohibited services referred to in the preceding subparagraph, subject to prior approval by the audit committee based on an appropriate assessment of the potential threats to independence and of the safeguards applied pursuant to Articles 10 and 10-bis.

3-quater. When a member of a Network to which the entrusted person referred to in paragraph 3-bis belongs provides prohibited services referred to in the same paragraph to a company incorporated in a third country, which is controlled by the public-interest entity that is the subject of the attestation assignment, the sustainability auditor or the auditing firm shall assess whether the provision of such services by the Network member compromises its independence. In such a case, the entrusted person shall apply measures to mitigate the risks caused by the provision of such services and may continue to perform the work for the purpose of the attestation only if it can demonstrate, in accordance with Article 10, that the provision of such services does not impair its professional judgement and the attestation report."

2) the following paragraph shall be inserted after paragraph 5:

"5-bis. The sustainability auditor or key sustainability manager who performs the attestation on behalf of a statutory auditing firm may not hold any office in the management and control bodies of the entity that has granted the attestation engagement, nor may he or she be self-employed or employed by that entity in a key management capacity, unless at least two years have elapsed since he or she ceased to be a sustainability auditor or key sustainability manager in relation to the engagement. This prohibition is also extended to employees and partners, other than key sustainability managers, of the sustainability auditor or the auditing firm, as well as any other natural person whose services are made available to or under the control of the sustainability auditor or the auditing firm, if such persons are licensed as auditors, for the period of one year after their direct involvement in the attestation assignment.'

v) Article 19, paragraph 1 shall be replaced by the following:

"1. In public-interest entities, the Audit Committee is in charge:

- a) to inform the board of directors of the audited entity of the outcome of the audit and, where applicable, of the outcome of the attestation of sustainability reporting and to submit the additional report referred to in Article 11 of the European Regulation, together with any comments, to that body;
- b) to monitor the process of financial reporting and, where applicable, of individual or consolidated sustainability reporting, including the use of the electronic format referred to in Articles 3, paragraph 11, and 4, paragraph 10, of the legislative decree adopted in implementation of Article 13 of Law 21 February 2024, no. 15, and the procedures implemented by the company for the purpose of complying with the reporting standards adopted by the European Commission pursuant to Article 29-ter of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, as well as presenting the recommendations or proposals aimed at ensuring their integrity;
- c) to monitor the effectiveness of the company's internal quality control and risk management systems and, where applicable, internal audit, with regard to financial reporting and, where applicable, individual or consolidated sustainability reporting,

including the use of the electronic format referred to in Articles 3(11) and 4(10) of the legislative decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024, without violating their independence;

- d) to monitor the audit of the annual financial statements and consolidated financial statements and, if any, the attestation of the compliance of individual or consolidated sustainability reporting, also taking into account any findings and conclusions of the quality audits carried out by Consob pursuant to Article 26(6) of the European Regulation, if available;
- e) to review and monitor the independence of auditors, sustainability auditors or audit firms pursuant to Articles 10, 10-bis, 10-ter, 10-quater and 17 of this Decree and Article 6 of the European Regulation, in particular with regard to the appropriateness of the provision of non-audit services to the audited entity, in accordance with Article 5 of that Regulation;
- f) to be in charge of the procedure for the selection of auditors or audit firms and to recommend the auditors or audit firms to be appointed pursuant to Article 16 of the European Regulation.';
- z) in Article 19-ter:
 - 1) paragraph 1 shall be replaced by the following

"1. Without prejudice to the application of the provisions of this Decree concerning the auditing of entities other than public interest entities, the provisions of this Decree shall also apply to the auditors of entities subject to the intermediate regime:

 - a) in Article 17, with express reference only to the rules on audit;
 - b) Article 4(1) and (2), Article 5(1) and (5), Article 6(1) and Articles 7, 8, 12 and 17 of the European Regulation.';
 - 2) the following subparagraph shall be added after subparagraph 1:

"1-bis. Article 17(3-bis), (3-quater) and (5-bis) shall apply to sustainability auditors and auditing firms engaged to provide attestation by the entities referred to in Articles 3 and 4 of the Legislative Decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024, which are entities subject to the intermediate regime."

aa)After Article 20, the following is inserted:

- "Art. 20-bis (Quality control on the attestation of conformity of sustainability reporting).
- 1. Sustainability auditors and auditing companies performing sustainability reporting compliance audits are subject to quality control according to the specific provisions of this Article.
 - 2. The quality control on sustainability auditors who are partners or directors of a auditing firm or who cooperate in the performance of the attestation assignment in a auditing firm is deemed to be performed by means of the quality control on the auditing firm itself. In any case, they are directly subject to quality control if they are personally entrusted with at least one attestation task.

