Prysmian Group

2022

SUSTAINABILITY REPORT

Linking the sustainable future

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1

BUILDING A SUSTAINABLE FUTURE

1.1 SUSTAINABILITY AT THE HEART OF PRYSMIAN'S REPORTING

Letter from the Chief Executive Officer and the Chair of the Sustainability Committee

The year 2022 confirmed the urgency of the energy transition towards renewable sources and, to a greater degree, of electrification, not only with a view to speeding up decarbonisation processes, but also to allowing Europe to strongly reduce its dependence on natural gas and oil exporting countries

It is therefore increasingly clear that developing adequate grid infrastructure is a fundamental requirement for exploiting wind and solar power and supporting electrification processes in all critical sectors. In this scenario, cable technology takes on even greater strategic importance.

To further increase the credibility of our ambition of being a global leading player in the challenges of decarbonisation, we are increasingly committed to promoting sustainable growth for the environment and individuals. The significant progress achieved in 2022 across nearly all ESG areas confirms we are on the right path. With the launch of our Climate Ambition in 2021, we had made the decarbonisation of production a priority, with the goal of achieving the net zero target by 2035. The significant -24% decline in Scope 1 and 2 emissions compared to 2019 is a very satisfying figure. In addition, since 2022 we have also been able to report Scope 3 emissions, which decreased by -7%. A significant effort was also made in circularity, with total recycled waste that rose to 70.8%. Sustainability also means technologically innovative products.

Our innovations, such a P-Laser, the first high-performance power cable built entirely from recycled materials, are now a benchmark for utilities and TSOs engaged in grid upgrading and development projects. Optical fibre is also increasingly viewed as an enabler of decarbonisation, and our efforts to develop ever more sustainable optical fibres for use in broadband and 5G projects are widely acknowledged by our customers.

Yet, sustainability is not just about the environment, but also about society and governance. The priority target we have set ourselves is improving our capacity of being increasingly inclusive: the percentage of women in executive positions grew to 15.7% in 2022 and several initiatives were launched in the year to promote an inclusion culture.

The year 2022 was also marked by record results, which reflected in the value created for all of our stakeholders. The total economic value generated, namely the overall wealth created by the Group for all Stakeholders, stood at €16,719 million in 2022 (€13,484 million in 2021)[1]. The creation of shareholder value is highlighted by the Total Shareholder Return, which amounted to +215.6%, achieved since listing, and to 6.6% in 2022 compared to 2021.

I would like to underscore that, in a year of record results such as 2022, we also paid strong attention to the adoption of new policies and tools for redistributing the value generated to all our Stakeholders and for engaging all our employees, not only top managers.

Valerio Battista
CEO Prysmian Group

1 Formed by: Spending on Suppliers, Staff Remuneration, Lender Remuneration, Public Administration Remuneration, Contributions to Communities.

Message from the Chair of the Sustainability Committee

In the journey towards sustainability, 2022 was a key year for Prysmian Group.
Prysmian, supported by its Board, implemented tangible measures to consolidate the initiatives already launched with the aim of achieving ***challenging climate and social objectives, so as to accelerate the transition towards a business model with a lower environmental impact and a fairer and more inclusive work environment.***

The Board of Directors gives top priority to strengthening the positive impact made by Prysmian on the environment, on the quality of people's lives and on the communities in which it operates.

The Group's climate change commitment, already formalised in 2021 with the definition of the **"Climate Change Ambition"** and membership of the **Science-Based Target initiative** (SBTi) — both strongly encouraged by the Board — continued in 2022, with a targeted 90% reduction in emissions throughout the entire Prysmian value chain and with the revision of the Scope 3 emission reduction targets for 2030, from -21% to -28%.

The Group's decarbonisation responsibility is confirmed by the progress made on product innovation, thanks also to the continuous dialogue with our customers that enables us to understand their needs and support the process of decarbonising their industrial activities. The final results for 2022 are further confirmation of this responsibility and of the Group's strong climate change commitment.

In 2022, the Group further strengthened its efforts in the environmental sustainability area. This also reflected in a greater focus on the **circular economy**, and particularly on raw material management, with a view to, on one hand, purchasing recycled materials and, on the other, extending their life within the production cycle.

These environmental objectives must necessarily be consistent with the **Group's social ambition**; indeed, this link is a fundamental part of Prysmian's sustainability strategy, which — as members of the Sustainability Committee — we strongly support. The commitment made by the Group in 2021 upon the definition of the **"Social Ambition"** has led to further enhancing inclusion at all levels, our focus

on gender equity and diversity, workplace safety and the commitment made to employee training and development.
With the aim of tracing a sound and transparent path towards sustainability for all stakeholders, Prysmian Group has updated its Sustainability Scorecard with **new and specific three-year targets for 2023-2025**. The progress made will be monitored constantly, with support from the Board.

The new Scorecard is focused on measuring the impacts of the Group's activities on the environment, the economy and people, by applying specific "Impact KPIs". These KPIs were defined to provide stakeholders with a tangible measure of the impact of the improvements made by the Company, including how they benefit the entire ecosystem and the business in which it operates.

The process of embedding sustainability into the Group's processes and activities is also confirmed by the new integrated annual report — published for the first time this year—, which aims to strengthen

the governance of ESG metrics and increasingly integrate them into decision-making processes and management reporting.

Again with the goal of enhancing both stakeholder listening and engagement, 2022 saw the organisation of the Sustainability Week, which was extended to all Regions in which the Group operates to foster dialogue with local stakeholders and align, as far as possible, Group guidelines with local specific needs.

The **first Prysmian Sustainability Academy** was also launched in 2022, with strong backing and funding by the Sustainability Committee. The purpose of this initiative is to spread the culture of sustainability throughout the corporate population, as a strategic driver of competitiveness and business development.

We seek to promote and support inclusion and open up our work environment to new horizons, raising awareness first and foremost in those regions where many steps still need to be taken.

It is also for this reason that Oman was chosen for the first training course held by the Academy. Innovating by training tomorrow's sustainable leaders is one of the Group's priorities.

The Board's tangible and firm contribution will continue to accompany Prysmian on its ambitious journey towards sustainability.

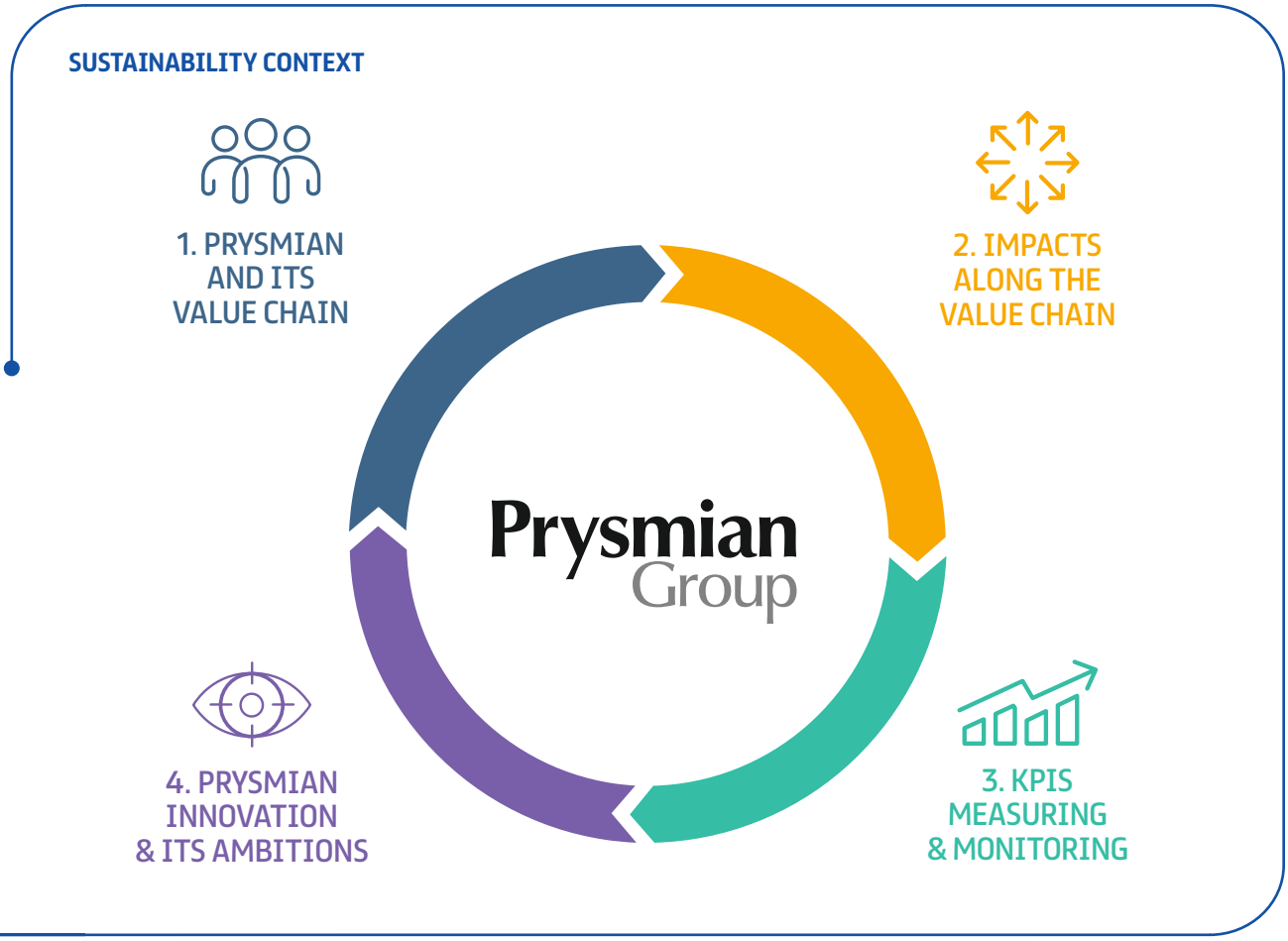
Maria Letizia Mariani
Chair of the Sustainability Committee

The "Impact Sustainability" model

Today, all of Prysmian's industrial processes include ESG KPIs. Sustainability is a business for Prysmian and there is no production process or business unit within the Group that is not committed in ESG terms. The market itself is demanding this: today, no investor or bank may think about investing in companies which do not meet sustainability requirements.

Maria Cristina Bifulco
CHIEF SUSTAINABILITY OFFICER AND GROUP IR VP

The Group's sustainability strategy is based on an "Impact Creation" model.
This model describes how the Group creates value over time, by identifying, in relation to sustainability topics, its significant impacts on the environment, the economy and people, including their human rights, together with its impacts by a financial point of view.
Using the model, it is possible to analyse the effectiveness of processes throughout the Group's value chain and identify areas for improvement in a timely and measurable manner.
The model comprises four macro-areas that will guide readers in this Sustainability Report using colours and keywords.



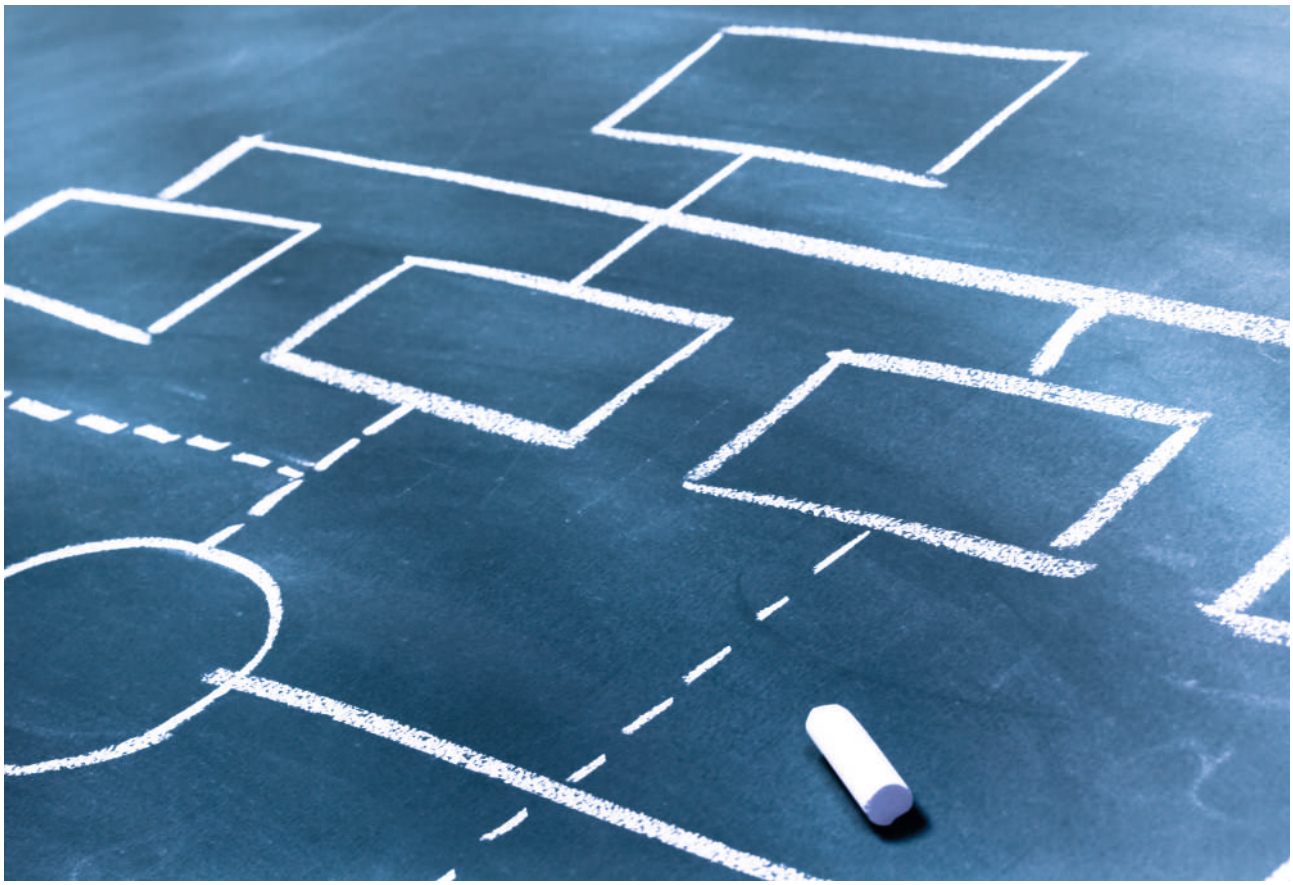
The material topics associated with these impacts were identified following an in-depth study of the context, identifying the actual and potential impacts, both positive and negative, generated by Prysmian throughout its entire value chain (for further information, see the Non-Financial Statement included in the Integrated Annual Report, which is available on the corporate website ...).

The model has two main elements:

1. IMPACTS: positive or negative, actual or potential, short/medium or long-term impacts generated by Prysmian throughout the entire value chain and suffered in connection with specific financial indicators;
2. LONG-TERM AMBITIONS: defined by Prysmian as tangible responses to these impacts.

Sustainability reporting

This year, for the first time, Prysmian Group has published the Sustainability Report as a stand-alone document. This mode of reporting allows us to explain Prysmian's role as an enabler of the ecological transition and digitalisation processes. The Sustainability Report shows how Prysmian has become a leading player in this global transition, starting from its history and examining its performance, the ever-growing commitment to innovation and the extraordinary projects undertaken in every part of the world.
By providing further analysis, the Sustainability Report complements the Integrated Annual Report, comprising the Integrated Financial Report and the Non-Financial Statement, in which financial and non-financial information is integrated in a systemic approach covering strategy, governance, production activities, financial performance and social, environmental and economic interactions.
Prysmian uses the Sustainability Report to tell all Stakeholders, in a coherent, rigorous and engaging manner, how environmental and social sustainability have become central to the Group's activities.
This document also represents the Communication on Progress (COP) of the Prysmian Group's UN Global Compact.
From an accounting standpoint, the Sustainability Report supplements the contents of the Non-Financial Statement subjected to a limited examination by an auditing firm, EY S.p.A., in accordance with the International Standard on Assurance Engagements (ISAE 3000 Revised).



Sustainability highlights

HIGHLIGHTS 2022

44.9%

White collar women hired with permanent contracts vs 39% in 2021

37%

Of employees are stable shareholders (YES program) vs 35% in 2021

665,104 tCO_2eq

GHG EMISSIONS (Scope 1 and 2 Market Based), -24% reduction vs baseline 2019[2]

72%

Of suppliers subjected to ESG assessments vs 68% in 2021

16,719 mln €

Economic value generated and distributed vs 13,484 mln € in 2021

2 The value referring to the percentage reduction in GHG emissions (Scope 1 and 2, market based) is calculated with reference to the 2019 baseline, in accordance with the methodology of the Science Based Targets initiative

PEOPLE AND HUMAN RIGHTS

About
3%
of the share capital held by employees

29
training hours per head count vs almost 18 in 2021

15.7%
WOMEN EXECUTIVES vs 13.5% in 2021

100%
of PLANTS subjected to HUMAN RIGHTS due diligence

INNOVATION AND ENVIRONMENTAL RESPONSIBILITY

71%
WASTE RECYCLED vs 69% in 2021

92%
product families included in CARBON FOOTPRINT analysis vs 89% in 2021

Over
53.3 mln €
53.3 mln € saved through the DESIGN TO COST (DTC) programme vs 48 mln € in 2021

Circa
16 mln €
ENVIRONMENTAL INVESTMENTS for the reduction of GHG emissions vs 15 mln € in 2021

SUSTAINABLE VALUE CHAIN

50%
re-used drums in 2022

92%
ON TIME DELIVERY in 2022 (Energy product line)

Over
25 mln
users reached through ADV campaigns on network channels in 2022

+215.6%
Company's stock with TOTAL SHAREHOLDER RETURN vs +196% in 2021

MAJOR EVENTS IN 2022

JANUARY

- Limited Notice to Proceed signed for the supply of HVDC submarine power cables in **the Middle East**. Agreement worth €220 million to transmit large amounts of power between Abu Dhabi mainland and the island of Al Ghallan.

FEBRUARY

- **3/02**: Financing with the **European Investment Bank** worth €135 million to support R&D plans in Italy, France, Germany, Spain and the Netherlands over the period 2021-2024.
- **17/02**: Acquisition of the **Brayton Point** site in Massachusetts for the construction of a new submarine cable manufacturing plant, with a total planned investment of $200 million.

MARCH

- **2/03**: **NeuConnect** order worth around €1.2 billion awarded for the turnkey supply of a 725 km submarine interconnection that for the first time will directly link the German and British power grids.
- **16/03**: Completion of the **North Sea Link**, the world's longest submarine power interconnection between the UK and Norway, enabling renewable energy to be transferred between the two countries for the first time.
- **31/03**: **SeaLink** contract, worth around €20 million, awarded by Alaska Power & Telephone Company (AP&T), for the supply, installation and testing of two submarine fibre optic cable links in south-east Alaska.

APRIL

- **12/04**: Approval of **the New Share Ownership Plan** reserved for employees other than managers already holding individual incentive schemes. The plan is aimed at promoting broad-based value creation and enhancing workforce engagement.

MAY

- **11/05**: Contract awarded for the supply of cables for the fibre network of the future that will connect major cities in **Australia** and include the laying of up to 20,000 km of new land fibre optic cables.
- **16/05**:Announcement of new investments of $30 million (on top of the $85 million already planned) in optical cables manufacturing at the **Jackson (USA)** plant to increase the capacity and production of fibre optic cables in the country.

JUNE

- **24/06**: Order worth around €700 million awarded by TenneT in Germany to build the second 2 GW system to extend **the SuedOstLink** interconnection with 546 km of 525 kV high-voltage direct current (HVDC) underground cables.
- **20-24 June**: the first **Prysmian Sustainability Week** took place, a seven-day digital event to discuss sustainability matters and share the progress made in the ESG area, the impact on the Group's activities, and the innovations and cutting-edge technologies developed.

JULY

- **7/07**: New medium-term **sustainability-linked** loan of €1.2 billion to strengthen the financial structure and the integration of ESG factors into the Group's strategy. The parameters determining the loan terms also include important environmental and social indicators.
- **18/07**: Two orders worth around €250 million awarded to the Group by Red Eléctrica de España, S.A.U., for the development of two submarine interconnections for power transmission between **Tenerife and La Gomera** and between the Spanish mainland and **Ceuta**.
- **21/07**: US President **Joe Biden** visited the Brayton Point (Massachusetts) site, the new US high-tech hub for renewable energy that will house the new plant for manufacturing power transmission submarine cables.

SEPTEMBER

- **15/09**: Announcement of two orders worth over €800 million to connect the German power grid to offshore wind farms in the German North Sea area, **DolWin4 and BorWin4**, which will have a total capacity of 1.8 GW. Prysmian will supply approximately 1,000 km of single-core copper cables.
- **26/09**: Prysmian confirmed the top score (100 points) in Innovation Management, Environmental Reporting and Social Reporting in the Electrical Components & Equipments category of the **S&P Global Corporate Sustainability Assessment**, following the 2022 annual review.

NOVEMBER

- **2/11**: New order awarded by **RTE** in France to provide inspection, maintenance and repair services for submarine export cable links connecting three offshore wind farms located near the French coast of Normandy to the mainland. The agreement has a duration of 15 years.
- **15/11**: A €60 million agreement under the **Lightning Project** for the installation of submarine cables for the 320 kV HVDC interconnection in **the United Arab Emirates**.
- **18/11**: New submarine power interconnection in the **Cyclades islands** worth around €150 million awarded by IPTO - Independent Power Transmission Operator (TSO) to connect the islands of Milos, Folegandros and Santorini.
- **22/11**: Announcement of an investment of around €200 million (plus an adjustment of around €40 million for cable installation equipment) for a **new state-of-the-art cable-laying vessel**, which will be fully operational by the first quarter of 2025.

DECEMBER

- **14/12**: Climate change rating of the **CDP Carbon Disclosure Project 2022** improved to 'A-' (from a B level in 2021).

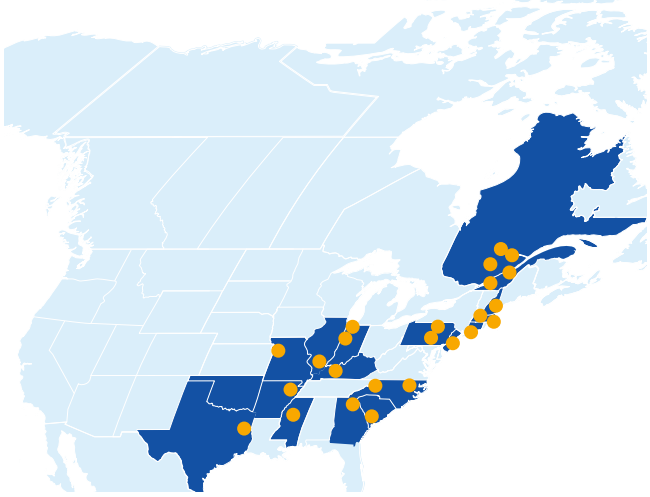
1.2 BEING PRYSMIAN

Global leadership

With a direct presence in more than 50 countries around the world, 108 plants, 26 R&D centers and more than 30,000 employees, Prysmian is a global leader in the energy and telecommunications cable systems industry. The Group's headquarter is in Milan, Italy, where about 800 employees work, while there are regional headquarters in North America, South America, Emea (Europe, Africa and Middle East) and APAC.

NORTH AMERICA

24 plants



Canada
Oshawa
Prescott
Saguenay QC - Lapointe
St. Jerome
St. Maurice

Usa
Abbeville
Bridgewater
Claremont
Du Quoin
Indianapolis
Jackson
Lawrenceburg
Lexington
Lincoln
Manchester
Marion
Marshall
North Dighton
Paragould
Rocky Mountain
Schuylkill Haven
Sedalia
Williamsport
Willimantic

LATIN AMERICA

13 plants

Argentina
La Rosa

Brazile
Joinville factory
Poços de Caldas
Sorocaba Eden
Sorocaba Fiber
Vila Velha

Cile
Santiago

Colombia
Bogotá

Costa Rica
Heredia

Messico
Durango
Nogales
Piedras Negras
Tetla

+50 countries

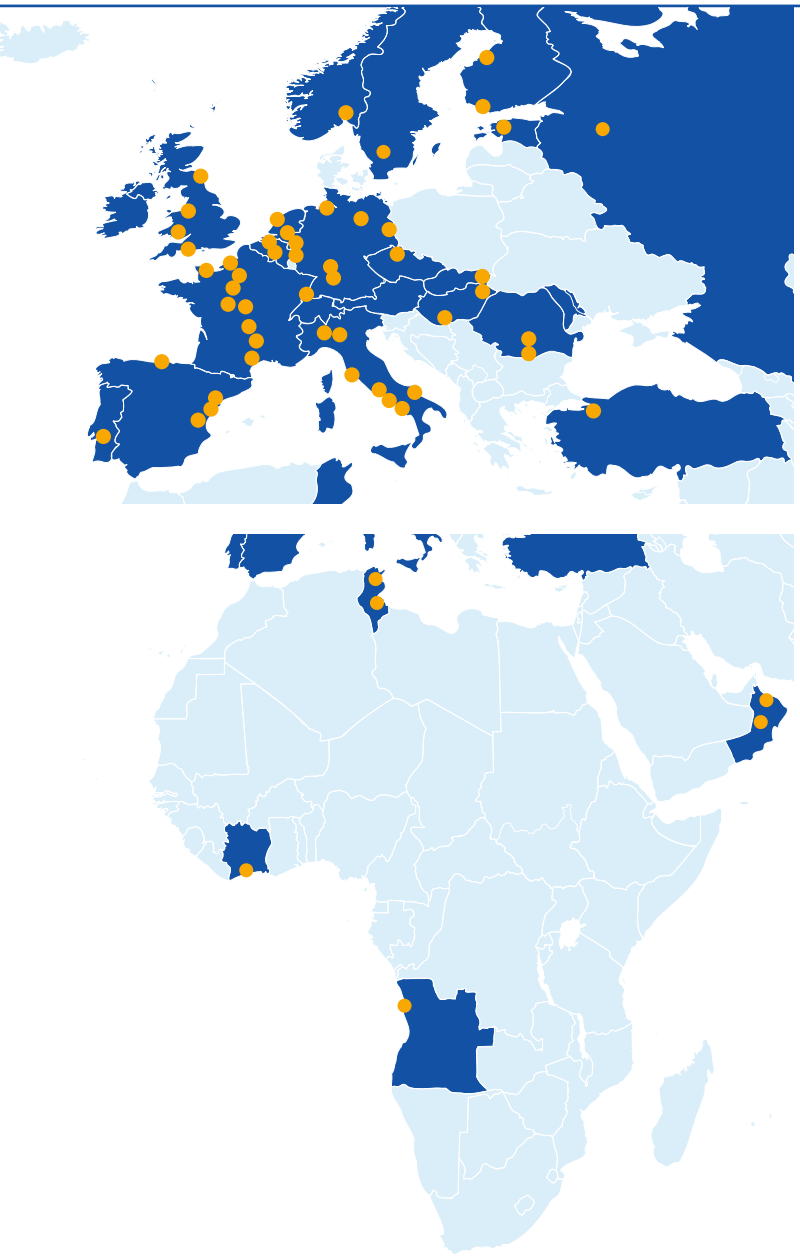
108 plants

26 R&D centers

more than
30,000 employees

5 cable-laying ships

EMEA



56 plants

Angola
Luanda, Angola

Czech Republic
Velké Mezirící - Factory

Estonia
Keila Factory

Finland
Oulu Factory (Finland)
Pikkala Factory

France
Amfreville factory
Calais
Charvieu
Chavanoz
Cornimont
Douvrin
Gron (Sens)
Montereau
Paron
Sainte Geneviève

Germany
Baesweiler (Colonia)
Berlino Factory
Neustadt
Nordenham Plant
Norimberga Factory
Schwerin
Wuppertal Factory

Hungary
Balassagyarmat
Kistelek factory

Italy
Arco Felice
Battipaglia F.O.S. S.r.l.
Giovinazzo
Livorno
Merlino
Pignataro Maggiore
Quattordio

Ivory Coast
Abidjan

Norway
Drammen Factory

Oman
Al Khuwayriyyah (Sohar) OAPIL
Factory2 Rusayl (Muscat) - OCI

Portugal
Morelena

Romania
Milcov
Slatina

Russia
Rybinsk

Slovakia
Prešov

Spain
Abrera
Santa Perpetua
Santander
Vilanova

Sweden
Nässjö

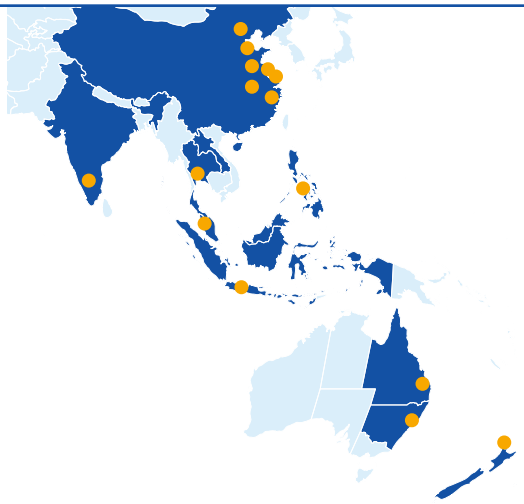
The Netherlands
Delft
Eindhoven
Emmen
Nieuw Bergen

Tunisia
Grombalia
Menzel Bouzelfa

Turkey
Mudanya

UK
Aberdare
Bishopstoke
Washington
Wrexham

APAC



15 plants

Australia
Dee Why
Liverpool

China
Haixun DEP
Shangai
Shangai
Suzhou Factory
Tianjin
Yixing
Zhongyao DEP

India
Chiplun

Indonesia
Cikampek

Malaysia
Melaka Factory lot 38

New Zealand
New Lynn Factory (Auckland)

Philippines
Cebu

Thailand
Rayong Factory

Power grid interconnections play a key role in EU's energy transition and autonomy. As a global industry leader, we plan to invest approximately €1 billion by 2024.

Pier Francesco Facchini
CHIEF FINANCIAL OFFICER - EXECUTIVE DIRECTOR

FINANCIAL HIGHLIGHTS

(Euro/million)	2022	2021	% Change	2020
Sales	16,067	12,736	26.2%	10,016
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	1,442	958	50.5%	822
Adjusted EBITDA(1)	1,488	976	52.5%	840
EBITDA(2)	1,387	927	49.6%	781
Adjusted operating income(3)	1,119	647	73.0%	515
Operating income	849	572	48.4%	353
Profit/(loss) before taxes	739	476	55.3%	252
Net profit/(loss)	509	310	64.2%	174

(Euro/million)	31.12.2022	31.12.2021	Change	31.12.2020
Net capital employed	5,517	5,295	222	4,915
Employee benefit obligations	329	446	(117)	506
Equity	3,771	3,089	682	2,423
- of which attributable to non-controlling interests	186	174	12	164
Net financial debt	1,417	1,760	(343)	1,986

(Euro/million)	2022	2021	% Change	2020
Net capital expenditure(4)	452	275	64.4%	244
Employees (at period-end)	30,185	29,763	1.4%	28,321
Earnings/(loss) per share				
- basic	1,91	1.17		0.68
- diluted	1,90	1.17		0.68
Number of patents(5)	5,760	5,539		5,581
Number of plants	108	108		104

(1) Adjusted EBITDA is defined as EBITDA before income and expense for company reorganisation, non-recurring items and other non-operating income and expense.
(2) EBITDA is defined as earnings/(loss) for the year, before the fair value change in metal derivatives and in other fair value items, amortisation, depreciation and impairment, finance costs and income, dividends from other companies and taxes.
(3) Adjusted operating income is defined as operating income before income and expense for company reorganisation, non-recurring items and other non-operating income and expense, and before the fair value change in metal derivatives and in other fair value items.
(4) Net capital expenditure reflects cash flows from disposals of Assets held for sale and from disposals and additions of Property, plant and equipment and Intangible assets not acquired under specific financing arrangements, meaning that additions of leased assets are excluded.
(5) These are the total number of patents, comprising patents granted plus patent applications pending worldwide.
(*) All percentages contained in this report have been calculated with reference to amounts expressed in thousands of Euro.

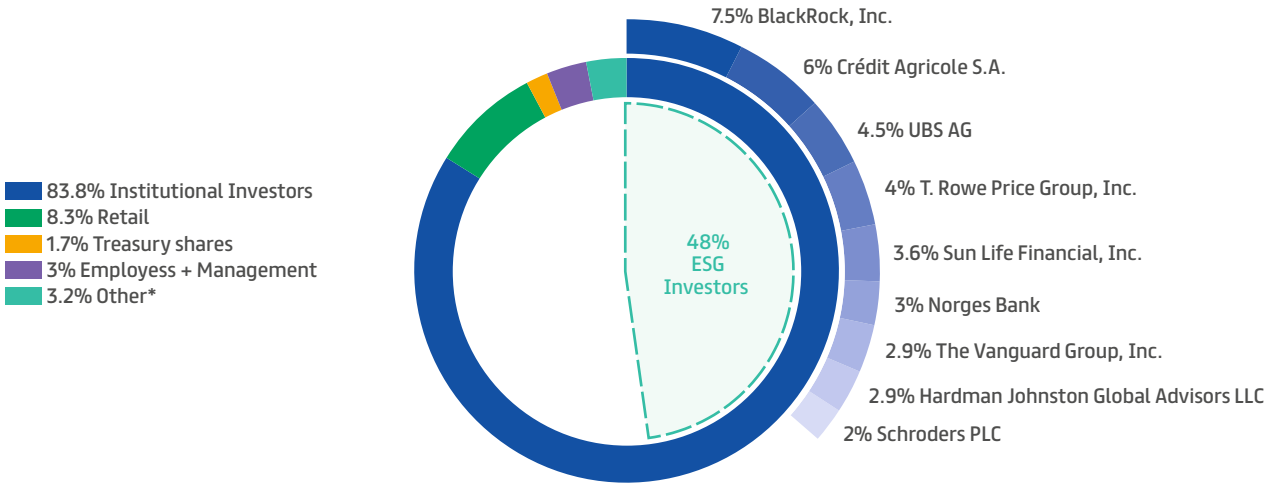
Public company

Prysmian Group is a public company, listed on the Italian Stock Exchange as part of the FTSE MIB index. A widely-held company in which the interests of the Group and those of all stakeholders are aligned through open and transparent dialogue with shareholders, employees, customers, suppliers, institutions and the communities in which we operate.
Being a company whose capital is widely owned by international institutional investors is an integral part of our identity. Consequently, our Board of Directors interfaces with shareholders and other stakeholders with a view to promoting transparency, meritocracy and ethical conduct, and applies these values throughout the organisation and in all business activities. Prysmian Group has always invested in the values of stakeholder capitalism, striving to comply with the highest international standards of governance.

Ownership structure

Over two thirds of shareholders (83.3%) are institutional investors

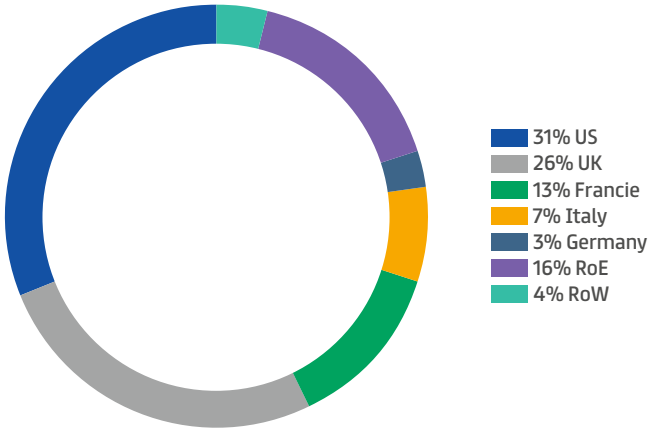
SHARE OWNERSHIP BY TYPE AND SIGNIFICANT SHAREHOLDERS



(*) Other mainly comprises shares held by other investors and third-party holders of shares for trading purposes
Source: Internal processing of Nasdaq data - December 2022

One third of institutional investors are american (31%). English (26%) and french (13%) funds also have a significant presence

INSTITUTIONAL INVESTORS BY GEOGRAPHICAL AREA

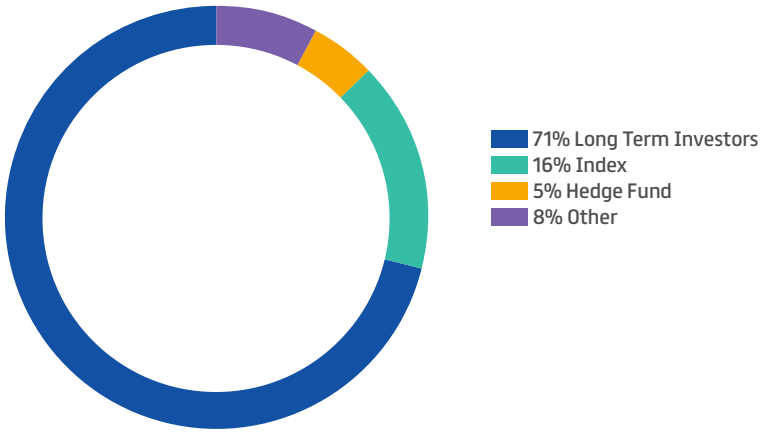


Source: elaboration on Nasdaq December 2022 data

Growth and value as drivers of investment

Over two thirds (71%) of capital is held by investment funds with Value, Growth or GARP (Growth at Reasonable Price) strategies. They anticipate the creation of value by Prysmian over the medium-long term and consider the current share price to be undervalued given the prospects offered by the fundamentals of the Company.

INVESTITORI ISTITUZIONALI PER STILE DI INVESTIMENTO

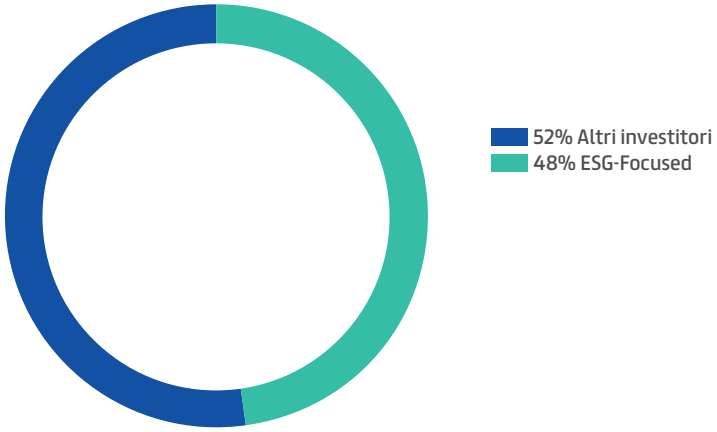


Fonte: Elaborazione propria su dati Nasdaq dicembre 2022

Half of the investors are esg focused

The weighting of ESG investors within the Prysmian ownership structure has grown substantially over the past 4 years (from 13% in 2019). The vast majority of them (about 80%) are "core ESG" investors, whose investment decisions are guided exclusively by sustainability-related factors, with a long-term investment horizon.

INVESTITORI ISTITUZIONALI ESG



Fonte: Elaborazione propria su dati Nasdaq dicembre 2022

One third of employees are also shareholders

Out of around 30,000 employees, about one third are stable shareholders. Together with management, these employees own more than 3% of the share capital, investing directly in the Company and demonstrating their confidence in us.

People Company

A company that pays attention to the well-being of its employees is an effective, more sustainable and productive organisation because, by seeking the physical, psychological and social well-being of its people, it creates the conditions for better results through motivation

Fabrizio Rutschmann
CHIEF HUMAN RESOURCES OFFICER

Prysmian Group is people-centric, supporting and recognising the abilities of those who work for the Group and for the community in which it operates. To achieve this, continuous multi-disciplinary and specialist training programmes have been adopted for our employees. Developing in full the global know-how of our people, who represent the greatest asset of the Group, is an integral part of our long-term sustainability strategy.
Linking the social ambition with our environmental objectives is a fundamental element of Prysmian Group's sustainable identity, which promotes actively the transition towards a more equal, diversified, inclusive and rich working environment, with a positive impact on the development of the communities and societies in which we are present.

The Group has set precise objectives for the improvement of diversity, equality and inclusion (DE&I), digital inclusion, the empowerment of communities, employee engagement and upskilling. This is because the main drivers in creating value are our people and the communities in which we work.

VISION, MISSION AND VALUES

VISION

We believe in the efficient, effective and sustainable supply of energy and information as the main driver for the development of community.

MISSION

The Prysmian Group provides its customers worldwide with superior cable solutions based on pioneering technology and consistent excellence in execution, ultimately delivering sustainable growth and profit.

VALUES

- **Drive -** Our objective is to guide the evolution of our sector: we develop our people and our business,following a clear strategy while anticipating customer needs.
- **Trust** - We intend to create an environment that inspires trust, where diversity and collaboration are recognised and people are empowered to make decisions with integrity.
- **Simplicity** - Our challenge is to simplify all that we can, focusing on activities that generate considerable value and timely decisions that enhance the results achieved by the Group.

A global, resilient and sustainable supply chain

With a direct presence in more than 50 countries around the world and 108 plants that represent manufacturing centres of excellence, Prysmian has a global, resilient and sustainable supply chain that plays a decisive role in the strategies of the Group. The global presence of Prysmian poses complex challenges, while also offering excellent opportunities with regard to the distribution of production and procurement.