3. Sustainability auditors and auditing companies performing attestation engagements are subject to quality control on the basis of a risk analysis and at least every six years. The six-year period begins with the financial year following the year in which the previous audit ended or the year in which the sustainability auditor or the auditing firm acquired at least one attestation engagement.

4. Quality assurance is carried out by natural persons with appropriate training and professional experience in sustainability reporting and in attesting the compliance of sustainability reporting or other sustainability-related services, as well as specific training in quality assurance as referred to in Article 5-bis.

5. Quality audits of sustainability auditors and audit firms performing attestation engagements may be entrusted to natural persons who, in addition to meeting the requirements set out in para. 7:

- a) have held, for at least five continuous years, attestation assignments in their capacity as the person in charge of the assignment;
- b) have been, for at least five continuous years, employees or collaborators of audit firms participating in attestation engagements in a management and supervisory capacity;
- c) have been, for at least five continuous years, employees of public administrations or public bodies carrying out supervisory activities in the area of sustainability reporting.

6. Persons in charge of quality control must respect the confidentiality of the information they become aware of in the course of their duties.

7. An individual may not participate as an auditor in the quality assurance review of a sustainability auditor or a audit firm that performs attestation engagements before three years have passed since the termination of the employment relationship as a partner or employee or any other association relationship with such sustainability auditor or audit firm.

8. A natural person may not participate as a reviewer in the quality assurance review of a sustainability auditor or of a audit firm that performs attestation assignments if he or she is the spouse or cohabiting partner, relative or relative-in-law within the fourth degree of the reviewed sustainability auditor or of sustainability auditors who are partners, directors or employees of the reviewed audit firm, or if he or she has business or financial relationships with them or with the reviewed audit firm that may compromise his or her independence.

9. The selection of the natural persons to be assigned to each quality control engagement is made on the basis of an objective procedure designed to exclude any conflict of interest between the persons entrusted with the control and the sustainability auditor or the auditing firm carrying out the control engagement.

10. The quality control, based on an adequate review of the selected documents and the attestation file, includes an assessment of compliance with the attestation principles and applicable independence requirements, the quantity and quality of

resources employed, the fees for attesting the compliance of sustainability reporting, and the internal quality control system in the auditing firm.

11. Quality audits are appropriate and proportionate to the scope and complexity of the work performed by the auditor or audit firm being audited.

12. The auditee is required to cooperate with the auditor. He is, in particular, obliged to allow the auditor access to his premises, to provide information, and to hand over the required documents and work papers.

13. The persons entrusted with the quality control shall draw up a report containing a description of the results of the control and any recommendations for specific action to be taken to the sustainability auditor or the auditing firm carrying out the attestation engagement, with an indication of the time limit within which such action is to be taken.

14. The sustainability auditor and the auditing firm performing attestation tasks shall perform the actions set out in the report referred to in paragraph 13 within the time limit defined therein. In the event of failure to take such action, incomplete or delayed action, the Ministry of Economy and Finance and Consob, within their respective spheres of competence, may apply the sanctions set forth in Articles 24 and 26-quater(1), (3) and (4).

15. Until 31 December 2025, natural persons performing quality audits are exempted from the requirement to have specific experience in sustainability reporting and compliance attestation or other sustainability-related services."

bb)to Article 21:

1) in paragraph 1:

1.1) the introductory sentence is replaced by the following "The Ministry of Economy and Finance ensures:";

1.2) In point (a), the following words are added at the end: "also for the purpose of carrying out sustainability reporting compliance attestation activities";

1.3) in point (c), the words: "and auditing standards" are replaced by the following: ', auditing standards, attestation standards, without prejudice to Article 18(9) of the legislative decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024';

1.4) point (d) shall be replaced by the following:

"(d) the training of quality controllers in charge of quality audits under the Ministry's remit and the continuing education of registered statutory auditors;";

1.5) in point (f), the words: "in Articles 9, 10 and 11" shall be replaced by the following: "in Articles 9, 10 and 11, except as provided in Article 26;";

1.6) the following shall be added after point (f):

"(f-bis) quality assurance reviews of auditors and audit firms that do not perform audits of public interest entities or intermediate regime entities, as well as of sustainability auditors and audit firms that perform attestation

engagements and that are not subject to supervision by Consob pursuant to Article 22(1) and (1-bis);

(f-ter) the adoption of sanctioning measures in the event of violations in the area of attesting the compliance of sustainability reporting with the provisions of this Decree, the implementing provisions and the principles set forth in Articles 9, 9-bis, paragraphs 1, 2, 3, 4, 5, 6, 8-bis, 8-ter and 8-quater, 10, 10-bis, 10-ter, 10-quater, paragraphs 1-bis, 1-ter, 2, 3, 4, 5, 5-bis, 6, 7-bis and 8, 10-sexies and 11, as well as the principles set forth in the regulation adopted by Consob pursuant to Article 18, paragraph 9, of the legislative decree adopted in implementation of Article 13 of Law no. 15, insofar as it falls within the competence of the Ministry of Economy and Finance';

2) After paragraph 9, the following paragraph is added

"9-bis. The Ministry of Economy and Finance assumes ultimate responsibility for the activities referred to in paragraph 1 and for the quality control, inspections and sanctions of auditors and audit firms that do not perform audit activities of public interest entities or of entities subject to an intermediate regime, as well as sustainability auditors and audit firms that perform attestation activities and that are not subject to supervision by Consob pursuant to Article 22."

cc) in Article 22:

1) After paragraph 1, the following shall be added

"1-bis. Consob supervises the activity of certifying the compliance of sustainability reporting provided for by Article 8 of the Legislative Decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024, carried out by the entities referred to in Paragraph 1, as well as by the sustainability auditors and auditing firms appointed for this purpose by public interest entities or entities subject to an intermediate regime and other than the statutory auditors referred to in Paragraph 1, in order to verify that they are carried out correctly in accordance with the provisions of this Decree. In the exercise of these functions, Consob shall ensure that the quality control referred to in Article 20-bis is carried out on such persons.

1-ter. Consob assumes ultimate responsibility for quality control, inspections and sanctions of auditors and audit firms that perform audit activities on public interest entities or intermediate regime entities referred to in subsection 1, as well as sustainability auditors and audit firms that perform attestation activities and that are subject to its supervision pursuant to subsection 1-bis."

2) the following paragraph shall be inserted after paragraph 3:

"3-bis. In the exercise of the supervision referred to in subsection 1-bis, Consob may exercise the powers referred to in subsection 2(a) and (b) in respect of

a) sustainability auditors and auditing companies performing attestation tasks;

- b) persons involved in the activities of sustainability auditors or auditing firms performing attestation tasks;
- c) companies publishing the audited sustainability report, their affiliates and related third parties;
- d) third parties to which sustainability auditors and auditing firms performing attestation activities have outsourced certain functions or activities;
- e) persons otherwise connected or affiliated with the sustainability auditors or auditing firms performing attestation activities”;

dd)Article 24, paragraph 1 shall be replaced by the following:

"1. The Ministry of Economy and Finance may apply the following sanctions when it finds irregularities in the performance of the audit or the attestation of sustainability reporting compliance:

- a) a warning, requiring the natural or legal person responsible for the breach to cease the conduct and to refrain from repeating it;
- b) a statement that the audit report or attestation report does not meet the requirements of Articles 14 and 14-bis, respectively;
- c) censure, consisting of a public statement of reprimand, indicating the person responsible and the nature of the violation;
- d) a fine ranging from one thousand to one hundred and fifty thousand euro;
- e) the suspension from the Register, for a period not exceeding three years, of the person to whom the irregularities related to the audit assignment are attributable;
- f) suspension of the activity of certifying the compliance of the sustainability report, for a period not exceeding three years, of the entity to which the irregularities are attributable;
- g) revocation of one or more audit or sustainability reporting compliance appointments;
- h) the prohibition of the auditor or the auditing firm from accepting new audit or sustainability attestation activities for a period not exceeding three years;
- i) removal from the Register of the person to whom the irregularities related to the audit activities are attributable.”;

ee)After Article 26-ter, the following is inserted

"Art. 26-quater (Consob's measures on attestation activities). - 1. When Consob ascertains a breach of the provisions set forth in Articles 9, paragraph 4-bis, 9-bis, paragraph 8-bis, 10, paragraphs 13-bis and 13-ter, 10-bis, paragraph 1-bis, 10-ter, paragraph 11-bis, 10-quater, paragraphs 1-bis, 1-ter, 2, 3, 4, 5, 6-bis, 7-bis and 8, 10-sexies, 11, paragraphs 1-bis and 2-bis, 14-bis, 17, paragraphs 3-bis, 3-ter, 3-quater and 5-bis of this decree and its implementing rules, as well as the violation of the provisions set forth in the regulation adopted by Consob pursuant to Article 18, paragraph 9, of the legislative decree adopted in implementation of Article 13 of Law no. 15, may apply the following sanctions:

- a) a fine ranging from ten thousand to five hundred thousand euros against the sustainability auditor, the auditing firm and the sustainability manager. For the

breach of the prohibitions set forth in Article 17, paragraphs 3-bis, 3-ter, 3-quer and 5-bis, a pecuniary administrative sanction ranging from one hundred thousand to five hundred thousand euro shall apply;

- b) revocation of one or more sustainability reporting compliance attestation assignments related to public interest entities or entities subject to an intermediate regime;
- c) the prohibition of the sustainability auditor or the statutory auditing firm from accepting new sustainability reporting compliance attestation assignment related to public interest entities or entities subject to interim regimes for a period not exceeding three years;
- d) the suspension of the sustainability auditor, auditor or sustainability manager to whom the irregularities are attributable, for a period not exceeding three years.

2. Consob shall notify the Ministry of Economy and Finance of the measures referred to in paragraph 1 lit. d) for the purpose of their entry in the Register.

3. Where the breaches referred to in subsection 1 are characterised by low offensiveness or dangerousness, Consob may, as an alternative to the sanctions referred to in the same subsection, impose the following sanctions

- a) publish a statement indicating the person responsible for the violation and the nature of the violation;
- b) order the elimination of the contested infringements, with possible indication of the measures to be taken and the deadline for compliance, and to refrain from repeating them.

4. For failure to comply within the prescribed time limit with the order referred to in subsection 3 lit. b), Consob shall apply the administrative pecuniary sanction provided for the originally contested infringement increased by up to one third.

5. Where the irregularities ascertained have resulted in the issuance of an attestation report that does not meet the requirements laid down in Article 14-bis, Consob shall, by the order imposing the sanction provided for in paragraph 1, declare that the audit report does not meet the requirements laid down in Article 14-bis.

6. Where Consob ascertains a breach of Article 9-bis, paragraph 8-quer, it may impose the sanctions set forth in paragraphs 1(a), 3 and 4 on the sustainability auditor or the statutory auditing firm.

7. Without prejudice to the application of the sanctions referred to in paragraph 1, Consob, for failure to comply with the provisions of Article 10-ter, paragraph 11-bis, and Article 17, paragraphs 3-bis, 3-ter, 3-quer and 5-bis of this Decree, and the relevant implementing provisions applies the pecuniary administrative sanction from ten thousand euro to five hundred thousand euro against the members of the administrative and management bodies of the auditing companies when the non-compliance is a consequence of the breach of their duties or of the body to which they belong and one or both of the following conditions are met

- a) the conduct materially affected the overall organisation or risk profiles for the independence and quality of the auditing firm's sustainability reporting activities;
- b) the conduct contributed to the company's non-compliance with the provisions of Articles 10-ter(11-bis) and 17(3-bis), (3-ter), (3-quater) and (5-bis) of this Decree and their implementing rules.

8. Where Consob ascertains a breach of Articles 10(13-bis) and (13-ter) and 17(3-bis), (3-ter), (3-quater) and (5-bis) of this Decree, and of the relevant implementing rules, by persons other than those referred to in paragraphs 1 and 7, it shall apply a pecuniary administrative sanction ranging from ten thousand to five hundred thousand euros.

9. In the measure applying the sanction, depending on the seriousness of the breach ascertained, Consob may apply the ancillary administrative sanction of temporary disqualification, for a period not exceeding three years, from exercising functions at audit firms.

10. Where Consob ascertains that the administrative bodies of a public interest entity or of an entity subject to an intermediate regime have failed to comply with the obligations laid down in Article 14-bis(5), it shall impose a pecuniary administrative sanction of between ten thousand and five hundred thousand euro on the members of such bodies responsible for the breaches. Where the breaches are particularly serious, Consob may temporarily prohibit, for a period not exceeding three years, the members of the administrative and management bodies responsible for the breaches from exercising functions at public interest entities or entities subject to an intermediate regime.

11. Where the breach of the provisions of Articles 10(13-bis) and (13-ter) and 17(3-bis), (3-ter), (3-quater) and (5-bis) of this Decree and their implementing rules is attributable to shareholders, members of the board of directors or employees of the auditing firm listed in the Register, Consob may take the measures provided for in paragraph 1(d) against such persons.