A grassroots presence

The headquarters helps group companies to identify internal opportunities for optimisation and new flows, but countries and regions are fully responsible for the planning of demand and production at their facilities, as well as for the related inventory levels.
This type of organisation not only allows production flexibility, but also the effective management of under-used or over-driven facilities, thus fully exploiting market potential and avoiding unnecessary production bottlenecks. In this sense, the Prysmian supply chain represents a model of resilience that not only maximises efficiency in terms of productivity, but also guarantees ensure the continuity of production when extreme or extraordinary events occur, such as the 2020 pandemic.

Organisational and environmental efficiency

Network efficiency includes the monitoring and optimisation of logistical costs. These activities are essential for the economic sustainability of the business, given the considerable weight and volume of the products moved. But not only that. The value of the metals contained in products is crucial at a time of raw material shortages, and inventory control - as well as the speed with which stocks can be aligned with market conditions - is a key component of the Group's strength.
Consistent with the Prysmian philosophy, the supply chain seeks to deliver excellent products and services, striving to ensure the availability of products based on the needs of customers.
In addition to the logistics, Prysmian dedicates particular attention to the environmental aspects of transportation, striving constantly to reduce CO_2 emissions by improving the efficiency of the distribution networks and fleets of the various logistics partners.

Customer centricity

The Prysmian business model is founded on *Customer Centricity*, seeking to deliver optimal service in terms of delivery reliability, with constant reductions in the lead time between the receipt of orders and the delivery of products to customers. The Prysmian supply chain ensures flexibility at all stages, thus decreasing the time to market and adapting to the needs of customers in the various sectors.
Prysmian Group monitors customer satisfaction by carrying out on-line surveys and personal interviews with key customers of the Group. The objective is to ensure ever closer relations with them, in order to understand their needs and the areas in which additional technical assistance is required. In this way, we can develop innovative solutions that meet identified needs in the various markets. Specific action plans are prepared and implemented, via joint initiatives at HQ and country level, and the results obtained are monitored closely.

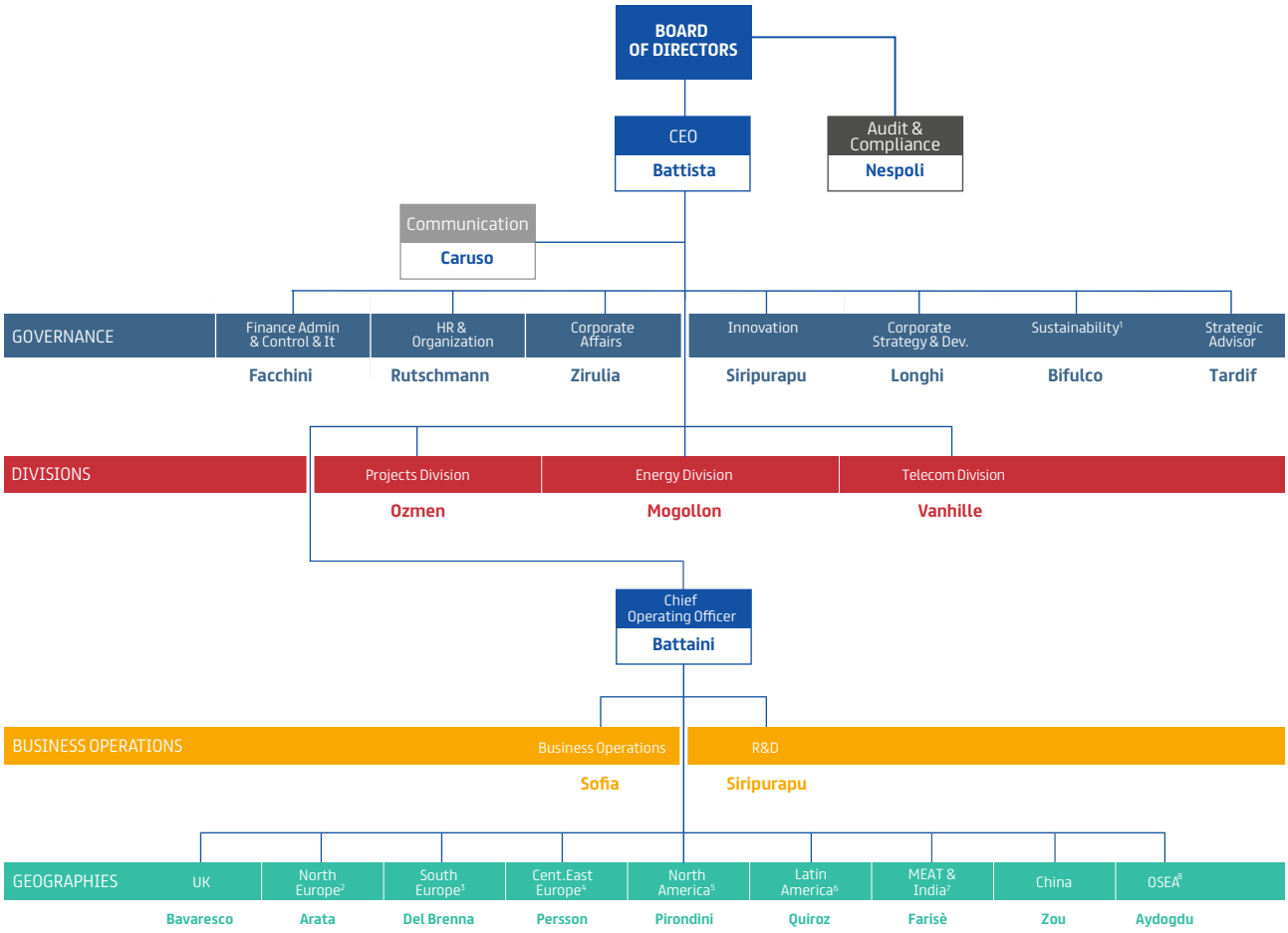
Organisation and governance

Prysmian is aware of the importance of a good system of corporate governance for the achievement of strategic objectives and the creation of long-term sustainable value; accordingly, the system is updated constantly, in line with relevant recommendations and regulations, as well as domestic and international best practices.
The Group has adopted principles, rules and procedures that govern and guide the conduct of activities by all organisational and operating units worldwide, ensuring that all business transactions are carried out in an effective and transparent manner. Once again, during 2022 Prysmian has complied with the Corporate Governance Code for listed companies approved by the Corporate Governance Committee.

Corporate governance structure

Prysmian's corporate governance structure is based on the central role of the Board of Directors, which is responsible for managing the Group in the interests of all shareholders. The Group has also established a Remuneration and Nominations Committee, a Sustainability Committee and a Supervisory Body appointed pursuant to Decree 231/2001.

ORGANIZATIONAL CHART OF THE GROUP*



(*) The organisation chart presented reflects the organisational structure in march 2023 .

1. Also responsible for Investor Relations reporting to Group CFO.
2. NORTH EUROPE: Estonia, Finland, Norway, Russia, Denmark, Sweden e Netherlands.
3. SOUTH EUROPE: Belgium, France, Italy, Portugal, Spain, Tunisia, Côte d'Ivoire and Angola.
4. CENTRAL EAST EUROPE: Austria, Czech Republic, Hungary, Germany, Romania, Slovak Republic.
5. NORTH AMERICA: Canada, USA.
6. LATAM: Argentina, Brazil, Costa Rica, Chile, Mexico, Peru, Colombia, Ecuador.
7. MEAT: Oman, Turkey, India.
8. OSEA: Australia, New Zealand, Malaysia, Indonesia, Philippines, Singapore, Thailand.

A history of growth, innovation and iconic projects

The history of Prysmian tells of epoch-making challenges and innovative solutions that, over time, have resulted in the execution of projects all over the world, from the tallest buildings to the depths of the sea.

> *In the next five years, we will introduce innovations that would have normally taken at least twenty years to be developed. We are getting ready to this, paying due attention to both new technologies and the STEM talents, which are key to seizing this lifetime opportunity, so as to allow our communities to thrive and grow in the future.*

Srini Siripurapu
CHIEF RESEARCH & DEVELOPMENT OFFICER AND CHIEF INNOVATION OFFICER

The milestones: a history of innovation and growth

Prysmian became independent in 2005, on the acquisition of Pirelli's Telecom and Power Cables and Systems by Goldman Sachs, and has followed a path of strong growth and innovation since then. The Group's cables now provide the nervous system through which the world's power and data flow.

Prysmian acquired Draka, a cables and optical fibre multinational based in the Netherlands, in 2011. This operation created the Prysmian Group, a market-leading global group capable of integrating products, services, technologies and know-how, by optimising the geographical presence and financial strength of the two companies.

In 2017, the Prysmian Group acquired General Cable and consolidated its role as a truly global leader in the cables sector. The consequent merger has created significant value for all stakeholders, given our broader and more balanced geographical presence, as well as the expanded and synergistic portfolio of products.

A history of technological innovations and major projects

A history of innovations

We have always worked to reinvent the transport and distribution of energy and communications, anticipating today the solutions of the future. Being a leader means being at the forefront of innovation, so Prysmian promotes change relentlessly.

A history of major projects

Prysmian cables provide the nervous system through which energy flows around the world. Prysmian has led the way for major energy interconnections.
The first major **high-voltage interconnection** project known as *SaCoI* (Sardinia, Corsica, Italy) was launched in 1967, connecting Sardinia to Italy via a submarine cable. This is still the oldest operational cable in the world.
In 2005, Prysmian participated in the construction of *BassLink*, the longest interconnection ever laid, linking Australia and Tasmania. The turn of the *Trans Bay Cable* came in 2007, with installation of the HV submarine link between Pittsburg and San Francisco (California - USA).
Also in the US, Prysmian completed the *Hudson Project* in 2013, with the power link between New York City and New Jersey. This project followed the completion in 2007 of the *Neptune Project*, connecting Long Island to New Jersey.
In Europe, the Group has consolidated over time its leading role in the supply of cables for major **submarine interconnections**. Construction of the SAPEI (SArdegna-PEnisola Italiana) link - the world's deepest submarine cable (1,600 metres on the bed of the Tyrrhenian Sea) - dates back to 2008. More recently, Prysmian is contributing to the integration of energy markets between the UK and France (IFA1 and IFA2) and between the UK and Denmark with the Viking project.

In 2015, with the *North Sea Link* project, Prysmian connected the British Isles and Norway via the world's longest undersea electricity interconnection. Via the Channel Tunnel, in 2017 the Group built the new *ElecLInk* HVDC interconnection between France and the UK.
The Group was awarded the *Tyrrhenian Link* contract in 2021, which includes laying over 1,500 km of submarine cables between Sardinia, Sicily and Campania. This project sets new records, including length, depth - over 2,000

INNOVATING TO TRASFORM THE WORLD

1883
Power cable installed in Milan connecting Via S. Radegonda and La Scala Theater

1887
Submarine communication cable (telegraph) connecting some minor islands in Italy

1932
Oil Filled power cable 1x130 mm² - 60 kV AC

1952
Coaxial cables connecting Madrid and Barcellona

1953
Submarine communication cable (telegraph) connecting Cape Verde and Brazil

1960
Power cable (EPR) and accessories up to 400 kV AC

2006
P-Laser technology for MV cables

Bendbright-XS – Bend insensitive Single-Mode optical fiber

2009
PRY-CAM technology for partial discharges measurement

2011
Flexible pipes for flow lines

Nano cable for telecommunication application using 200µm-XS fibers

2013
P-Laser technology for HV cables

Power cables (PPL MI) and accessories up to 600 kV DC

2014
Very High Fiber Count Optical cables up to 1728 optical fibers

Widecap-0M5

Multimode Fiber for wavelenght multiplexing

2016
P-Laser and XLPE HVDC Power cables and accessories up to 600 kV – Type Test

metres - and technological innovation. This brings us to 2022, when Prysmian set the installation depth record for an innovative cable with non-metallic sheathing, as part of the submarine interconnection project between Crete and mainland Greece.

Prysmian Group is a partner in the latest and most important **solar and wind** farm interconnection projects worldwide, both offshore and onshore. In Europe, these include the *DolWin4* and *BorWin4* projects to cable two mega offshore wind farms in northern Germany. In the United States, Prysmian is involved in the construction of Vineyard, the country's first large-scale offshore wind farm, as well as the *Commonwealth Wind* project in Massachusetts and the *Park Wind* City project in Connecticut.

Prysmian also plays a key role in the development of **terrestrial interconnections**. Among others, Prysmian participated in construction of the high-voltage electricity interconnection between Italy-France and France-Spain. More recently, Prysmian is contributing to construction of the *German Corridors*, veritable "electricity highways" (over 4,000 km) connecting the country from north to south, that will allow clean energy from wind farms to be transported to more industrialised areas in the south of the country.

Prysmian cables supply power to the world's most prestigious buildings, such as the Burj Khalifa in Dubai, The Shard in London, the World Trade Center in New York, the Guggenheim Museum in Bilbao and the Louvre Museum in Abu Dhabi. Prysmian has also helped to build electricity grids in some of the world's largest cities, from New York to Buenos Aires, from London to St. Petersburg, and from Hong Kong to Sydney.
In the **telecommunications** business, Prysmian immediately took over from Pirelli Cavi, which became a market leader by laying the first telegraph cables following the unification of Italy. The Group has consolidated partnerships with the world's leading telecommunications operators for the development of the broadband networks that will support digitalisation. Among the more recent projects, the Group will collaborate with Telstra on the development of an advanced fibre network linking major Australia cities by up to 20,000 km of cabling, thereby increasing the transmission capacity between them and at regional level.

In the US, Prysmian partners with *Verizon* to provide optical fibre products that support the development and acceleration of 5G services. In the United Kingdom, Prysmian partners with Openreach in support of the "Full Fibre" plan, via which the government expects to achieve its 85% broadband coverage target by 2025.

1970
Power cable (XLPE) and accessories up to 275 kV AC
Fluid Filled power cables (paper) and accessories up to 1000 kV AC

1974
Optical fiber technology development

1976
Optical fiber cable technology development

1987
First submarine optical cable installation

1994
OPGW Optical – Ground Wire
Superconductor power cable
Cat 5e copper data transmission cables

1999
Airbag tecnology for MV cables
Flextube technology for optical cables

2017
Submarine power cable – Ultra High Depths (3.000 m)
Optical cable Flextube up to 3456 optical fibers
Steel Tube Umbilical for dynamic applications

2018
Submarine Power Cable
Optical cable FlexRibbon up to 6912 optical fibres
E3X high emissivity advanced technology for overhead lines
CPR Low Voltage Cables

2019
Optical Cable FlexRibbon up to 6912 optical cable
P-Laser and XLPE 525 HVDC Underground Cable System PQT

2020
Bendbright Xs 180 micron Optical Fiber
Sirocco HD
Sirocco Extreme

2021
PRY-CAM Home High Depth 3-Core Submarine Cable System 1000 m
275 kV 3-Core Submarine Cable System
German Corridors 525 kV HVDC P-Laser Production

2022
Submarine 525 kV HVDC XLPE Cable System PQT
E3X Robot for Overhead Lines
EV Dynamic Wireless Charging DC cables
German Corridors 525 kV HVDC XLPE Production

1.3 STRATEGY AND BUSINESS MODEL

During 2022 the world faced complex economic, social and political risks that were often interlinked, such as the war in Ukraine, the isolation of China, the slowdown in global growth and high rates of inflation, not to mention extreme climate events.
Challenges associated with energy and food supply, scarcity of raw materials and the strategic role of cyber security have prompted businesses to adopt increasingly flexible and resilient business models. In a volatile, uncertain, complex and ambiguous world, it is essential to understand the direction of changes and turn them into opportunities for growth. .

Five global challenges

The Group has identified five global trends that Prysmian must address in the near future:

1. **Growth of renewables (Energy transition): >70% by 2050.** Industrialised countries are turning to renewable energy in order to reduce CO2 emissions and tackle climate change. Estimates expect them to cover 70% of global electricity generation by 2050, which is more than double the current figure of 30%.
2. **Electrification: +25% electricity consumption by 2030.** Population growth, the steady increase in electricity consumption and the proliferation of energy-intensive infrastructure for telecommunications, are just some of the drivers that will cause electricity consumption to rise by 25% by 2030
3. **Cloudification: >300 TWh consumed by the world's data centres, the same as the whole of Italy.** The ongoing need for additional cloud capacity is causing exponential growth in the number of data centres, which are becoming ubiquitous. These centres need an enormous quantity of power cables to operate and of telecom cables for the transportation of data.
4. **Data booming: by 2030 two out of three homes (85%) will have broadband.** This exponential increase in data consumption will be evident by 2030, due to the greater quality and quantity of the infrastructure that carries it.
5. **Smartisation and Servitisation: being growth in the Internet of Things (IoT) and a focus on "Solutions" rather than "Products".** The growth of technologies and the speed of data exchange is fostering new innovative solutions (such as autonomous driving) and a continuous reduction in costs (for example, the cost of bandwidth is 40 times lower than in 2010).

Each of these trends brings strong convergence and interdependence between energy and digitalisation. Just think of the data centres or 5G towers, where suppliers, distribution channels, customers and value chains all intersect.

Prysmian's competitive advantages

Faced with these continual complex changes, Prysmian can count on a solid business model founded on the following strategic pillars:

- **Diversification**

A broad product portfolio and diversified geographical coverage capable, respectively, of exploiting the convergence of Energy and Telecom and attenuating the cyclic nature of Prysmian's activities in the various Regions and businesses.

- **Technological excellence**

Innovative products and solutions, as well as highly qualified human capital.

- **Decentralised supply chain**

A decentralised supply chain capable of delivering customised solutions.

- **Aggregation hub**

Ability to complete acquisitions and mergers, releasing major cost and revenue synergies.

Prepared for the future

Leveraging these solid competitive advantages, the Prysmian strategy is focused on the following growth opportunities:

- **The consolidation of leadership**

Long-term, structural growth in core areas (e.g. interconnections, network reinforcement, FTTx).

- **Research and development for innovation**

Development of skills and the product portfolio in sectors undergoing rapid expansion, such as Solar, Wind, EV Charging, Data Centres and 5G.

- **Solution provider**

Turnkey services for the energy transition and digitalisation.

To seize these growth opportunities, Prysmian can count on an efficient and flexible supply chain, our proximity to customers, technological innovation, and the constant development of know-how and skills, with a view to sustainability. Spanning all these factors, we find financial strength and the ability of the Group to generate the resources needed to sustain investment in value-added businesses with a high technological content, as well as constant improvements in the sustainability of our production processes and products.

Prysmian's contribution to the twin transition

Prysmian is an enabler of both the ecological transition and digitalisation at a global level, the so-called twin transition, which are central to the objectives of the European Green Deal.

This complex transition involves the industrial modernisation of production processes via the development of new solutions that help society as a whole to become more sustainable. To do this, technology and the intelligent use of data have a strategic, but still underdeveloped, role to play.

A transition strategy combines these critical functions to unlock huge efficiency and productivity gains, as indeed Prysmian's supply chain demonstrates. The dual transition will have a positive impact by greening technology, data resources and infrastructure, while also accelerating sustainability throughout the organisation.

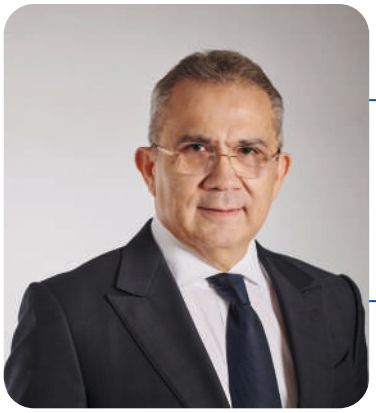
Our business model

Every day, globally, we contribute to the development of smarter and more sustainable electricity grids and telecommunication networks, in order to transport clean energy and information faster and further.
The diversified portfolio of activities is a strength for Prysmian, as the only global leader with a business model balanced among different areas of activity, where each segment plays a precise role in the overall strategy, considering stability, growth potential and the generation of opportunities.

While Prysmian's positioning as a "cable manufacturer" remains central, part of our business now qualifies the Group as a "network solution provider".
The ability to integrate ever more closely the various components - engineering, installation, network monitoring and after-sales services - and provide value-added services ensures both recurring revenues and long-term partnerships with customers.

Prysmian has three macro business areas: Energy, Telecom and Projects.

ENERGY



The development of more reliable and smarter grid infrastructure for power transmission and distribution is crucial for integrating renewable energy sources

Juan Mogollon
EXECUTIVE VICE PRESIDENT ENERGY

Division specialising in products and services for energy distribution and special cables for applications in a wide variety of sectors, as well as medium and low voltage cables and accessories for the construction and infrastructure sector.

A. **Energy & Infrastructure**, which includes the Trade & Installers and Power Distribution businesses:

- Trade and Installers: both rigid and flexible cables for the distribution of power to residential, commercial and industrial facilities (in North America exposure to residential <5%, in Europe 30-35%). Recently, the offer has also extended to infrastructure (airports, ports, railway stations and data centres).

- Power Distribution: medium-voltage cable systems for overhead and underground installations (together with all types of network accessories and components) for connecting industrial and/or residential buildings to the primary distribution grid, as well as low-voltage cable systems for power distribution. Grid hardening is the main driver of this business. The products mainly target utilities and network operators.

B. **Industrial & Network Components** which includes a wide range of cables for different industries - from marine to automotive, aerospace to petrochemicals - with a high level of solution specificity, including turnkey and maintenance services.

- Specialties, Renewable & OEMs: The range of cables offered by Prysmian for the transportation market is employed in the construction of trains and ships, in the automotive industry (charging of electric vehicles) and in the aerospace sector. With regard to infrastructure, on the other hand, the main applications are found in the rail, sea port and airport sectors. The range also includes cables for the mining industry and for applications in the renewable energies sector (wind and solar), as well as cables for military use and nuclear power stations, which can withstand their higher temperature levels.

- Elevators&Escalators: in the lift and escalator sector, the aim is to ensure optimal operation through the Draka EHC brand with a variety of products, technical services and solutions always available thanks to Prysmian's distribution and logistics network.

- Automotive: in the global automotive industry, Prysmian has a diversified range of cables and pre-assembled components for OEMs, system suppliers and providers of cabling solutions, in full compliance with the latest environmental standards and requirements.

- Network Components: in addition to cables, the Group produces accessories and network components for joining cables and connecting them to other devices. Connectors and terminals for low, medium, high and extra-high voltage cables and submarine cable systems are essential for industrial, construction and infrastructure applications, as well as for power transmission and distribution grids.

- Oil & Gas: Prysmian's diversified range also serves the petrochemical sector, covering all offshore and onshore needs: low and medium voltage cables, cables for instrumentation and control purposes combined with Downhole Technology (DHT) solutions, which involve running cables through steel pipes to power and control the monitoring systems used in extraction wells.

- EOSS-Electronics and Optical Sensing Solutions: the range in this area is completed by products and services that manage and monitor the operational status of electrical assets and systems designed, developed, produced and sold by the Group, supported by proprietary cabling systems and applying AI algorithms and sensing technologies patented by the Group.

TELECOM

Fibre can play a significant role in the improvement of circularity, which should represent a major objective for companies worldwide. Making the design and manufacturing processes more sustainable, we all can reduce the CO_2 emissions generated.

Philippe Vanhille
EXECUTIVE VICE PRESIDENT TELECOM

Prysmian is the world's largest supplier of advanced cables and accessories for voice, video and data transmission, with a full range of optical fibre, optical and copper cables, and connectivity systems.

This division comprises:

A. Telecom solutions: optical fibre and copper cabling solutions for telecommunications. Innovation is fundamental in order to implement and enhance such new-generation networks as hybrid cables, Fibre-to-the-Antenna (FTTA) and 5G. In addition to these solutions, the Group has developed other customised optical fibre and hybrid solutions and an optical connectivity portfolio, in order to create or manage networks that satisfy the ever-increasing demand. In both cables and connectivity, the Group focuses on the design of products that provided greater density in a smaller diameter, with ease of use and optimal fibre management. The most popular products, on the other hand, include racks, connectors, wall boxes and termination boxes for customers, as well as pre-connected products for internal and external use, coaxial and high density cables, and pre-connected optical cables.

B. MMS Multimedia Specials: MMS Multimedia Specials: alongside wholesalers, retailers and OEMs with reliable and flexible solutions. The products available include copper and fibre cables for short/medium runs in offices and data centres; optical and copper cables for various uses, such as cabling for radio and TV stations and film studios; fire-resistant coaxial cables and cables for connecting base stations and aerials in mobile networks.

C. Optical fibre: Prysmian also produces mono-modal and multi-modal optical fibres and special fibres, using an innovative proprietary technique that positions the Group at the forefront of today's technology.

PROJECTS

In the coming years, as offshore wind technology becomes more reliable and spreads to new geographical areas, an irreversible trend towards renewable energy will continue to foster the growth of Prysmian Group's submarine cable business.

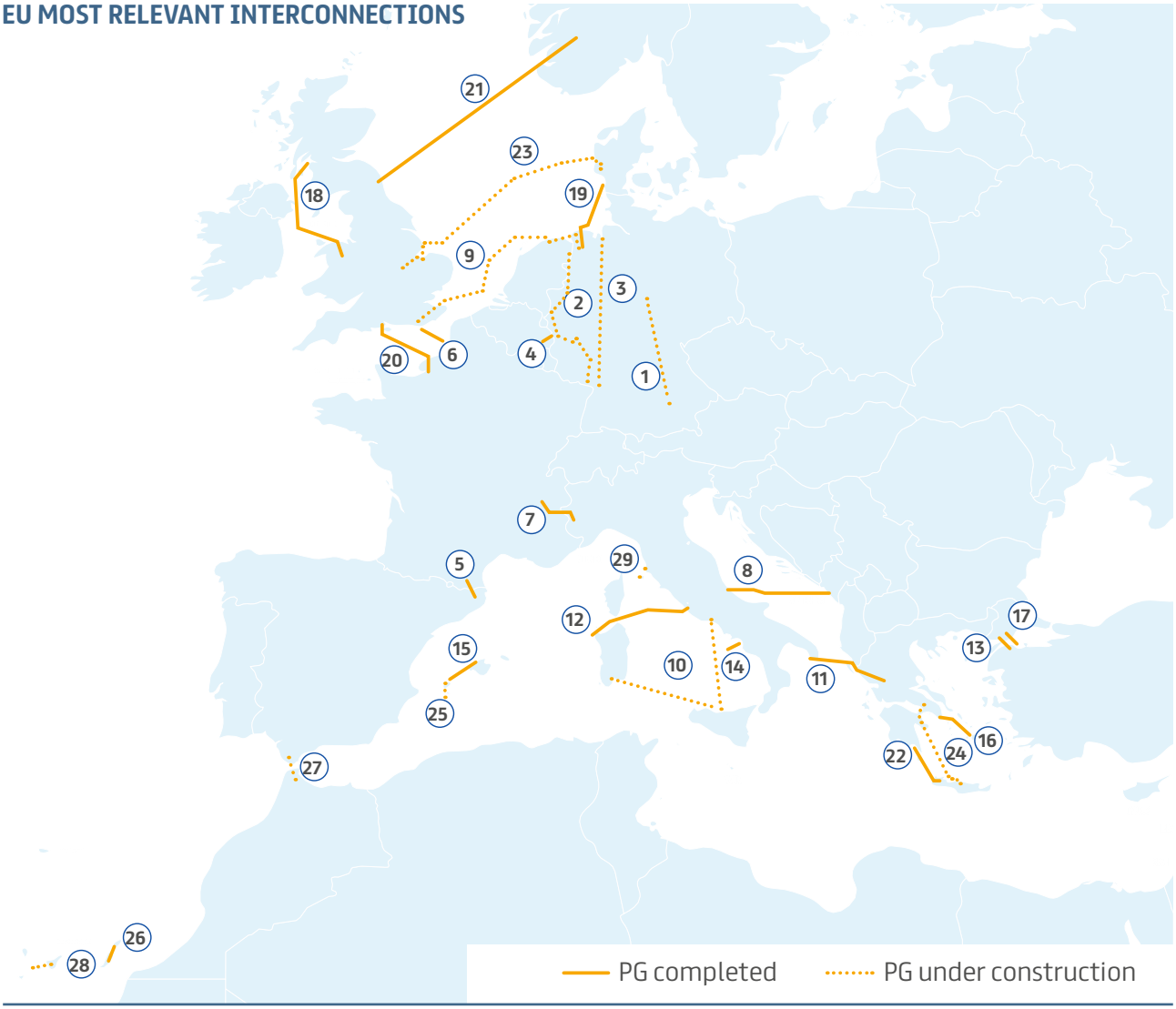
Hakan Ozman
EXECUTIVE VICE PRESIDENT PROJECTS

From underground cable systems that support the energy transition and power wind farms, to submarine systems installed by the Leonardo da Vinci, our newest cable-laying vessel, we work on supply-only and turnkey projects for some of the world's largest operators.

The Group has supplied several of the major terrestrial and submarine links, as well as submarine cable connections for the main offshore wind farms, both fixed and floating. The Group uses specific technologies for undersea power transmission and distribution and is able to offer sophisticated solutions that satisfy the strictest international standards.

On acquiring General Cable, the Prysmian Group returned to the submarine Telecom cables business, which specialises in the production and installation of data transmission cables. The Offshore Specialties business comprises a vast range of products for the oil industry, including umbilical cables, flexible pipes and all electrical, optical and data reporting components needed to manage oil wells, from the bottom of the sea to the offshore platform.

EU MOST RELEVANT INTERCONNECTIONS



Land Interconnections		Power Transmitted	Voltage
HVDC SuedOstlink	1	2000 MW	525 kV
HVDC Line A-North	2	2000 MW	525 kV
HVDC Suedlink	3	2000 MW	525 kV
ALEGrO	4	1000 MW	320 kV
Inelfe	5	2000 MW	320 kV
Eleclink	6	1000 MW	320 kV
Piedmont - Savoy	7	1200 MW	320 kV

Submarine Interconnections		Power Transmitted	Voltage
Monita	8	600 MW	500 kV
NeuConnect	9	1400 MW	525 kV
Tyrrhenian Link	10	1000 MW	500 kV
Italy - Greece	11	1000 MW	400 kV
Sa.Pe.I	12	1000 MW	500 kV
Çanakkale I	13	1000 MW	380 kV
Capri - T. Annunziata	14	160 MW	150 kV
Ibiza - Mallorca	15	118 MW	132 kV
Cyclades	16	200 MW	150 kV
Çanakkale II	17	1000 MW	380 kV
Western HVDC Link	18	2200 MW	600 kV
COBRAcable	19	700 MW	320 kV
IFA2	20	1000 MW	320 kV
North Sea Link	21	1400 MW	600 kV
Crete - Peloponnese	22	200 MW	150 kV
Viking	23	1400 MW	525 kV
Crete - Attica Greece	24	1000 MW	500 kV
Ibiza - Formentera	25	53 MW	132 kV
Lanzarote - Fuerteventura	26	120 MW	132 kV
Ceuta Peninsula	27	160 MW	132 kV
Tenerife - La Gomera	28	50 MW	66 kV
Elba - Piombino	29	160 MW	132 kV


15E01
15D01
15C01

THE SUSTAINABLE DEVELOPMENT STRATEGY

2.1 PRYSMIAN FOR THE SUSTAINABLE DEVELOPMENT GOALS

Adherence to the global compact network and the SDGs

Prysmian has joined the **United Nations Global Compact**, a global network of more than 17,000 companies in 160 countries around the world, which was inaugurated in 1999 with the aim of building a sustainable global economy: respectful of human and workers' rights, environmental protection and the fight against corruption.

The Global Compact calls on member businesses and organisations, each in their own sphere of influence, to agree, support and apply a set of fundamental principles covering human rights, working standards, environmental protection and the fight against corruption.

In order to report its commitment in this area, Prysmian Group makes reference to the **17 Sustainable Development Goals** (SDGs) defined in the UN 2030 Agenda. The SDGs and their targets identify the global priorities and define an integrated plan of action for people, planet, prosperity and peace.

To strengthen its commitment to sustainability, Prysmian has adopted a Sustainability Policy that defines the Group's pledges and the priorities, governance, strategies and vision linked to Sustainability.

The three priorities of the Group

With respect to the SDGs, Prysmian has defined three priorities for the Group:

- Facilitate the deployment of accessible **energy** and innovation in telecommunications and infrastructur.
- Pursue the responsible consumption of natural resources and sustainable supplies.
- Contribute to the **development of people and local communities**.

Prysmian's contribution to the SDGs

Prysmian Group contributes to achievement of the SDGs via specific activities linked to the topics identified through the materiality analysis.

SUSTAINABLE INNOVATION OF PRODUCTS, APPLICATIONS AND PROCESSES
Develop innovative products and solutions that support continuous improvement of the sustainability of telecommunication and energy infrastructures

SUSTAINABLE INNOVATION OF PRODUCTS, APPLICATIONS AND PROCESSES
Boost the production and sale of high quality, reliable and "green" products and services

SUSTAINABLE INNOVATION OF PRODUCTS, APPLICATIONS AND PROCESSES
Facilitate access to clean energy, via continuous investment in research for the development of advanced solutions for the production and transportation of energy from renewable sources

IMPLEMENT DECARBONISATION ON THE PATH TO NET-ZERO AND DIGITALISATION
Pursue the efficient and sustainable use of energy and natural resources by reducing consumption and greenhouse gas emissions, while minimising the generation of waste and promoting the recycling and reuse of materials

BIODIVERSITY AND IMPACT ON NATURE
Carry out activities in a manner respectful of natural habitats, performing advanced feasibility analyses of new plants, monitoring protected areas in the territories where the Group is present and, when required, contributing to their protection

IMPACT ON COMMUNITIES
Enable the universal dissemination of energy and telecommunications via reliable, accessible infrastructure that makes entire communities more sustainable

IMPACT ON COMMUNITIES
Promote the socio-economic development of the communities in which the Group operates, via the adoption of an appropriate Corporate Citizenship and Philanthropy policy

GREATER DIVERSITY, INCLUSION AND RESPECT FOR HUMAN RIGHTS
Promote inclusive ethical conduct that respects the diversity of each person, protect the rights of workers, develop a healthy workplace environment, encourage the training and professional growth of all personnel

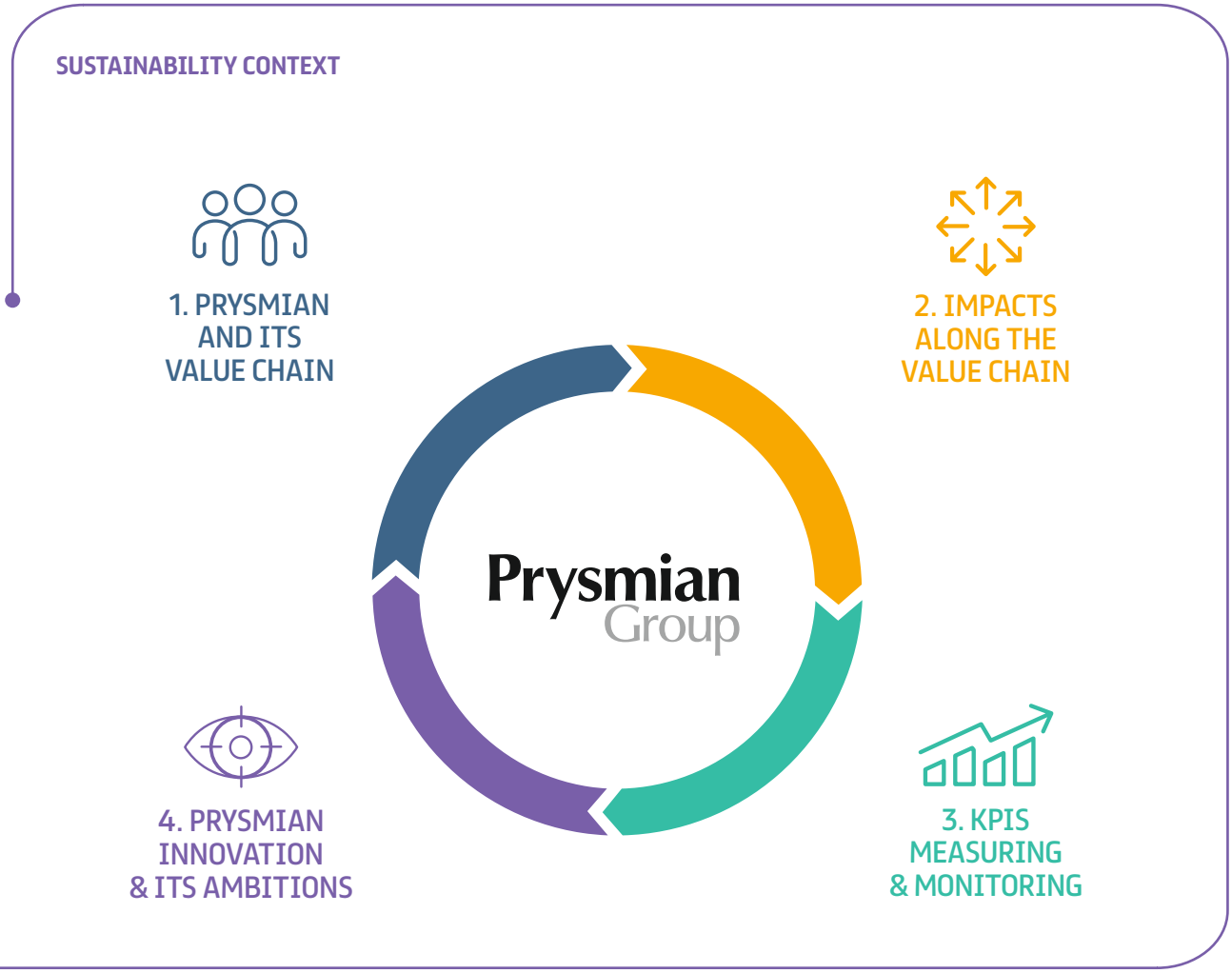
GOVERNANCE, ETHICS AND INTEGRITY
Promote sustainable business practices between our suppliers and business partners

GOVERNANCE, ETHICS AND INTEGRITY
Develop effective, transparent and responsible communications with Stakeholders

2.2 PRYSMIAN'S APPROACH TO SUSTAINABILITY: THE IMPACT CREATION MODEL

A model based on impacts and ambitions

The Group's sustainability strategy is based on an "Impact Creation" model, enabling effectiveness to be analysed and areas for improvement to be identified in a timely and measurable manner.



The model comprises four macro-areas interconnected to one each other in a circular way.

- The first area, Prysmian's value chain, describes the Group's identity and activities;
- the second area identifies the actual and potential impacts, both positive and negative, generated by Prysmian throughout its entire value chain (see the "Materiality analysis 2022" section for more information);
- the third area involves measuring and monitoring constantly the KPIs that Prysmian has defined within its sustainable development strategy;
- the fourth area comprises the environmental and social ambitions identified by the Group as a tangible response to these impacts, via continuous innovation of products and processes.

The four areas, interconnected in a circular way, describe:

1. **IMPACTS**: positive or negative, actual or potential, short/medium or long-term impacts generated by Prysmian throughout the entire value chain and suffered in connection with specific financial indicators;
2. **LONG-TERM AMBITIONS**: defined by Prysmian as concrete responses to these impacts.

Climate change ambition and social ambition

The transition from fossil fuels to renewable energy sources is one of the greatest and most urgent problems facing humanity. In this context, access to cleaner and greener energy requires the installation of larger and smarter networks and infrastructure. This is why sustainability is in our DNA. Prysmian works tirelessly to deliver sustainability via innovative solutions, the processes to implement them and the people on the ground.

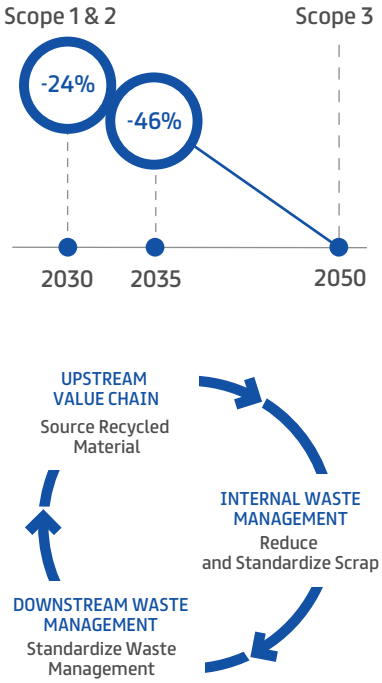
During 2021, the Prysmian Group introduced two strategic ambitions that will guide its actions over the medium-long term: **the Climate Change Ambition and the Social Ambition**.

Given, in fact, the growing attention in recent years towards ESG (Environmental, Social, Governance) issues and their increasingly significant weight within society, the Group's Board of Directors, in March 2020, established the Sustainability Committee which has been assigned the supervision of ESG issues. This Committee has strongly encouraged and contributed to the definition of the Group's long-term ambitions and constantly monitors the performance of the related KPIs.

PRYSMIAN GROUP'S SUSTAINABILITY PRIORITIES

SOLID GOVERNANCE

ENVIRONMENT



SOCIAL

SUSTAINABLE DEVELOPMENT GOALS

LA SUSTAINABILITY ACADEMY

SHESTEMS

Long-lasting positive impact on the communities. Initiatives in Oman, Colombia, Brazil and Thailand.

INNOVATION

ECO CABLE

Allow customers to **choose the greener option.**

Design solutions fit for sustainability.