12. Article 195 of the Consolidated Law on Finance applies to the sanction proceedings referred to in this Article.

13. Articles 194-bis and 195-bis of the Consolidated Law on Finance apply to the measures referred to in this Article."

ff) in Article 33:

- 1) in paragraph 2, after the words: "on audit" shall be inserted: "and certification of sustainability reporting compliance";
- 2) in paragraphs 3 and 4, after the words: "on audit" shall be inserted: "or certification of sustainability reporting compliance";

gg) in Article 34:

- 1) in paragraph 1, introductory sentence, after the words: "concerning the annual or consolidated accounts" shall be inserted: "or, where applicable, a report certifying the compliance of individual or consolidated sustainability reporting";
 - 2) in paragraph 6, after the words: "concerning the annual or consolidated accounts" shall be inserted: "and the reports certifying the compliance of individual or consolidated sustainability reporting";
- hh) In Article 35, paragraph 2, the words: ", on a reciprocal basis," are deleted.

Art. 10

Liability and sanctions

- 1.** The responsibility for ensuring that the information required by Articles 3, 4, 5 and 7 is provided in accordance with the provisions of this decree lies with the directors of the companies obliged to comply with the obligations laid down therein. In the performance of their duties, they shall act in a professional and diligent manner. The auditing body, within the framework of the performance of the functions assigned to it by the regulations, monitors compliance with the provisions laid down in this decree and reports on this in its annual report to the shareholders' meeting.
- 2.** For the two years following the entry into force of this decree, pursuant to Article 17(1)(a), (b) and (c), the administrative pecuniary sanctions provided for in Article 193(1.2) and (3) of Legislative Decree No. 58 of 24 February 1998, applied for the breach of the obligations provided for in Article 154-ter(1-quater) of the same Legislative Decree No. 58 of 1998, may not exceed Euro 150,000. For the same period, the administrative pecuniary sanctions provided for in Article 193(1) of Legislative Decree No. 58 of 1998, applied for the breach of the obligations provided for in Article 154-ter(1-quater) of the same Legislative Decree No. 58 of 1998, may not exceed Euro 2,500,000. For the same period, the administrative fines provided for in Articles 24 and 26-quater of Legislative Decree No. 39 of 27 January 2010 may not exceed Euro 125,000 for auditing firms and Euro 50,000 for sustainability auditors.
- 3.** Where the infringements themselves are characterised by low offensiveness or dangerousness, the provisions of Article 193(1)(a) and (b) and (1.1)(a) and (b) of Legislative Decree No. 58 of 1998 shall apply.
- 4.** For the purposes of determining the type and amount of the administrative pecuniary sanctions for the breach of the obligations provided for in Article 154-ter, paragraph 1-quater, of Legislative Decree No 58 of 1998 and Article 26-quater, paragraph 1, of Legislative Decree No 39 of 27 January 2010, pursuant to Article 194-bis of the aforesaid Legislative Decree No 58 of 1998, Consob shall take into account at least one of the following circumstances:
 - a) the procedures adopted by the company's governing body for the preparation of sustainability reports in compliance with this decree, also in the light of any guidelines or indications provided by national and European authorities on sustainability reporting;

- b) violation of the obligations of this decree if it is related to the omission or disclosure of information by companies included in the value chain that are not controlled by the same company.

Art. 11

Coordination between Authorities

1. Without prejudice to the provisions of Article 4(13) of Legislative Decree No. 58 of 24 February 1998, Consob, public administrations and public bodies, in compliance with their mutual competences and without new or increased burdens on the public finance, shall identify forms of coordination, including through memoranda of understanding or the establishment of coordination committees, in order to facilitate the exercise of their respective functions in the fields of environmental and social sustainability and the protection of human rights.
2. The members of any coordination committees are not entitled to any remuneration, attendance fees, reimbursement of expenses or other emoluments of any kind.

Art. 12

Amendments to Legislative Decree No. 58 of 24 February 1998

1. Legislative Decree No. 58 of 24 February 1998 is amended as follows:

- a) In Article 118-bis, paragraph 1, after the words: "accounting documents," the following shall be inserted: "including sustainability reporting regulated by the legislative decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024,";
- b) In Article 123-bis, paragraph 2, point (d-bis) shall be replaced by the following:

"(d-bis) a description of the diversity policies applied in relation to the composition of the management and control bodies with regard to aspects such as age, gender composition, disability or educational and professional background, as well as a description of the objectives, implementation modalities and results of such policies. In the event that no policy is applied, the company shall give clear and articulate reasons for this. If such information is included in the sustainability reporting referred to in Articles 3 and 4 of the legislative decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024, the obligations referred to in this letter shall be deemed fulfilled provided that a reference to such reporting is included in the corporate governance report."
- c) In Article 125-ter, paragraph 2, last sentence, the words: "paragraphs 1, 1-bis and 1-ter" shall be replaced by the following: "paragraphs 1, 1-bis, 1-ter and 1-quater";
- d) in Article 154-bis:
 - 1) the following subparagraph shall be inserted after subparagraph 5-bis:

"5-ter. If the issuer is subject to the sustainability reporting obligations under the legislative decree adopted in implementation of Article 13 of Law no. 15, the delegated administrative bodies and the manager responsible for the preparation of corporate financial documents shall certify, by means of an appropriate report, that the

sustainability reporting included in the management report has been prepared in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and the legislative decree adopted in implementation of Article 13 of Law no. 21 February 2024, no. 15 and with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020. The same attestation may be rendered by a manager other than the manager in charge of preparing corporate financial documents, with specific skills in sustainability reporting, appointed, subject to the mandatory opinion of the control body, in accordance with the procedures and in compliance with the professionalism requirements set out in the bylaws. The attestation shall be made in accordance with the model established by regulation of Consob';

2) in paragraph 6, after the words: "corporate financial documents," the following shall be inserted: "as well as to the manager referred to in paragraph 5-ter, if any,";

e) Article 154-ter shall be amended as follows:

1) the following subparagraph shall be inserted after subparagraph 1-ter:

"1-quater. Listed issuers having Italy as their home Member State which are not micro-enterprises as defined in Article 1(1)(l) of the legislative decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024, shall include, in a special section marked as such, in the management report referred to in paragraph 1, the information required by Articles 3 and 4 of the legislative decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024, and the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020. In this case, the report certifying the conformity of the sustainability report provided for in Article 14-bis of Legislative Decree No. 39 of 27 January 2010 shall be made available to the public by the deadline for the publication of the annual financial report referred to in paragraph 1';

2) The following paragraph shall be added after paragraph 7:

"7-bis. Where Consob has ascertained that the information referred to in paragraph 1-quater does not comply with the rules governing its preparation, it may exercise the powers provided for in paragraph 7.

Article 13

Amendments to Legislative Decree No 209 of 7 September 2005

1. Legislative Decree No 209 of 7 September 2005 shall be amended as follows:

a) In Article 94, paragraph 1-bis, the following periods shall be added at the end: "For large undertakings and for small and medium-sized undertakings, with the exception of micro-undertakings, whose securities are admitted to trading on regulated markets, the analysis referred to in paragraph 1 shall also be accompanied by information on the essential intangible resources and explain how the business model of the undertaking is fundamentally dependent on these resources and how these resources

constitute a source of value creation for the undertaking. The latter information shall be included in a separate section of the management report.';

- b) In Article 100, paragraph 1-bis, the following periods are added at the end: "The analysis referred to in paragraph 1 shall also be accompanied by information on essential intangible resources, explaining how the business model of the enterprise is fundamentally dependent on these resources and how these resources constitute a source of value creation for the enterprise. The latter information shall be included in a separate section of the management report.'.

Article 14

Amendments to Legislative Decree No 136 of 18 August 2015

1. In Article 41(2) of Legislative Decree No 136 of 18 August 2015, the following periods are added at the end: "For large undertakings and for small and medium-sized undertakings, with the exception of micro-undertakings, whose securities are admitted to trading on regulated markets, the analysis referred to in paragraph 1 shall also be accompanied by information on the essential intangible resources and explain how the business model of the undertaking is fundamentally dependent on these resources and how these resources constitute a source of value creation for the undertaking. The latter information shall be included in the management report'.

Art. 15

Management Report

1. For large companies and small and medium-sized listed companies, the management report referred to in Article 2428 of the Civil Code includes information on essential intangible resources and explains how the company's business model is fundamentally dependent on these resources and how these resources constitute a source of value creation for the company.