P-Laser

Leverage on innovation to **decarbonize our customer's operations.**

Climate Change Ambition

The climate strategy adopts "science-based" targets aligned with the Paris Agreement climate objectives. In particular, the Science Based Targets initiative (SBTi) defines the requirements for an effective Net-Zero strategy:

- reduction of Scope 1, 2 and 3 emissions to zero, or at least to a residual level consistent with achieving the global or sector targets set in line with the Paris Agreement (1.5°C);
- neutralisation of any residual and GHG emissions released into the atmosphere.

As part of this initiative, Prysmian has taken the following actions:

1. definition of a short-term emissions-reduction *target*;
2. definition of a long-term emissions-reduction *target*;
3. launch of projects for the neutralisation of residual emissions.

1. Short-term SBTs: targets to reduce emissions over 5-10 years in line with the 1.5°C limitation scenario

During 2021 - year one of its ambition - the following short-term targets were defined by Prysmian Group and approved by the SBTi:

- Scope 1 & 2 target in line with the hypothesis of keeping the rise in average global temperature below 1.5°C: -46% by 2030;
- Scope 3 target in line with the hypothesis of keeping the rise in average global temperature below 2°C: -21% by 2030.

During 2022, Prysmian revised these targets and committed to a further reduction in Scope 3[3] emissions, aligning the Group with the "Well Below 2°C" trajectory and updating the 2030 target from -21% to -28%.

2. Long-term SBTs: targets to reduce emissions to a residual level by 2050

Given that the Corporate Net-Zero Standard calls for businesses to work on the decarbonisation of at least 90% of their Scope 1, 2 and 3 emissions, the Prysmian Group has presented the following targets:

- decarbonisation of 90% of its Scope 1 and 2 emissions by 2035 through:
  - gradually eliminating the emissions of SF6 gas;
  - using 100% renewable energy;
  - neutralising residual emissions;

- decarbonisation of 90% of its Scope 3 emissions by 2050.

These targets represent a bigger commitment by the Group, requiring greater decarbonisation of operations and a reduction in the permitted offset percentage.

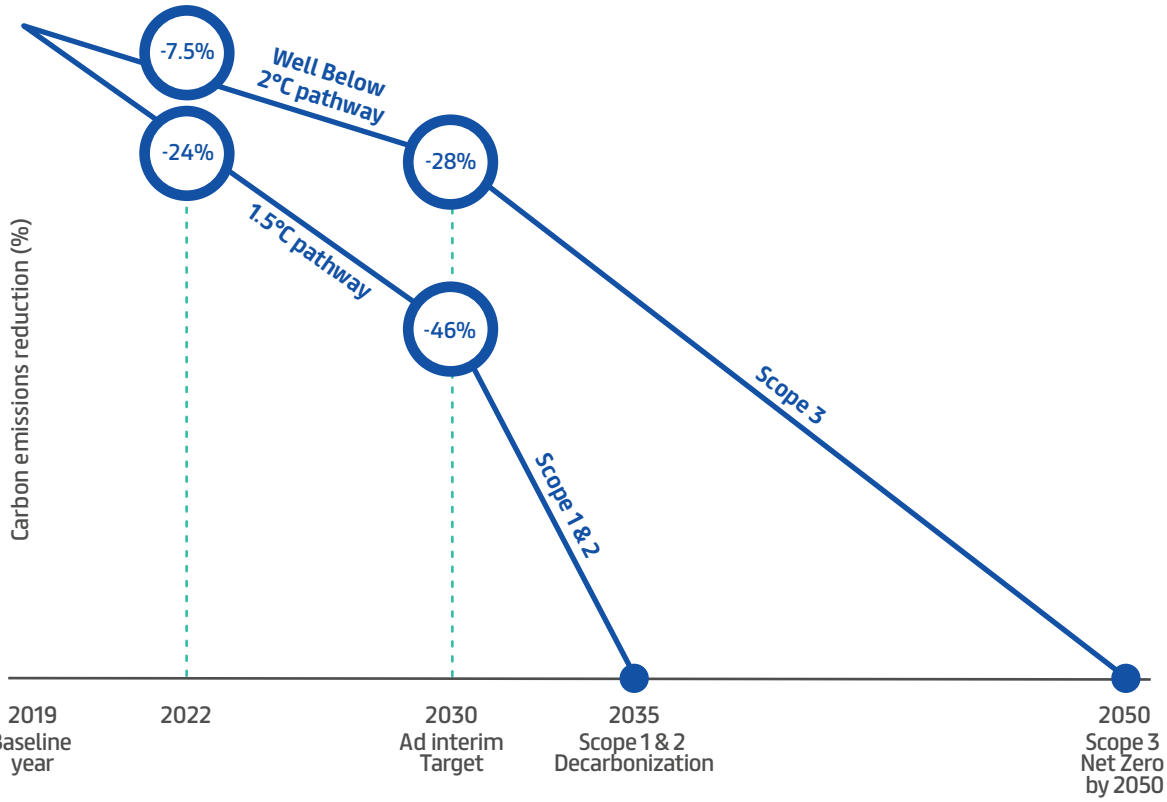
3. Neutralisation of residual emissions

Residual GHG emissions must be offset using methods that remove climate-altering gases from the atmosphere over a long period of time. These methods fall into three main categories: biological (planting of trees, reforestation), engineering (cement hardened with CO_2, systems for the direct capture of CO_2 from the atmosphere) and hybrid (Biocarbon, Bioenergy with carbon capture and storage - CCS).

Prysmian Group presented these new and more ambitious targets for validation in November 2022, with approval expected by mid-2023.

3 Transition plans have not been affected by Ukraine-Russian crisis.

CLIMATE CHANGE AMBITION



Social ambition

Prysmian's ambition is to build a fairer, more inclusive and innovative world, starting with its people. The social ambition of the Group mainly concentrates on the commitment to improve *diversity*, *equality and inclusion* (DE&I), digital inclusion, the *empowerment* of communities, employee engagement and *upskilling*.

The targets set for 2030 promote achievement of the social ambition objectives of Prysmian and further align the Group with the UN Social Development Goals.

2030 SOCIAL AMBITION TARGETS

HEALTH & SAFETY	GENDER EQUALITY	RACE/ ETHNICITY INCLUSION	EMPOWER LOCAL COMMUNITIES	DIGITAL INCLUSION	UPSKILLING & ENGAGEMENT
Injuries Index towards **0** (employees & contractors)	**50/50** in Recruiting of Desk Workers **30%** of Women in Senior Leadership roles **25%** of Women in the Total Workforce **+ 500** women in a fully dedicated STEM program **Zero Pay Gap** Desk Workers	More than **30%** of Executives from under-represented nationalities/ ethnicities/origins Local mentoring programs for 500 students coming from minorities-poverty	At least a project per year, with focus on developing countries and vulnerable communities Local projects with donation of optic and electric cables	Connecting **100%** (over 30,000) of our employees through global platforms, achieving a proper level of adoption	**40 yearly hours** per capita of experienced learning for all employees More than **25%** of employees involved in mobility/growth experience every year **50%** of employees as stable shareholders through share ownership plans (YES) Higher than **80%** response rate to Engagement Survey Leadership Impact Index improved to **70-80%**

2.3 THE TARGETS FOR 2030

In order to establish a credible approach to sustainability, Prysmian Group has set specific objectives so that progress can be monitored constantly. Aside from the long-term targets, the Group is also committed to the achievement of short-term goals.

The sustainability scorecard

The Sustainability Scorecard comprises 16 targets that are monitored regularly by the Sustainability Steering Committee, which is chaired by the Chief Sustainability Officer of the Group. The results are also agreed by the Board's own Sustainability Committee, which was established in 2020.

The targets for 2022

Using 2019 as a point of reference, 2022 was the target year for achieving the established goals. The percentage reductions in GHG emissions (Scope 1 and 2 Market-Based) and energy consumption are calculated with reference to the 2019 baseline, consistent with the Science Based Targets initiative. All other KPIs refer to performance recorded on an annual basis.

SCORECARD PRYSMIAN GROUP 2020-2022

SDGs	KPI	Baseline 2019	2020	2021	2022	Target 2022
11 SUSTAINABLE CITIES AND COMMUNITIES	Percentage of product families covered by the carbon footprint measurement[1]	70%	84%	89%	92%	85%
7 AFFORDABLE AND CLEAN ENERGY	Percentage of annual revenues from low carbon-enabling products[2]	48%	48%	44%	45%	48% to 50%
13 CLIMATE ACTION	Percentage reduction of GHG emissions (Scope 1&2 Marked Based) vs 2019 baseline[3]	870 $ktCO_2$[4]	-17.4%	-22.1%	-24%	-16% to -21%
	Percentage reduction in energy consumption	9,845 TJ[5]	-6%	-2.9%	-7.7%	-3%
	Percentage of plants certified ISO 14001	83%	83%	90%	97%	95%
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Percentage of waste recycled	63%[5]	69%	69%	71%	65%
	Percentage of drums (tonnes) reused during the year	46%	48%[6]	50%	50%	Mantain
	Number of sustainability audits carried out based on risks in the supply chain	15	22	27	30	30
	Percentage of cables assessed using Ecolabel criteria developed internally by Prysmian	0%	1%	20.9%	37%	20%
8 DECENT WORK AND ECONOMIC GROWTH	Employee Engagement Index (EI)[7]	65%	65%	60%	61%	67% to 70%
	Leadership Impact Index (LI)[7]	57%	57%	54%	55%	59% to 65%
	Average hours of training per employee each year[8]	26 hours	18 hours	18 hours	29 hours	30 hours
5 GENDER EQUALITY	Percentage of women executives	12%	13%	13.5%	15.7%	14% to 18%
	Percentage of white-collar women hired with permanent contracts	33%	34%	39%	44.9%	40%
3 GOOD HEALTH AND WELL BEING	Frequency rate (IF) - Internal employees[9] Frequency rate (IF) - Internal and external employees[10]	IF: 1.30 IF: 1.31	IF: 1.30 IF: 1.25	IF: 1.49 IF: 1.55	IF: 1.32 IF: 1.40	IF: 1.2
	Severity rate (IG) - Internal employee[9] Severity rate (IG) - Internal and external employees[10]	IG: 41.54 IG: 41.94	IG:46.40 IG: 44.76	IG: 46.98 IG: 47.19	IG: 54.20 IG: 53.46	IG: 41

1 The value takes into account possible changes in the product portfolio, and consequently in the number of items, of the former General Cable area.

2 The figure was calculated on the sales at 31 December 2021 of the various business areas of Prysmian Group. The business areas, or part of them — considered as "low carbon enabling" — were identified by applying the taxonomy developed by the Climate Bond Initiative (CBI taxonomy).

3 Prysmian Group has defined its SBTs and decided to set market-based emission targets. Its 2022 targets, as well as its 2021 and prior year performances have thus been updated accordingly.

4 Relates to the fully-consolidated perimeter, including the plants in Chiplun (India) and Sohar (Oman).

5 Relates to the fully-consolidated perimeter, excluding the plants in Chiplun (India), Sohar (Oman) and the Group's fleet.

6 Data restated, as indicated in the 2020 NFD.

7 The Engagement Index is considered a result greater than or equal to 5 — on a scale from 1 (low) to 7 (high) — on two questions of a survey that measures employee engagement; the Leadership Impact Index is considered a result greater than or equal to 5 — on a scale from 1 (low) to 7 (high) — on five questions of a survey that measures employee engagement. The indices were developed in collaboration with SDA Bocconi.

8 Training hours include both local training and the Academy.

9 The data includes only Prysmian employees and not external staff and does not include the Prysmian Group fleet. In 2019 and 2020, however, the data includes only Prysmian employees, not external staff and not the Group's fleet.

10 The data includes Prysmian Group employees and external staff. It does not include the Prysmian Group fleet. 2019 and 2020 figures do not include the Group's fleet.

The new sustainability scorecard

Commencing from the end of 2022, Prysmian has defined a new three-year scorecard (2023-2025, baseline 2022), revising and simplifying the KPIs used (11 impact KPIs) to make the measurement, monitoring and communication of results more effective. These were defined after an analysis of:

- Prysmian ambitions (Social and Climate Change Ambitions);
- UN Sustainable Development Goals;
- GRI Standards;
- New process for carrying out the Materiality Analysis

The value referring to the percentage reduction in GHG emissions (Scope 1 and 2) and in the value chain (Scope 3) is calculated with respect to the 2019 baseline (870 $ktCO_2$ and 291 $mtCO_2$), in accordance with the methodology of the Science Based Targets initiative (SBTi). All other KPIs refer to the annual performance.

The Scorecard is built on 3 pillars strategic for the entire Group - Environment, People-Community and Innovation - that, in turn, are subdivided into various categories:

SCORECARD PRYSMIAN GROUP 2023-2025

SDGs	Categoria	KPI	Baseline 2022	Target 2025
	Impacts on Society	Enable access to green electricity to households[1]	21m	110m
		Enable fast digital access to households[2]	3m	15m
	Climate	Percentage reduction of GHG emissions (Scope 1&2 Marked Based) vs 2019 baseline[3]	-24%	-35%/-37%
		Percentage reduction of Scope 3 GHG Emissions vs 2019 baseline[4]	-7.5%	-11.5%/-15%
	Green & Circular Economy	Share of revenues linked to Sustainable Products – in EU/RoW[5]	52%/5%	57%/19%
		Share of recycled content on PE jackets and copper[6]	10%	15%/16%
	Diversity & Inclusion	Percentage of Desk Workers women hired[7]	44.9%	47%/49%
		Percentage of Executive women[8]	15.7%	21%/24%
	People Wellbeing	Safety Assessment Plan[9]	-	2.75/5
		Leadership Impact Index[10]	55%	57%/61%
	Solid Governance & Ownership	Percentage of shareholders employees[11]	37%	44%/45%
		Completion rate for compliance e-trainings promoting anticorruption[12]	75%	90%

(1) Enable access to green electricity to households: Estimation of the families connected to green energy through Prysmian products. It includes capacity installed through PV panels, onshore and offshore wind turbines and interconnectors where dedicated to renewable energy.

(2) Enable fast digital access to households: Estimation of the families having access to fast digital access (defined as FTTH, FTTB, DOCSIS 3.0) thanks to Prysmian products.

(3) Percentage reduction of Scope 1&2 GHG Emissions vs baseline 2019: decrease in the company's CO_2 emission compared to the 2019 year, in accordance with the SBTi methodology. Scope 2 is calculated via market-based approach.

(4) Percentage reduction of Scope 3 GHG Emissions vs baseline 2019: decrease in the value chain CO_2 emission compared to the 2019 year, in accordance with the SBTi methodology. The GHG emissions are calculated through a proprietary model.

(5) Share of revenues linked to Sustainable Products – EU / RoW: Percentage of revenues coming from products with improved sustainability performances over the total revenues. It includes Ecocable labelled products and E3X. As the Ecocable label has already been launched in Europe and not yet in other regions, the KPI is split in two, because the expansion of the Ecocable coverage will greatly impact the Rest of the World (RoW) figure. Projects and Fiber revenues are included in RoW.

(6) Share of recycled content on PE Jackets & Copper: Percentage on weight of the recycled content on the purchased amount of selected materials. The Scope includes 1) all the copper purchased by the Group excluding non-recurring suppliers and semifinished products, 2) the polyethylene used for sheathing purposes, excluding those applications where customers are not allowing secondary materials.

(7) Percentage of Desk Workers women hired: share of desk workers women hired with permanent contract compared to the total employees hired with permanent contact. The index includes all desk workers hired from external (including global recruiting programs and projects) and all change of contracts from agency/temporary to permanent.

(8) Percentage of Executive women: share of women in executive positions (grade 20 and above) on the total executive employees. Number of Employees is the headcount at the end of the period, including all permanent contract and temporary ones. The KPI shows the ability of the Group in developing internal figures to take on leadership roles, the capability of hiring them from the market and the ability to retain those talents.

(9) Safety Assessment Plan: Index measuring the maturity level on safety management in the Group's factories. The index is composed by four different categories (governance, Employees Engagement, Risk Assessment and Injury frequency rate). The first three categories are evaluated for each factory through an audit performed by a third party company, which assigns a value from 1 to 5 to each category, being 5 the maximum score. The result is then consolidated with the regional frequency index to achieve a score for the plant. The Group's result is the global average of the factories' result.

(10) Leadership Impact Index: percentage of respondent that declared an agreement level of at least 5 points — on a scale from 1 (low) to 7 (high) — on five questions of a survey that measures employee engagement. The index was developed in collaboration with SDA Bocconi and it measured every year through the Speak-Up survey.(11) Percentage of shareholders employees: number of employees with Prysmian shares deposited in company's administered accounts for GROW, YES and BE IN plans at 31st December of each year divided by the total number of employees eligible for type of contract or local implementation to participate in at least one of the plan.

(12) Completion rate for compliance e-learnings promoting ethics and integrity: Includes e-learnings happening on the Company Learning Management System and it addresses all global desk workers (excluding externals; consultants/contractors; employees on leave 30 days or more; and fixed-term interns). It is subject to annual compliance plan approval by the Board of Directions, topics may include one or more of the following: Code of Ethics, Anticorruption, Gifts & Entertainment, Conflicts of Interest, Helpline or Trade Compliance.

An international network

As a market leader, Prysmian is present in all major ESG indices globally, but also plays a leading role in various trade associations and authoritative bodies.

Prysmian in the ESG indices

Index	Description	2020	2021	2022
Dow Jones Sustainability Indexes	The DJSI is based on an analysis of business performance using 24 criteria divided into three main categories: environment, social and corporate governance. These categories are further divided into more specific sub-categories. Ratings range from 0 to 100.	Rank: 87/100 (ELQ World) included and ranked as 2nd	Rank: 87/100 (ELQ World) included and ranked as 1st	Rank: 87/100 (ELQ World) included and ranked as 3rd
MSCI	he MSCI ESG Ratings seek to measure the resilience of a cTompany to long-term and financially significant ESG risks. The ESG ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).	Score: A	Score: AA	Score: AA
ecovadis Business Sustainability Ratings	EcoVadis is a platform that allows companies to monitor the sustainability performance of suppliers through an assessment. The overall score (0-100) reflects the quality of the company's sustainability management system at the time of the assessment. Criteria for the 2023 scorecards: - Platinum: overall score between 78 and 100; - Gold: overall score between 70 and 77; - Silver: overall score between 59 and 69; - Bronze: overall score between 50 and 58.	Score: 76/100 (Platinum)	Score: 73/100 (Platinum)	Score: 74/100 (Gold)
CDP DISCLOSURE INSIGHT ACTION	CDP is the most well-known NGO in the world when it comes to assessing the transparency of climate-change disclosures, with the assignment to firms of scores from D to A. The scoring methodology is aligned with the Task force for Climate-related Financial Disclosures (TCFD) and the main environmental standards, thus providing the entire market with a set of comparative data.	Score Climate Change: B (World) Score Water Security: C	Score Climate Change: B (World) Score Water Security: B	Score Climate Change: A- (World) Score Water Security: B
SUSTAINALYTICS	The ESG Risk Rating provides an overall score for the firm based on an assessment of how much it is exposed to ESG risks and how they are managed. The scale ranges from 0 (low risk) to 40 (high risk).	Risk: 26.1 (Medium)	Risk: 22.8 (Medium)	Risk: 21.4 (Medium)

Index	Descrizione	2020	2021	2022
FTSE4Good	The FTSE4Good Index Series are equity indices launched in 2001 by the FTSE Group to measure the performance of companies that demonstrate solid Environmental, Social and Governance (ESG) practices. Companies must have an overall ESG rating of at least 3.3/5 for inclusion in the FTSE4Good indices.	Score: 4.0/5	Score: 3.8/5	Score: 3.8/5
Bloomberg	Bloomberg collects Environmental, Social and Governance data from corporate public communications. Bloomberg ESG Disclosure Scores evaluates companies on the basis of their disclosure of ESG data, in consideration of the relevant industries. The rating scale ranges from 0 to 100.	Score: 45/100	Score: 55/100	Score: 63/100
STOXX	The Stoxx ESG Indices are a new group of indices. Their ratings are based on specific environmental, social and governance performance indicators in addition to overall sustainability performance.	Included (STOXX Italy 45 ESG-X and STOXX Europe 600 ESG-X)	Included (STOXX Italy 45 ESG-X and STOXX Europe 600 ESG-X)	Included (STOXX Italy 45 ESG-X and STOXX Europe 600 ESG-X)
MIB ESG	Launched by Euronext, the MIB® ESG index is the first ESG index dedicated to Italian blue chips. It combines the measurement of economic performance with ESG assessments in line with the principles of the UN Global Compact2. The composition of the index is based on the analysis of ESG criteria by Vigeo Eiris (V.E.), part of Moody's ESG Solutions, which assesses the ESG performance of issuers. The methodology behind the index uses ESG criteria to rank the 40 best from the 60 most liquid Italian companies, excluding those involved in activities not compatible with ESG investments.		Included	Included
CLEAN200	Carbon Clean 200 is a report produced by Corporate Knights that includes a global list of the 200 largest listed firms, classified in terms of their clean energy sales.	Rank: 47/200	Rank: 58/200	Rank: 58/200
V.E VIGEO.EIRIS	Moody's ESG solutions seek to understand better the ESG performance of the organisation, assess its exposure to climate and environmental risks, strengthen its action plans in the area of sustainability and communicate with the main Stakeholders. The index assesses sustainability performance using 25 criteria, subdivided into 6 different areas: environment, human resources, human rights, community involvement, ethical conduct and governance. The rating scale ranges from 0 to 100.	Rank: 44/100	Rank: 51/100	Rank: 57/100

Proactive role in trade associations and organisations

Prysmian's leadership in its sector is evidenced by inclusion of the Group in the principal global trade associations. A strategic network to share best practices and obtain regulatory and production-related updates, with the opportunity to express policy opinions.

Europacable
Try life without us

Europacable represents the world's largest cable manufacturers and highly specialised SMEs in discussions with European institutions, monitoring policy and regulatory debates. Prysmian participates actively in various working parties, and even plays a leadership role in those with a specific focus on sustainability.

FRIENDS OF SUSTAINABLE GRIDS

Non-profit association promoting a pan-European renewable electricity grid that efficiently offers secure and economically-accessible energy. The association mainly focuses on such topics as efficient governance, a harmonised regulatory approach and energy education.

FTTH COUNCIL EUROPE

Founded in 2004, this group with 150 members seeks to accelerate the dissemination of optical fibre connectivity. Its vision foresees a sustainable future made possible by the economic growth deriving from new services that use high-speed FTTH technology.

Wind EUROPE

Over 450 members, counting manufacturers, suppliers and academics, have joined forces to promote wind energy throughout the world via research and outreach, seminars and political guidance.

RESPONSIBLE MICA INITIATIVE

In 2021, Prysmian Group joined - as the first cables sector business - the Responsible Mica Initiative (RMI), which is a non-profit organisation dedicated to the elimination of child labour and precarious working conditions in the mica supply chain. Participation in the Responsible Mica Initiative is consistent with the social ambition objectives of Prysmian and the commitment of the Group to improving the lives of people in the communities and territories in which we work.

United Nations Global Compact

Prysmian Group belongs to the Global Compact, whose principles and spirit are reflected in the culture, values and practices of the Group. Consistent with the principles of the Global Compact, Prysmian Group adopts policies and tools that safeguard the environment, human rights and workers' rights while supporting local communities and the most vulnerable.

Global Alliance for Sustainable Energy
Enabling a sustainable value chain

Prysmian joined the "Global Alliance for Sustainable Energy" in 2022. This independent global alliance aims to promote sustainability and social responsibility, embedding them in the renewable energy sector. The objective of the alliance, open to all interested Stakeholders, is to ensure that the renewables sector is fully sustainable and respects human rights throughout the entire value chain.

2.4 EUROPEAN TAXONOMY

The European Taxonomy, introduced by Regulation (EU) 2020/852 (hereinafter also the "Regulation" or the "Taxonomy") and in force from 1 January 2022, is a classification system establishing a list of economic activities that are environmentally sustainable. It seeks to facilitate sustainable investment and achievement of the objectives established in the European Green Deal. In particular, the Taxonomy strives to guarantee the reliability, consistency and comparability of economic activities considered sustainable, thus protecting investors from greenwashing, helping businesses through the sustainable transition, mitigating market fragmentation and bridging the sustainable investment gap.

Regulation (EU) 2020/852 sets six environmental objectives:

- Climate change mitigation,
- Climate change adaptation,
- Sustainable use and protection of water and marine resources,
- Transition to a circular economy,
- Pollution prevention and control,
- Protection and restoration of biodiversity and ecosystems.

During 2021, the European Commission published Delegated Regulation 2021/2139 (hereinafter also the "Climate Delegated Act") that lists, respectively in Annex I for the objective of mitigation objective and in Annex II for the objective of climate change adaptation, EU Taxonomy-eligible economic activities and the related technical screening criteria for determining whether they are Taxonomy aligned.
With reference to the above distinction, the Commission has established for non-financial undertakings two main deadlines.
During 2022, with reference to FY 2021, undertakings were required to publish in their Non-Financial Statement pursuant to Decree 254/2016 the proportion of their eligible activities, in terms of turnover, CapEx and Opex, together with the related supporting qualitative information. The resulting disclosures were published in the Prysmian Group's Sustainability Report 2021.

Commencing from 2022, the reporting requirements envisage verification of aligned economic activities. An activity can be defined as aligned when it:

- makes a substantial contribution to one or more of the environmental objectives,
- does no significantly harm to any of the other environmental objectives,
- is carried out in compliance with the Minimum Safeguards Standards,
- complies with the technical screening criteria established by the European Commission.

Once identified, the Regulation requires the proportion of aligned economic activities to be expressed in terms of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) pursuant to Regulation 2021/2178 (hereinafter also the "Art. 8 Delegated Act" or the "Disclosure Delegated Act").

Prysmian Group activities that contribute to achievement of the eu environmental objectives

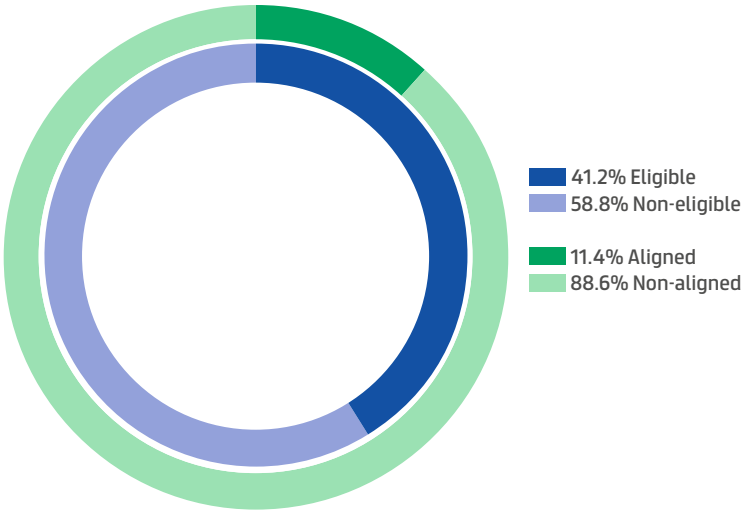
The ESG identity of the Group is underpinned by a solid leadership in the energy and telecommunication cables and systems industry. As such, Prysmian is placed front and centre in the transition to a low-carbon economy, on which it builds its vision of the future and its medium/long-term objectives, the progressive achievement of which will contribute to the fight against climate change (see the "Climate Change & Social Ambition" chapter as well).

Given the Group's ambition to become a key technological player in the transition towards the use of renewable energy sources and a low-carbon economy, Prysmian Group sees the Taxonomy as a strategic framework for the definition of commitments and objectives and for responding to the transparency and disclosure requirements of investors and Stakeholders.

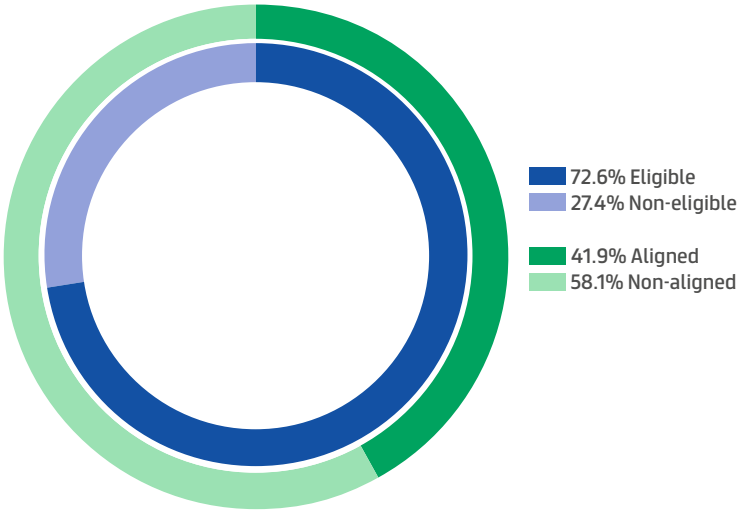
Overview of the main results

As required by the Regulation, the following section presents the portion of 2022 turnover, capital expenditure (CapEx) and operating expenditure (OpEx) that is associated with Taxonomy eligible/aligned economic activities and contributes to achievement of the objective of climate change mitigation pursuant to Art. 8 of the Taxonomy regulation and Art. 10 (2) of the Delegated Act on article 8.

2022 UE TAXONOMY: TURNOVER



2022 UE TAXONOMY: CAPEX



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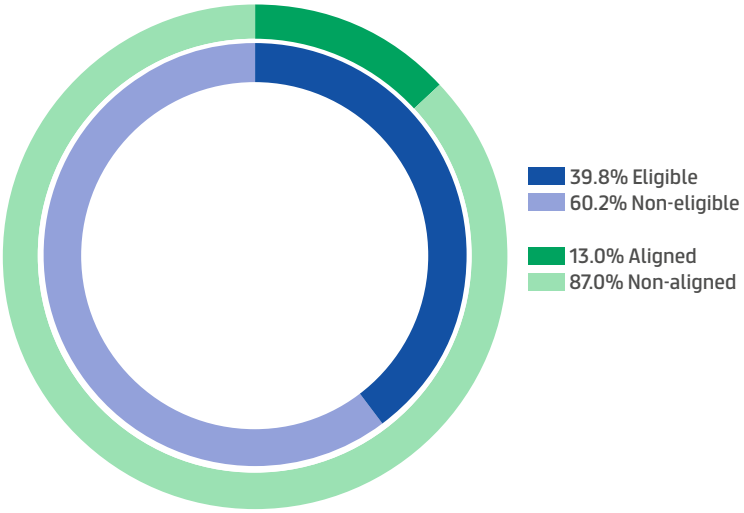
2022 UE TAXONOMY: OPEX



For more information on the calculation of individual KPIs, please refer to the section on "*KPI calculation criteria and background information*", which provides details about the methodologies applied.

Process for determining eligibility

An activity is defined as eligible if it is described in the Climate Delegated Act. In order to identify Taxonomy-eligible activities, the activities carried out by Prysmian Group were analysed to determine which of them could be associated with those currently defined in the Climate Delegated Act. The economic activities identified are eligible with reference to both climate objectives, as their descriptions coincide. For the purposes of this analysis and to avoid the risk of double counting, activities were only analysed in relation to the objective of climate change mitigation, given the greater impact of the Prysmian business on that objective. The eligible activities are presented below as they are described in the Regulation:

ELIGIBLE ECONOMIC ACTIVITIES

Economic activities	Description per the Climate Delegated Act	NACE codes
3.1 Manufacture of renewable energy technologies	Manufacture of renewable energy technologies, where renewable energy is defined in art. 2 (1) of Directive (EU) 2018/2001	C25, C27, C28
3.6 Manufacture of other low carbon technologies	Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy, where those technologies are not covered in Sections 3.1 to 3.5 of Annex I to Delegated Regulation 2021/2139	C22, C25, C26, C27, C28
4.9 Transmission and distribution of electricity	Construction and operation of transmission systems that transport electricity on the EHV and HV interconnected system. Construction and operation of distribution systems that transport electricity on HV, MV and LV distribution systems	D35.12, D35.13

In addition, certain capital expenditure has been identified as eligible when related to the purchase of products deriving from Taxonomy-aligned economic activities, or to individual measures that enable the Group's activities to be less carbon intensive or to reduce its GHG emissions.
Further information can be found in the section entitled "Criteria for the calculation of KPIs and background information".

Activity 3.1

Activity *3.1 Manufacture of renewable energy technologies* refers to renewable energy as defined in article 2 of Directive (EU) 2018/2001[4]. The Prysmian Group manufactures a wide range of cables and accessories for wind - used in towers and wind turbines - and solar renewable energies, offering a broad and comprehensive portfolio of quality products, known for their easy installation, reliability and durability, and for their conformity with international standards.

Activity 3.6

The definition of activity 3.6 Manufacture of other low carbon technologies leaves ample scope for interpretation, including all those technologies excluded from other categories of manufacturing activity (from 3.1 to 3.5 of the Climate Delegated Act) that are aimed at reducing GHG emissions. In order to comply with the Regulation, the products and technologies considered eligible and specified below were selected by the Group for their ability to substantially reduce GHG emissions in other sectors of the economy, compared with the best alternative technologies or solutions available on the market.

In May 2021, the Group launched the "Eco Cable" eco-labelling system for cables in Europe, becoming the first "Green Label" in the cables sector. The system applies known and measurable evaluation criteria to define the climate change impact of Prysmian's cables (please refer to the "Research and Development" chapter for more information about the Eco Cable label). Cable types that pass the assessment and thus obtain the Eco Cable label are considered eligible. These include certain cable families used in the power distribution and transmission sector, as well as cables and accessories for the industrial, construction and infrastructure sectors.

In addition, Prysmian Group produces optical fibre, optical cables and submarine optical fibre cables for the telecommunications sector, in order to meet the massive demand for the networks of the future. These solutions have been developed to accelerate global connections and contribute actively to the transition to a carbon-neutral future, supporting the digitalisation process and providing infrastructure with lower environmental impacts than the alternative technologies available on the market.

Activity 3.6 also includes the high- and medium-voltage cables made by Prysmian, solely for electric cars, and the PRY-CAM technology used for the accurate remote measurement of the main diagnostic parameters of an electrical system, detecting anomalies and overheating in real time so that energy consumption can be monitored and made more efficient.

Activity 4.9

The Prysmian Group is engaged in the development, design, manufacture and installation of cables and components for projects dedicated to the transmission and distribution of electricity, operating in domestic and international markets.

Projects in the following categories fall under Activity *4.9 Transmission and distribution of energy*:

- manufacture, installation and maintenance of HV underground cable systems;
- manufacture, installation and maintenance of HV submarine interconnections;
- manufacture, installation and maintenance of systems for the connection of offshore wind farms.

4 wind, solar (solar thermal and photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogas.

Non-eligible activities

Taxonomy non-eligible activities comprise those currently not included in the Climate Delegated Act, as they do not contribute to achievement of the climate mitigation and adaptation objectives. The Group's main activities currently not considered eligible include those in the following areas:

- low-, medium- and high-voltage cables that do not help to reduce emissions in other sectors of the economy and have multiple uses in the market;
- cables and projects related to the transmission of electricity generated from fossil fuels;
- copper telecom cables not currently considered to be the best alternative on the market, specifically in comparison with fibre, which nevertheless remain strategic and specific for certain uses;
- cables for the oil industry;
- projects involving the provision of services, but exclude the direct installation of cables in transmission and distribution systems.

The eligibility perimeter may be amended in future reporting periods following the publication of further Delegated Acts, which might increase the number of economic activities contributing to the achievement of the climate objectives, as well as specify activities related to the remaining 4 environmental objectives, which are currently being defined. Please refer to the section on "Future Developments" for further details.

Process for determining alignment

An economic activity is defined as Taxonomy-aligned when it contributes substantially to at least one of the six environmental objectives, does not significant harm to the other five environmental objectives and complies with the minimum safeguards standards.
After identifying the eligible economic activities, specific analyses were carried out on the technical screening criteria established in the Regulation and Annex I of the Climate Delegated Act and conformity with the minimum safeguards was checked, in order to check the alignment of each economic activity with the objective of climate change mitigation.

Substantial contribution

Analysis of substantial contribution for activity 3.1

Prysmian Group manufactures cables and accessories dedicated to the renewable energies business, in particular wind and solar. These types of cable therefore satisfy the substantial contribution criterion for activity 3.1.

Analysis of substantial contribution for activity 3.6

The substantial contribution criterion for activity 3.6 requires the technology analysed to be aimed at and demonstrate substantial GHG emissions reduction over the life cycle, and that such reduction with respect to the best alternative technologies / solutions / products available on the market be calculated using Commission Recommendation 2013/179/EU (or, alternatively, standard ISO 14067:201897 or standard ISO 14064-1:2018) and checked by an independent third party.

Only some of the families of low-emission cables and accessories deemed eligible also satisfy the substantial contribution criterion, being presented as among the best alternatives available on the market with ISO 14067:2018 certification. The substantial contribution made by activity 3.6 remains unclear and, as indicated in the FAQs published by the European Commission in December 2022, the application of this criterion is both somewhat flexible and strictly dependent on the sector / activity to which it is applied.

Analysis of substantial contribution for activity 4.9

As required by the substantial contribution criterion of the Climate Delegated Act, consideration is only given to projects that include the production and installation of cables and systems for the transmission and distribution of electricity.

In particular, the criterion is deemed satisfied for all projects that envisage installation of the infrastructure in the interconnected European system, as required by point 1)a) of the substantial contribution criterion specified in the Climate Delegated Act for activity 4.9.

On the other hand, for projects developed in non-European countries, conformity is checked via point 1) c) of the substantial contribution criterion of the above Regulation. This means solely those transmission and distribution infrastructure projects whose average grid factor or, in the case of several interconnected grids, whose weighted average grid emission factor[5], is less than the maximum limit of 100 g CO_2e/kWh.

Only projects that respect the above criteria comply with the substantial contribution criterion for activity 4.9.

Compliance with DNSH criteria requiring no significant harm be done to the other 5 environmental objectives

Compliance with these criteria was verified using a top-down approach. The analysis started at Group level, followed by more in-depth work and specific requests at business line, geographical area and plant level, as well as with regard to individual activities where necessary, in order to identify and isolate potential areas of non-conformity using a consistent and uniform approach.

Climate change adaptation

The DNSH criterion regarding climate change adaptation is the same for activities 3.1, 3.6 and 4.9, requiring conformity with Appendix A of Delegated Regulation 2021/2139, which calls for a sound climate risks and vulnerabilities assessment, as well as adaptation solutions. The Prysmian Group has devised an enterprise risk management (ERM) plan, applying models and best practices recognised at an international level, that also assesses climate risks, opportunities and the related actions.

As in the prior year, a careful analysis of climate change and energy transition matters was also carried out in 2022. This analysis is described in the TCFD Report published by the Group[6].

In particular, the climate risks/opportunities considered significant for Prysmian have been identified from among those contained in Appendix A of Delegated Regulation 2021/2139. In order to determine the impacts associated with those risks/opportunities, a scenario analysis was developed (starting from an optimistic scenario, before considering the worst case) over a 15-year time horizon.

The procedures adopted for the management of climate risks include the implementation of mitigation and adaptation solutions that seek to limit the impact of the risks identified and ensure business continuity. These solutions include constant monitoring of the more significant risks, the preparation of preventive actions and measures capable of managing sudden or unexpected events.

This approach developed by the Group is deemed to satisfy the requirements of the DNSH criterion to climate change adaptation.

5 Source: International comparisons, TERNA
6 The TCFD Report 2021 is available at the following link: *https://www.prysmiangroup.com/it/sostenibilita/rendicontazione-e-rating/documenti-e-bilanci*

Sustainable use and protection of water and marine resources

Conformity with Appendix B of the Climate Delegated Act was checked for production plants in relation to activities 3.1 and 3.6, and to the related procedures, certifications and assessments. The DNSH criterion does not apply to activity 4.9.

97% of Group plants hold ISO 14001 certification for their environmental management systems, which guarantee and monitor the sustainable use and protection of water and marine resources. The commitment of the organisation to preventing and managing the potential negative impacts on water resources is reiterated in specific policies for the water management plans and confirmed by completion of the *CDP Water Security Questionnaire*.

The DNSH criterion relating to the sustainable use and protection of water and marine resources is deemed satisfied for both activities (3.1 and 3.6).

Further information about how the Group manages its water resources is presented in the "Water" section of the chapter on "Environmental responsibility".

Transition to a circular economy

For activities 3.1 and 3.6, techniques that facilitate the circular economy must be implemented, from the product design phase to the management of waste.

The Prysmian Group has developed internal procedures for the selection of materials and raw materials, the traceability of substances throughout the production process and the management of environmental impacts. In addition, policies are implemented at production plant level for the proper collection and disposal of waste in accordance with Group best practices and the regulatory requirements of the country concerned. Notably, the Group's products are specifically designed for durability and, among the wide range of cables offered for activities 3.1 and 3.6, some categories have innovative features that guarantee greater environmental efficiency[7]. For more information about the projects and research carried out to facilitate the transition to a circular economy, see the "Circular Economy" section of the chapter on "Environmental responsibility" in this document.

With regard to activity 4.9, a waste management plan must guarantee maximum reuse or recycling at the end of the life cycle. The Group has developed a waste management plan that, for the projects analysed and included in activity 4.9, ensures a high level of recycling and reuse during manufacturing and installation phases.

Further information about the waste produced, as well as its recycling and disposal, is presented in the "Waste" section of the chapter on "Environmental responsibility". For the three economic activities indicated above, the techniques, analyses, procedures and management systems adopted by the Group are deemed compliant with the DNSH requirements for the transition to a circular economy.