Art. 16

Implementation of the Delegated Directive (EU) 2023/2775 of the Commission of 17 October 2023 amending Directive 2013/34/EU of the European Parliament and of the Council as regards the adjustments of the size criteria for micro, small, medium and large enterprises or groups and amendments to Legislative Decree No 127 of 9 April 1991

1. The Civil Code shall be amended as follows:

- a) In Article 2435-bis, first paragraph, the words: "4,400,000" is replaced by the following: "5,500,000" and the words "8,800,000" are replaced by the following: "11.000.000";
- b) In Article 2435-ter, first paragraph, the words: "175,000" is replaced by the following: "220,000" and the words: "350,000" is replaced by the following: "440.000".

2. Legislative Decree No. 127 of 9 April 1991 shall be amended as follows:

- a) in Article 27:

- 1) in paragraph 1, the words: "20,000,000" is replaced by the following: "25,000,000" and the words: "40,000,000" is replaced by the following: "50.000.000";
 - 2) In paragraph 4(a), after the words: "international accounting standards adopted by the European Union" shall be added at the end: 'without prejudice to the obligations set out in Article 4 of the legislative decree adopted in implementation of Article 13 of Law No 15 of 21 February 2024';
- b) in Article 40:
- 1) in paragraph 1-bis:
 - 1.1) in the first sentence, the words: "non-financial" is replaced by the following: "of sustainability";
 - 1.2) the following sentence shall be added at the end: "For large undertakings and for small and medium-sized undertakings, with the exception of micro-undertakings, whose securities are admitted to trading on regulated markets, the analysis referred to in paragraph 1 shall also be accompanied by information on essential intangible resources and shall explain how the business model of the undertaking and the group is fundamentally dependent on these resources and how these resources constitute a source of value creation for the undertaking and the group. The latter information shall be included in the management report";
 - 2) the following subparagraph shall be added after subparagraph 2-bis:

"2-ter. The management report prepared pursuant to this Article shall also contain the sustainability information referred to in Article 4 to the Legislative Decree adopted in implementation of Article 13 of Law No. 15 of 21 February 2024, where applicable.

Art. 17

Entry into force

1. Except as provided in paragraphs 2 and 3, the provisions of this Decree apply:
 - a) for financial years beginning on or after 1 January 2024:
 - 1) large companies that are public interest entities and that, at the balance sheet date, exceed an average of 500 employees during the financial year;
 - 2) public interest entities within the meaning of Article 16(1) of Legislative Decree No. 39 of 27 January 2010, which are also parent companies of a large group and which, on a consolidated basis, exceed the criterion of the average number of 500 employees employed during the financial year at the balance sheet date;
 - b) for financial years beginning on or after 1 January 2025:
 - 1) to large undertakings other than those referred to in paragraph (1)(a)(1);
 - 2) parent companies other than those referred to in subsection (1)(a)(2);
 - c) for financial years beginning on or after 1 January 2026:
 - 1) to listed small and medium-sized enterprises, with the exception of micro-enterprises, without prejudice to Article 3(10);
 - 2) to small and non-complex entities, as referred to in Article 4(1)(145) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013,

provided that they are large enterprises or small and medium-sized listed enterprises and that they are not micro-enterprises;

- 3) captive insurance undertakings, as defined in Article 13(2) of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009, and captive reinsurance undertakings as defined in Article 13(5) of that Directive, provided that they are large undertakings or small and medium-sized listed undertakings and that they are not micro-undertakings.

2. The provisions of Article 5 shall apply as from the financial years beginning on 1 January 2028, without prejudice to Article 18(3).

3. Legislative Decree No. 254 of 30 December 2016 is repealed with effect from the date of entry into force of this Decree.

Art. 18

Transitional Provisions

1. The non-financial disclosure compliance attestation assignments conferred pursuant to Article 3, paragraph 10, of Legislative Decree 30 December 2016, no. 254, by persons referred to in Article 17, paragraph 1, letter a) of this decree, remain valid until the agreed expiry date for the purpose of carrying out the activity of attesting the compliance of the sustainability report referred to in Article 8, except for the possibility of an early termination and the assignment of a new assignment in accordance with Article 13, paragraph 2-ter, of Legislative Decree No. 39 of 27 January 2010.

2. For public interest entities, the non-financial disclosure compliance attestation activity carried out pursuant to Article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, in the financial years prior to the date of entry into force of this Decree shall not be counted for the purposes of the maximum nine-year duration provided for in Article 13, paragraph 2-ter, of Legislative Decree No. 39 of 27 January 2010.