Pollution prevention and control

The criteria specified in Appendix C of Delegated Regulation 2021/2139 require that economic activities 3.1 and 3.6 do not lead to the manufacture, placing on the market or use of any of the chemical substances listed in European Regulations and Directives. During 2022, several interpretative doubts arose about the scope of application of Appendix C. These were first expressed by the Platform on Sustainable Finance, which pointed out that the Appendix *"creates fragmented interpretations, generates legal uncertainty and may prevent companies from complying with these provisions"*. These doubts were clarified, albeit only in part, by the publication of FAQs on the Climate Delegated Act in December 2022.

7 P-laser, Sirocco range.

Given the above considerations, the Prysmian Group has taken the most conservative approach possible, while awaiting further guidance on how to interpret this criterion and ensuring that information is gathered at the greatest level of detail. The analysis was carried out for each material code at each manufacturing plant using detailed questionnaires, with the aim of isolating cables containing one or more of the chemical substances mapped in the relevant Regulations and Directives and excluding them from the alignment perimeter.

For the criteria at letters a[8],b[9],c[10] and d[11] a detailed questionnaire was answered and no substances were identified at the production facilities considered.
Criterion e[12] is not applicable to the Group's products, as they are not included among those listed in Annex XVII.

In order to cover substances related to criterion f[13], the Group investigated the use of Substances of Very High Concern (SVHC) mapped by the REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals). Prysmian has a particularly advanced mapping system, through which it was found that some of these substances are used, albeit not significantly, in the production of renewable energy cables.

Once traced, point f only allows their use if they are shown to be "of essential use for the society". Although there are references to the Montreal Protocol in the FAQs published in December 2022, the concept of essential use had not been explicitly defined by the European Commission at the time this analysis was carried out. The Prysmian Group therefore decided not to give its own interpretation of the concept, prudently excluding from the alignment all cables containing one or more SVHC.

Despite the uncertainty generated by criterion g and the limited time available following the indications given by the European Commission in the FAQs published in December 2022, the Group nevertheless carried out an analysis on the significant hazardous substances considered most significant, referring to the lists provided by the Commission.

Analyses of those activities 3.1 and 3.6 that satisfy the substantial contribution criterion found that the majority of the cables analysed met the requirements; while Substances of Very High Concern, identified in criterion f, were only found in a limited number of cases (linked to activity 3.1).

Accordingly, satisfaction of the DNSH criterion relating to the prevention and reduction of pollution was not verified for the cables identified as containing one or more of the substances listed by the EU Commission.

With regard to activity 4.9, eligible projects are limited solely to those involving underground or submarine cables; accordingly, the requirements for over-ground lines are not applicable. In addition, no polychlorinated biphenyls (PCBs) are used. As a result, activity 4.9 is deemed to comply with the DNSH criterion for the objective of pollution prevention and control.

8 Substances, whether on their own, in mixtures or in articles, listed in Annex I or II to Regulation (EU) 2019/1021 of the European Parliament and of the Council (1), except in the case of substances present as unintentional trace contaminants.

9 Mercury, mercury compounds, mercury mixtures and products with added mercury as defined in Article 2 of Regulation (EU) 2017/852 of the European Parliament and of the Council.

10 Substances, whether on their own, in mixtures or in articles, listed in Annex I or II to Regulation (EC) 1005/2009 of the European Parliament and of the Council.

11 Substances, whether on their own, in mixtures or in articles, listed in Annex II to Directive 2011/65/EU of the European Parliament and of the Council (4), except where full compliance with Article 4(1) of that Directive is ensured.

12 Substances, whether on their own, in mixtures or in an article, listed in Annex XVII to Regulation (EC) 1907/2006 of the European Parliament and of the Council (5), except where full compliance with the conditions of that Annex is ensured.

13 Substances, whether on their own, in mixtures or in an article, which satisfy the criteria set out in Article 57 of Regulation (EC) 1907/2006 and identified in accordance with Article 59(1) of that Regulation, except where their use has been shown to be essential for society.

Protection and restoration of biodiversity and ecosystems

The DNSH criterion refers to Appendix D of the Climate Delegated Act, which requires the impact of economic activities on biodiversity and ecosystems to be considered.

At plant level (activities 3.1 and 3.6), for the purposes of conformity with the criterion and in view of their proximity to highly sensitive areas, positive consideration was given to the environmental management systems implemented to mitigate the potential adverse effects, as indicated for the DNSH criterion relating to the sustainable use of water.

The eligible projects included in activity 4.9 were subjected to specific Environmental Impact Assessments and were found to be compliant with Appendix D. In particular, environmental action plans were prepared in accordance with the relevant legislation (both local and international) for all projects deemed eligible, in order to protect the biodiversity of the animal and vegetable species affected by the Group's activities and infrastructure. Where necessary, or as agreed with the local authorities, Prysmian plants participate in the protection and restoration of the areas concerned.

In all cases, whether regarding manufacturing plants or individual projects considered eligible, the environmental assessments were carried out in compliance with the regulations in force in the territories concerned.

Further details about the impact of the Group on biodiversity is presented in the "Biodiversity" section of the chapter "Environmental responsibility". The requirements of this criterion are therefore considered to be satisfied by both the manufacturing sector activities (3.1 and 3.6) and energy sector activities (4.9).

Minimum safeguards

Article 3(c) of Regulation 2020/852 requires the Group to conduct its economic activities in compliance with the Minimum Safeguards standards specified in art. 18 of the Regulation, i.e. in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set forth in the eight core conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Group has analysed compliance with the Minimum Safeguards standards on the topics of human rights and workers' rights, corruption, taxation and fair competition.

In the absence of further clarification from the European Commission with regard to the Minimum Safeguards, the Group made reference to the guidelines presented in the *"Final Report on Minimum Safeguards"* published by the Platform on Sustainable Finance in October 2022.

The assessment considered the design of the Group's processes and their adequacy in identifying and preventing possible negative impacts, as well as their compliance with the principles and the effectiveness with which any events were managed by recourse to corrective actions.

Human rights, including those of workers

In the context of responsible business conduct in terms of human rights, the commitments made by the Prysmian Group are embodied in the Code of Ethics and the Human Rights Policy. In order to guarantee respect for that principle throughout the entire supply chain and within the organisation, the Group implements a system of regular due diligence covering its suppliers. This system maps the risk throughout the supply chain by analysing the risk factors attributable to three macro areas: sustainability and management systems; environmental criteria; human and workers' rights. Based on the results obtained, the Group arranges for third parties to carry out specific audits of critical suppliers. In particular, 5 audits were carried out in 2022, raising the total number of suppliers audited to 30 since implementation of the process in 2017. The Group also participates in specific human rights initiatives addressing business-related topics, such as the Responsible Mica Initiative (RMI).

Taxation

The Group attaches great importance to the management of taxation, both at Parent Company level and in each tax jurisdiction. Prysmian has developed a tax strategy founded on transparency and cooperation with the tax authorities and third parties, in order to minimise the substantive impacts of any tax and reputational risks. This strategy represents a fundamental element of its Tax Control Framework (TCF), the system for monitoring and managing tax risks already applied by the Italian companies in the Group. In addition to the tax strategy, Prysmian has developed policies (such as the Transfer Price Policy), tax notes and training courses on the subject. Further information is presented in the "Tax strategy of the Group" section of this document.

Fair competition

The Prysmian Group delivers adequate training on the subject of fair competition, in order to increase awareness among those who work in the name and on behalf of the Group and ensure compliance with the rules safeguarding competition. Further details are presented in the "Ethics and Integrity" chapter of this document.

Anti-corruption

The procedures adopted by the Prysmian Group to mitigate the risk of corruption include the adoption of an ISO 37001 certified anti-corruption management system, as well as an anti-corruption policy and Third Party Program and Process, Gifts & Entertainment and Conflicts of Interest procedures, regarding which periodic employee training is provided. With regard to respect for the principle throughout the supply chain, in addition to the Code of Ethics that must be accepted by each supplier, the Group implements the system of due diligence described above in relation to "Human rights, including those of workers", in which corruption risk factors are also taken into account.

Disputes

As identified in the assessments detailed above, the Prysmian Group has not been definitively condemned for the infringement of human rights or workers' rights, for corruption or for tax offences, and has not been involved in any cases examined by an OECD National Contact Point (NCP), or interviewed by the Business and Human Rights Resource Center (BHRRC).

Group has been in the past and still is involved in antitrust investigations and disputes promoted by third parties, consequent to and/or connected with decisions adopted by certain competition authorities, the details of which are outlined in the note on Provisions for risks and expenses in the Explanatory Notes to the Consolidated Financial Statements. Following these investigations and disputes, the Group has implemented a series of internal controls, described in the section on "Fair competition", to reduce the probability of infringements in this area.

Consistent with the requirements of art. 3.c) of Regulation 2020/852, the Prysmian Group therefore carries out its economic activities in compliance with the specified Minimum Safeguards standards.

Criteria for the calculation of KPIs and background information

The key performance indicators (KPIs) specified in the Taxonomy cover Turnover, Capital Expenditure (CapEx) and Operating Expenditure (OpEx).

They are presented in the templates provided in Annex II of the Art. 8 Delegated Act. Given that the regulator mandated the adoption of a simplified version of the Taxonomy in 2021, this past year was the first to report on alignment. Accordingly, no comparative alignment data is presented, as it is not available.

The proportion of the Group's Taxonomy-eligible/aligned economic activities was calculated with respect to Turnover, CapEx and OpEx in accordance with legal requirements and the accounting criteria specified in Annex I of the Art. 8 Delegated Act.

Turnover

Definition and reconciliation

The Taxonomy-eligible/aligned turnover reflects the ratio of net revenues deriving from eligible/aligned activities (numerator) to total net revenues (denominator). The denominator of the Turnover KPI makes reference to the "revenues" caption of the 2022 Consolidated Income Statement, as consolidated in accordance with IAS 1.82(a). For more information, see the consolidated accounting schedules contained in the Annual Financial Statement of the Group, as well as the section on Accounting Policies.

Allocation

The numerator of the Turnover KPI consists of the net revenues associated with the Group products linked to eligible/aligned activities. The allocation of net revenues to the numerator was made possible by the Group's highly-detailed management and financial accounting system. The system allowed to identify eligible/aligned projects precisely and reconcile them with the activities concerned, thus making the adoption of estimates unnecessary.

Other background information

The revenues indicated on the numerator are all traceable to contracts with customers. No changes in the composition and reconciliation of revenues are reported, since 2022 was the first year of alignment-level reporting in which that level of detail is provided.

CapEx

Definition and reconciliation

The Taxonomy-aligned capital expenditure (CapEx) reflects the ratio of CapEx deriving from eligible/aligned activities (numerator) to total CapEx (denominator). In particular, the denominator of the CapEx KPI comprises the increases in tangible and intangible fixed assets during the year before depreciation, amortisation, writedowns and writebacks, including those deriving from business combinations. Total CapEx can be reconciled with the 2022 Consolidated Financial Statements of the Group by reference to "Gross investments".

The eligible/aligned portion of CapEx includes:

- capital expenditure relating to assets or processes associated with Taxonomy-eligible/aligned economic activities (category a) pursuant to para. 1.1.2.2 of Annex I, Art. 8 Delegated Act);
- capital expenditure that is part of a plan (CapEx plan) intended to expand Taxonomy-aligned economic activities or enable Taxonomy-eligible economic activities to become aligned (category b) pursuant to para. 1.1.2.2 of Annex I, Art. 8 Delegated Act);
- capital expenditure relating to the purchase of products deriving from Taxonomy-eligible economic activities, as well as to individual measures that enable the Group's activities to be less carbon intensive G or to reduce its GHG emissions (category c) pursuant to para. 1.1.2.2 of Annex I, Art. 8 Delegated Act).

Allocation

The capital expenditure on assets or processes associated with Taxonomy-eligible/aligned manufacturing economic activities was allocated after a precise analysis of each expenditure caption, using the classification adopted when consolidating the Group's investments. In particular, when calculating eligibility, the Group referenced the activities identified as eligible when allocating turnover to the associated families of investments. On the other hand, when

calculating alignment, a detailed analysis of each expenditure caption was carried out to identify those associated with aligned activities. With regard to the manufacture of renewable energy technologies, the related expenditure was allocated precisely to the sites responsible for that economic activity. In the case of sites where both Taxonomy-eligible/aligned and non-aligned economic activities are carried out, the portion of CapEx was calculated with reference to the actual sales of the site, considering the ratio of Taxonomy-eligible/aligned sales to the total sales of the site. This allocation methodology represents a refinement of the calculation that improves the transparency and meaningfulness of the CapEx KPI.

Other background information

The capital expenditure included in a CapEx plan relates to the investment of about Euro 240 million in the construction of a new cable-laying vessel. This will expand the alignment of activity 4.9 *Transmission and distribution of electricity*, thus contributing to achievement of the climate change mitigation objective. In particular, this vessel will be deployed from 2025 on projects involving the installation of cables for energy transmission and for connecting the electricity grid to offshore wind farms.

The capital expenditure relating to the purchase of products deriving from Taxonomy-eligible economic activities, as well as to individual measures that enable the Group's activities to be less carbon intensive or to reduce its GHG emissions, is completed and made operational within 18 months of its recognition in the financial statements. This CapEx is principally attributable to economic activity 7.3 *Installation, maintenance and repair of devices for energy efficiency*.

In order to avoid double counting, any capital expenditure identified in category (c), para. 1.1.2.2 of Annex I, Art. 8 Delegated Act, but also included in the denominator relating to assets or processes associated with Taxonomy-eligible/aligned economic activities (category a in para. 1.1.2.2 of Annex I, Art. 8 Delegated Act), was included in the latter category.

The capital expenditure associated with the above economic activities is treated solely as eligible. Given the amount of the expenditure concerned, the Group did not perform the alignment analysis because that would have required involving the respective suppliers.

Consistent with the requirements of the Art. 8 Delegated Act, the amounts included in the numerator of the alignment KPI are detailed by the Group below.

QUANTITATIVE BREAKDOWN BY ECONOMIC ACTIVITY OF THE AMOUNTS INCLUDED IN THE NUMERATOR OF THE ALIGNMENT KPI (EURO MLN)

Activity	Increases in property, plant and equipment	Of which part of a CapEx plan
3.1	2.3	
3.6		
4.9	187.7	40.8

The capital expenditure incurred to increase the intangible assets generated internally was less than Euro 0,0 million and there were no increases in assets deriving from business combinations during the year.

OpEx

Definition and reconciliation

The Taxonomy-aligned operating expenses (OpEx) reflect the portion of eligible and aligned OpEx included in the non-capitalised direct costs incurred on R&D, short-term rentals, maintenance and repairs, and the cost of personnel dedicated to the internal maintenance of plant and equipment.

Allocation

In order to ensure a linear process and avoid the risk of double counting, operating expenses were deemed eligible/aligned if they related directly to Taxonomy-eligible/aligned economic activities. Where the direct allocation of operating expenses was not possible, the eligible/aligned portion was calculated with reference to the corresponding percentage of turnover.

Other background information

Consistent with the Art. 8 Delegated Act, the amounts included in the numerator of the alignment KPI are detailed below by type of cost.

QUANTITATIVE BREAKDOWN OF THE AMOUNTS INCLUDED IN THE NUMERATOR OF THE ALIGNMENT KPI

	OpEx ((Euro mln)
R&D costs	18.5
Short-term leases	8.3
Maintenance and repairs	19.0
Other direct expenditure on the routine maintenance of property, plant and equipment	10.3
Total	**56.1**

TABELLA A - TURNOVER

Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Substantial contribution criteria						DNSH criteria										
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity)	Category (transitional activity)
		Min. EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
3.1. Manufacture of renewable energy technologies	C27.3	666.7	4.1%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	4.1%	N/A	E	
3.6. Manufacture of other low carbon technologies	C27.3	45.2	0.3%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	0.3%	N/A	E	
4.9. Transmission and distribution of electricity	F42.22	1,120.9	7.0%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	7.0%	N/A	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		**1,832.7**	**11.4%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**								**11.4%**	**N/A**	**11.4%**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.1. Manufacture of renewable energy technologies	C27.3	140.6	0.9%														0.0%			
3.6. Manufacture of other low carbon technologies	C27.3	4,113.2	25.6%														0.0%			
4.9. Transmission and distribution of electricity	F42.22	527.9	3.3%														0.0%			

Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Substantial contribution criteria						DNSH criteria						Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
		Min. EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
Turnover of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4,781.8	29.8%														0.0%			
Total Turnover of Taxonomy eligible activities (A.1 + A.2) (A)		6,614.6	41.2%	100%	0%	N/A	N/A	N/A	N/A								11.4%	N/A	11.4%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		9.452,1	58.8%																	
Total (A + B)		16,066.6	100.0%																	

TABELLA B - CAPEX

Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria						DNSH criteria										
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, year N	Taxonomy-aligned proportion of CapEx, year N-1	Category (enabling activity)	Category (transitional activity)
		Min. EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
3.1. Manufacture of renewable energy technologies	C27.3	2.4	0.5%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	0.5%	N/A	E	
4.9. Transmission and distribution of electricity	F42.22	187.7	41.3%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	41.3%	N/A	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**190.1**	**41.9%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**								**41.9%**	**N/A**	**41.9%**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.1. Manufacture of renewable energy technologies	C27.3	16.9	3.7%														0.0%			
3.6. Manufacture of other low carbon technologies	C27.3	97.7	21.5%														0.0%			
4.9. Transmission and distribution of electricity	F42.22	24.7	5.4%														0.0%			

Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria						DNSH criteria										
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, year N	Taxonomy-aligned proportion of CapEx, year N-1	Category (enabling activity)	Category (transitional activity)
		Min. EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
7.3. Installation, maintenance, and repair of energy efficiency equipment	Various	0.3	0.1%														0.0%			
CapEx of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**139.6**	**30.7%**														**0.0%**			
Total CapEx of Taxonomy eligible activities (A.1 + A.2) (A)		**329.7**	**72.6%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**								**41.9%**	**N/A**	**41.9%**	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capex of Taxonomy-non-eligible activities (B)		**124.5**	**27.4%**																	
Total (A + B)		**454.1**	**100.0%**																	

TABELLA C – OPEX

Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria						DNSH criteria										
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx, year N	Taxonomy-aligned proportion of OpEx, year N-1	Category (enabling activity)	Category (transitional activity)
		Min. EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
3.1. Manufacture of renewable energy technologies	C27.3	17.0	3.9%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	3.9%	N/A	E	
3.6. Manufacture of other low carbon technologies	C27.3	1.1	0.3%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	0.3%	N/A	E	
4.9. Transmission and distribution of electricity	F42.22	38.0	8.8%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	8.8%	N/A	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**56.1**	**13.0%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**								**13.0%**	**N/A**	**13.0%**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.1. Manufacture of renewable energy technologies	C27.3	1.0	0.2%														0.0%			
3.6. Manufacture of other low carbon technologies	C27.3	96.8	22.5%														0.0%			

Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Substantial contribution criteria						DNSH criteria										
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, year N	Taxonomy-aligned proportion of CapEx, year N-1	Category (enabling activity)	Category (transitional activity)
		Min. EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
4.9. Transmission and distribution of electricity	F42.22	17.3	4.0%														0.0%			
OpEx of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**115.1**	**26.7%**														**0.0%**			
Total OpEx of Taxonomy eligible activities (A.1 + A.2) (A)		**171.2**	**39.8%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**								**13.0%**	**N/A**	**13.0%**	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Opex of Taxonomy-non-eligible activities (B)		**259.4**	**60.2%**																	
Total (A + B)		**430.7**	**100.0%**																	

Future developments

The European Taxonomy is a recent and evolving regulation; several updates are planned for the coming reporting years, including publication of the Delegated Act on the remaining environmental objectives and more guidance on the interpretation and applicability of the technical screening criteria.