3. Until 6 January 2030:

- a) the obligations established in respect of the non-European parent company referred to in Article 5 may be fulfilled, on a consolidated basis, by the subsidiary company established within the territory of the European Union which has generated the highest revenues from sales and services in the European Union in at least one of the previous five financial years, on a consolidated basis where applicable, and which prepares its reporting in accordance with Article 4 of this Decree or Articles 29 and 29-bis of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013;
- b) the sustainability reporting referred to in point (a) of this paragraph shall include the disclosure referred to in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 concerning the activities carried out by all subsidiaries established within the European Union and subject to the obligations of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022. For this purpose, the information provided pursuant to this Article satisfies the condition set out in Article 7(3)(c).

- 4.** Those registered in the register of auditors, by 1 January 2026, shall be deemed qualified and may issue the attestations of compliance of sustainability reporting without complying with the requirements set forth in Article 3, paragraph 1, letter d-bis), and Article 4, paragraph 3-ter), of Legislative Decree No. 39 of 27 January 2010, provided that they have acquired at least five annual training credits in the subjects characterising sustainability reporting and attestation pursuant to Article 5 of the aforementioned Legislative Decree No. 39 of 2010 and that they submit a licence application in the manner set forth in Article 6, paragraph 1-bis, of Legislative Decree No. 39 of 2010.
- 5.** The Ministry of Economy and Finance shall, within one hundred and fifty days from the application referred to in paragraph 4, record the authorisation in the register, ensuring publicity.
- 6.** The persons referred to in Paragraph 4, once they have been qualified in accordance with the provisions therein, shall comply with the continuing education obligations referred to in Article 5(2), second sentence, of Legislative Decree No. 39 of 27 January 2010, starting from the calendar year following the year of qualification.
- 7.** In order to enable the Ministry of Economy and Finance to initiate quality controls, the provisions of Article 5-bis of Legislative Decree No. 39 of 27 January 2010 shall apply as from 31 December 2026, provided that the persons in charge have taken part in specific training on quality controls, which may also be of a selective nature.
- 8.** Without prejudice to the provisions of paragraph 9, pending the signing of the agreements referred to in Articles 9(1), 9-bis(2), 10(12) and (13-ter), and 11(2) and (2-bis) of Legislative Decree No. 39 of 27 January 2010, the professional principles are drawn up by the Ministry of Economy and Finance jointly with Consob and the professional orders and associations on the basis of the agreement signed on 24 September 2014 by the Ministry of Economy and Finance with the aforesaid orders and associations.
- 9.** Until the adoption of the principles of attestation of sustainability reporting referred to in Article 11, paragraph 2-bis of Legislative Decree No. 39 of 27 January 2010, Consob's regulation shall identify the applicable principles and regulate the performance of the task of attesting the compliance of sustainability reporting by the appointed sustainability auditors, as well as the formulation of the conclusions of the report referred to in Article 14-bis of Legislative Decree No. 39 of 27 January 2010.
- 10.** By way of derogation from Article 154-bis, paragraph 5-ter, of Legislative Decree No. 58 of 28 February 1998, the attestation on sustainability reporting mentioned therein may be issued, with reference to the financial year underway at the date of entry into force of this decree, by a manager other than the manager in charge of preparing corporate accounting documents, designated by a specific resolution of the administrative body even in the absence of specific statutory provision, subject to the mandatory opinion of the control body.
- 11.** Within 18 months of the entry into force of this Decree, the Ministry of Economy and Finance and Consob shall conduct a study to verify the benefits and burdens underlying the exercise of the option set forth in Article 34(4) of Directive 2013/34/EU, as amended pursuant to Directive (EU) 2022/2464 also in the light of the experience of other Member

States in order to ensure the competitiveness and competitiveness of sustainability attestation services, the effective protection of the recipients of sustainability information, as well as the integrity and quality of the attestation services themselves.

Art. 19

Invariance clause

1. The implementation of this decree shall not result in new or increased burdens on the public finance. The administrations concerned shall implement the provisions of this decree with the human, instrumental and financial resources available under current legislation.

This decree, bearing the seal of the State, shall be inserted in the Official Compendium of Legal Acts of the Italian Republic. It is on the obligation of everyone to observe and enforce it.

Given in Rome, on 6 September 2024

MATTARELLA

Meloni, President of the Council of Ministers

Fitto, Minister for European Affairs, Southern Italy, Cohesion Policies and the NRRP

Giorgetti, Minister of Economy and Finance

Tajani, Minister of Foreign Affairs and International Cooperation

Nordio, Minister of Justice

Urso, Minister of Enterprise and Made in Italy

See, the Keeper of the Seals: Nordio