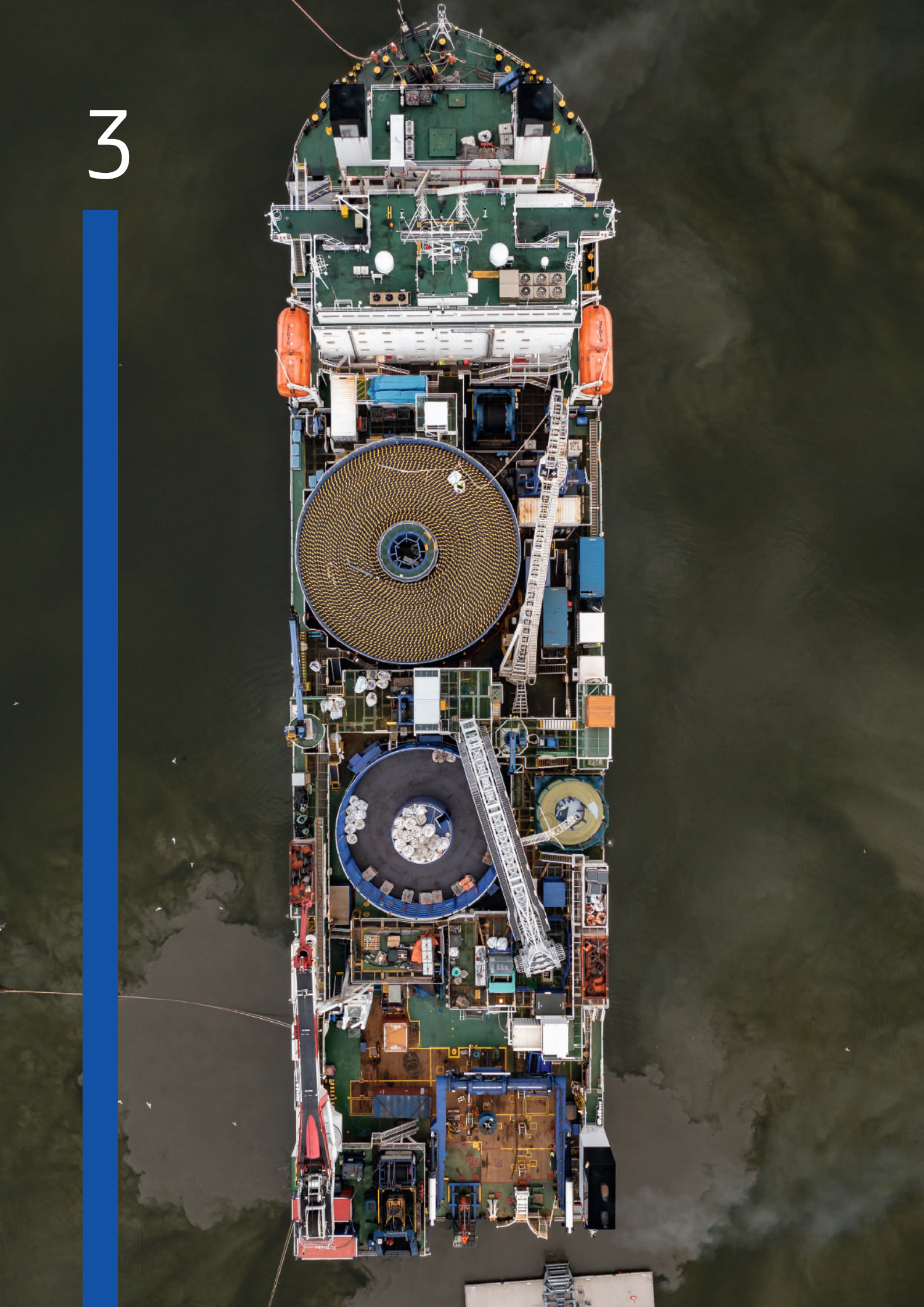
In view of the above, for this first year of reporting on alignment, the Prysmian Group has chosen to adopt an approach that is as transparent and conservative as possible, interpreting the requirements of the Regulation in the most rigorous manner.

The Group has constantly monitored the publications of the European Commission and the interpretations and guidance provided by the Platform on Sustainable Finance, and also has participated in working parties and discussions with other players in the sector. Considering the recent non-binding publications on the remaining environmental objectives, Prysmian may include new economic activities within the eligibility/alignment perimeter in the coming years. In particular, the following activities could impact Prysmian's business and future reporting pursuant to the EU Taxonomy:

- activity E.5 Manufacture, installation and maintenance of high-, medium- and low-voltage electrical equipment for electrical transmission and distribution that results in or enables a substantial contribution to climate change mitigation, published in October 2022 in the Platform on Sustainable Finance's Supplementary Report on environmental objectives;
- activity 2.3 Manufacture of electrical and electronic equipment, published in the draft of the remaining 4 objectives by the Platform on Sustainable Finance in March 2022.

Even for activities deemed eligible for FY 2021 and 2022, changes may occur in future reporting years, in particular with reference to the interpretation of and additions to the technical screening criteria, such as the interpretation issues encountered with the substantial contribution criteria of activity 3.6 or with Appendix C described above.

3



SUSTAINABLE GOVERNANCE

3.1 MATERIALITY ANALYSIS OF PRYSMIAN GROUP

In order to report non-financial information in line with the requirements of the main international and national Standards, integrate the expectations and needs of stakeholders into the organization's activities, and identify relevant trends in sustainability, Prysmian in 2022, started a process of analysis to define material issues, through the identification of the most significant impacts generated by the company for its business.

This approach incorporated the new reporting guidelines, anticipating the relevant regulatory changes, so as to contribute more effectively to sustainable development.

This approach incorporated the new reporting guidelines, anticipating the relevant regulatory changes, so as to contribute more effectively to sustainable development.

In particular, the changes included:

- to adopt the guidelines for the new GRI Universal Standards 2021, which envisage an analysis of the impacts generated by the business on the economy, the environment, people and human rights using an "inside-out" approach (hereinafter **"Impact Materiality"**);
- to anticipate future developments in sustainability reporting expected when the Corporate Sustainability Reporting Directive (CSRD) comes into force, with application of the "double materiality" approach. In addition to the requirements documented in the GRI Standards, this approach also takes into consideration - from an "outside-in" standpoint - the financial impacts on the business of addressing ESG matters (hereinafter **"Financial Materiality"**).

This analysis drew, in part, on the risk assessments already carried out by the Prysmian Group's Risk Management function, as well as on work performed as part of enterprise risk management (source: TCFD 2021).

Approach to impact materiality (inside-out): impacts generated by the business on the economy, the environment, people and human rights, in accordance with the gri universal standards

The process of updating the materiality of the Group comprises four phases, as indicated in the guidelines for "GRI Standard 3: Material Topics", which are discussed in the following sections.

Understanding the Context

During the initial phase, involving a desk analysis of internal and external sources, the context in which Prysmian operates was identified. The following sources were considered during the desk analysis:

- reports and articles on global trends (e.g. WEF, S&P Global, PwC, OECD, ILO);
- sustainability reports/non-financial statements of peers and competitors;
- regulatory developments (e.g. Decree 254 on non-financial disclosures, the European Taxonomy);
- GRI Sector Standards;

In addition to desk analysis, Prysmian conducted – and continues to conduct – a sentiment analysis designed to monitor changes in the investor perceptions of the most significant sustainability topics. This activity is performed with the support of an AI tool, able to transmits the changes identified in real time. The concept of **"dynamic materiality"** – integral to this tool – is based on the idea that environmental, social and economic issues, considered less important until now, might become more material over time. These analyses can be viewed in real time by visiting the "Materiality" section of the Prysmian Group's corporate website[14].

14 *https://www.prysmiangroup.com/en/sustainability/strong-commitment/stakeholder-engagement-and-materiality-matrix/materiality-analysis*

Identification of the real and potential, positive and negative impacts generated by prysmian throughout the entire value chain

Downstream of the desk analysis and drawing on the risk assessment already carried out by the Risk Management function (source: TCFD Report 2021 of the Prysmian Group and ERM-related activities), Prysmian has identified 21 impacts, separated into real and potential, positive and negative, generated by the organisation and its business relationships, on the economy, the environment and people, including impacts on their human rights, as indicated by GRI Standard 3.

Impact assessment and assignment of significance levels

The impacts identified were assessed by various types of stakeholder, selected on an ad hoc basis from the following categories:

- Internal stakeholders: Top management and Group Board members;
- External stakeholders: investors, selected customers;
- Industry experts: academics, university faculty and researchers.

assigning a measurement parameter to each impact (from 1 to 5), depending on its magnitude and probability of occurrence. This assessment was made over the year, during interviews, one-on-one meetings and other stakeholder engagement activities, as discussed in the previous section.

The main external Stakeholder Engagement activities were:

- Prysmian Group Sustainability Week;
- Topic workshops;
- External Stakeholder Survey;
- Interviews with major investors.

The main internal Stakeholder Engagement activities were:

- Interviews with Top Executives;
- Senior Leaders Survey;
- Sustainability Steering Committee.

Prioritisation of the most significant impacts

Following the assessments made by stakeholders during engagement activities, the positive and negative impacts were prioritised separately, classifying them in order of magnitude (from greatest to smallest). For the same magnitude, the greater probability of occurrence was taken into consideration. The positive and negative impacts were associated with specific material topics, which were in turn assessed for accuracy by internal and external Stakeholders.

IMPACT MATERIALITY: POSITIVE IMPACTS

In the table below, the magnitude and probability of occurrence of each positive impact are shown in two different shades of green. All positive impacts were ranked in descending order of magnitude; at the same magnitude, the highest probability of occurrence was considered. The first 5 impacts in the list have a different background colour to highlight their importance.

Material topics	Positive impacts generated on economy, environment and people	Positioning across the value chain	Type of impact	Magnitude	Likelihood
Enabling the decarbonization to Net-Zero and digitalization	Facilitating the energy transition and decarbonization process of the economy and digitalization of the network.	The impact in the value chain is mainly in downstream processes (impacts on Prysmian's products).	Potential		
Sustainable innovation for products, applications and processes	Enabling the decarbonization of other businesses, such as Energy Cable and Fiber Optics markets.	The impact refers to the downstream processes of the value chain.	Potential		
Human capital's well-being, engagement & upskilling	Upskilling: Strenghtening and upskilling the competences of the personnel and develop talent.	The impact refers to the whole value chain.	Actual		
Sustainable value chain	Developing of a sustainable value chain that is extremely sensitive to ESG issues.	The impact refers to the upstream processes of the value chain.	Actual		
Governance, ethics and integrity	Foster transparency across all business partners and stakeholders.	The impact refers to the whole value chain.	Potential		
Greater diversity, inclusion & respect for human rights	Promotion of specific programs towards a more inclusive and diverse work environment.	The impact refers to Pysmian operations.	Potential		
Efficient, sustainable and circular operations	Contribution to increasing Circularity in the market through Prysmian's Value Chain.	The impact refers to the whole value chain.	Actual		
Human capital's well-being, engagement & upskilling	HC well-being: Promoting work-life balance practices within the organization.	The impact refers to the whole value chain.	Potential		
Human capital's well-being, engagement & upskilling	Engagement: Adoption of people oriented policies to safeguard people's needs.	The impact refers to Pysmian operations.	Actual		
Impacts on local communities	Positive economic impacts on local communities through employment and local procurement, taxes, or other payments to local governments, as well as through community development programs and investments in infrastructure or public services.	The impact occurs in several parts of the value chain: local procurement refers to upstream processes, whereas community involvement refers to core business activities (local employement) and downstream processes (customer engagement).	Potential		
Cyber security and data protection	Safe an protected data for all stakeholders.	The impact refers to the whole value chain.	Actual		

IMPACT MATERIALITY: NEGATIVE IMPACTS

In the table below, the magnitude and probability of occurrence of each negative impact are shown in two different shades of green. All negative impacts were ranked in descending order of magnitude; at the same magnitude, the highest probability of occurrence was considered. The first 5 impacts in the list have a different background colour to highlight their importance.

Material topics	Negative impacts generated on economy, environment and people	Positioning across the value chain	Type of impact	Magnitude	Likelihood
Human capital's well-being, engagement & upskilling	Potential accidents, mental and physical illness due to a failure to disseminate a health and safety culture in the community in which the Company operates.	The impact refers to the whole value chain.	Potential		
Sustainable value chain	Change in competitive landscape.	The impact refers to Prysmian operations.	Potential		
Sustainable value chain	Lack of respect of Human rights and Sustainable practices throughout the Value chain.	The impact refers to the whole value chain.	Potential		
Enabling the decarbonization to Net-Zero and digitalization	Contribution to GHG Emissions.	The impact refers to the whole value chain.	Actual		
Human capital's well-being, engagement & upskilling	Lack of key people and talent attraction management.	The impact refers to Prysmian operations.	Potential		
Sustainable innovation for products, applications and processes	Potential negative impact on the market due to the eme rging of disruptive technologies that can make our technologies and activities obsolete (eg. Hydrogen, etc.) undermining the capacity of creating value for our business partners.	The impact refers to Prysmian operations.	Potential		
Human capital's well-being, engagement & upskilling	Failure to meet employees expectation on well-being, upskilling and engagement.	The impact refers to Prysmian operations.	Actual		
Efficient, sustainable and circular operations	Pollution and discharge of waste/ scraps resulting from Prysmian operations.	The impact refers to Prysmian operations and downstream processes.	Actual		
Governance, ethics and integrity	Potential anti-competitive behaviour and corruption events that contribute to the lack of socio-economic development of the communities in which the Company operates in, limit the effects of Market competition and could result in higher prices of products.	The impact refers to the whole value chain.	Potential		
Governance, ethics and integrity	Lack of the social sustainability practices within the organisational structure and business model including the respect for human rights.	The impact refers to Prysmian operations.	Potential		
Cyber security and data protection	Unauthorized disclosure and processing of Personal Identifiable Information or sensitive data and information.	The impact refers to Prysmian operations and partially to the whole value chain.	Potential		
Biodiversity and impacts on nature	Loss of Biodiversity in terms of animals and/or plants near the areas in which Prysmian operates.	The impact refers to the whole value chain.	Potential		
Impacts on local communities	Land clearance and changes of land use to accomodate Prysmian operations.	The impact refers to Prysmian downsteam process.	Potential		

MATERIAL TOPIC

The new GRI approach to materiality analysis has led Prysmian to identify 10 material topics (compared with 18 in 2021) that remain consistent with those reported previously. The 10 material topics, indicated in the following table, were tested by the Group's stakeholders and prioritised according to their importance, with the following result:

Material Topic	Definition	Relevance
Enabling the decarbonization to Net-Zero and digitalization	Policies and actions to reduce energy consumption and accelerate the race to net-zero CO_2 emission by setting science-based carbon reduction targets for the Group.	
Sustainable innovation for products, applications and processes	Development of solutions that may generate sustainability benefits (e.g. solutions for plants that generate renewable energy, smart grids, innovative solutions for the electrical system) and continuous research linked to the development of sustainable products and processes, considering the environmental and social impact of the product throughout its entire life cycle.	
Governance, ethics and integrity	Governance organization and mechanisms designed to ensure the fair and transparent management of business activities and the involvement of employees, management and shareholders, partly via the share ownership plan reserved for employees. Business management model based on the most stringent standards of business ethics and integrity, especially with regard to the measures adopted by the Group to prevent both active and passive corruption and to ensure right tax practices.	
Human capital's well-being, engagement & upskilling	Well-being intended in a wide sense, including: - well-being at work through health and safety management systems aimed at reducing the number of accidents and occupational diseases and - policies and actions put in place to attract talents and ensure the development of human resources, such as training and mentoring programs, wage policies, bonus and benefit policies, career plans, long-term incentives and promotion of physical and emotional well-being.	
Efficient, sustainable and circular operations	Efficient management of the business operations related to the environmental impacts generated and to the circularity granted by the recycling activity.	
Sustainable value chain	Promotion of a long-term value creation throughout a sustainable management of the whole value chain focusing on both upstream (with refer to the relevance of the relationship with Prysmian Group's suppliers) and downstream activities (clients are a key source for Prysmian, therefore a sustainable value chain involves the "client centricity" approach). The value creation considers both the economic performance and sustainability of the value chain which is deeply intertwined with suppliers and customers.	
Greater diversity, inclusion & respect for human rights	Promotion of multiculturalism, social and digital inclusion, protection of diversity in the workplace, reduction of disparities in living wages alongside the definition of policies and practices to protect human rights along the whole value chain.	
Impacts on local communities	Group's activities to promote energy and telecommunications access for everyone; sponsorship and donations for the development of the local community in order to create a positive impact.	
Cyber security and data protection	Enhanced cyber security measures to manage information security risks and ensure the protection of data and privacy.	
Biodiversity and impacts on nature	Awareness of Group's impact on ecosystems and of the consequences that the loss of biodiversity has on the business and in the areas in which the Group operates.	

The disclosures correlated with each material topic are presented in the following chapters of this document.

Approach to double materiality via financial materiality (outside-in): Financial impacts on the business of addressing esg matters, in accordance with the corporate sustainability reporting directive (csrd)

On 16 December 2022 the Official Journal of the European Union published the Corporate Sustainability Reporting Directive (CSRD) - proposed by the European Commission on 21 April 2021 - that will amend the current reporting obligations (Non-Financial Reporting Directive transposed into Italian law by Legislative Decree 254/2016).

Among the changes, the Directive introduces the concept of double materiality that, in addition to the external impacts generated by the business (inside-out approach), requires the financial impacts felt by the business to be reported as well (outside-in approach). The European Commission mandated EFRAG to develop the new reporting standards, which are still being studied. For this reason, Prysmian has decided to implement an analytical system for the quantification of impacts felt, consistent with the risk assessment process and methodology already adopted by the Group.

The exercise carried out to define Impact Materiality was the starting point for the identification of Financial Materiality. The impacts identified in the points listed above were assessed in terms of the financial impacts felt, using the interpretative model described below.

The following financial parameters were used to quantify the impacts felt: Free Cash Flow and Adjusted EBITDA, in line with the Enterprise Risk Management (ERM) model of the Group. Two time horizons were identified for their assessment: short term (within three years) and long term (2030). The following tables consider the evaluation of the impacts within a range from 1 to 5.

FINANCIAL MATERIALITY: POSITIVE IMPACTS

Material Topics	Positive impacts generated on economy, environment and people	Example of Financial impact suffered*	Suffered impact on Free Cash Flow (Total)	Suffered impact on Adj.EBTDA (Total)
Enabling the decarbonization to Net-Zero and digitalization	Facilitating the energy transition and decarbonization process of the economy and digitalization of the network.	- Increasing in revenue through a strengthening of the market share and access to new and emerging markets.		
Sustainable value chain	Developing of a sustainable value chain that is extremely sensitive to ESG issues.	- Reducing operating costs. - Reputational advantage. - Reduction of litigation costs.		
Human capital's well-being, engagement & upskilling	Upskilling: Strenghtening and upskilling the competences of the personnel and develop talent.	- Retention of key personnel - Increased productivity.		
Efficient, sustainable and circular operations	Contribution to increasing Circularity in the market through Prysmian's Value Chain.	- Reduction in purchasing cost due to recycled material. - Reduction in operating costs. - Reduction in waste disposal costs. - Reputational advantage.		
Sustainable innovation for products, applications and processes	Enabling the decarbonization of other businesses, such as Energy Cable and Fiber Optics markets.	- Increase in revenues due to the growth in demand for lower emissions products and services. - Potential increased attractiveness of low carbon investors. - Reputational advantage.		
Impacts on local communities	Positive economic impacts on local communities through employment and local procurement, taxes, or other payments to local governments, as well as through community development programs and investments in infrastructure or public services.	- Less legal actions due to an active engagement wih the community. - Tax-exempt donation costs. - Reputational advantage.		
Governance, ethics and integrity	Foster transparency across all business partners and stakeholders.	- Increased efficiency in the decision-making process. - Reputational advantage.		
Human capital's well-being, engagement & upskilling	HC well-being: Promoting work-life balance practices within the organization.	- Reduction in employee turnover. - Reduction of costs related to recruiting program. - Retention of key personnel.		
Greater diversity, inclusion & respect for human rights	Promotion of specific programs towards a more inclusive and diverse work environment.	- Reputational advantage. - Increased employee retention. - Potential reduction in employee turnover. - Increased productivity due to an higher level of employees engagement.		
Human capital's well-being, engagement & upskilling	Engagement: Adoption of people oriented policies to safeguard people's needs.	- Reduction in employee turnover. - Retention of key personnel.		
Cyber security and data protection	Safe an protected data for all stakeholders.	- Reduction of litigation costs. - Increased resilience of services/operations. - Reputational advantage.		

Short/Mid term: in 3 years Long term: 2030

* The list provided represents an example and it may not consider other impacts.

FINANCIAL MATERIALITY: NEGATIVE IMPACTS

Material Topics	Negative impacts generated on economy, environment and people	Example of Financial impact suffered*	Suffered impact on Free Cash Flow (Total)	Suffered impact on Adj.EBTDA (Total)
Governance, ethics and integrity	Potential anti-competitive behaviour and corruption events that contribute to the lack of socio-economic development of the communities in which the Company operates in, limit the effects of Market competition and could result in higher prices of products.	- Reputational damage. - Increase in litigation cost. - Potential sanction due to the non-compliance of statutary law.		
Human capital's well-being, engagement & upskilling	Potential accidents, mental and physical illness due to a failure to disseminate a health and safety culture in the community in which the Company operates.	- Disruption of services. - Potential increase in litigation costs. - Sanctions. - Increase cost in training and upskilling program for new hires. - Reputational damage.		
Human capital's well-being, engagement & upskilling	Lack of key people and talent attraction management.	- Reduction in margin due to a reduced productivity. - Higher expenditure on recruiting and retention programs.		
Sustainable value chain	Change in competitive landscape.	- Reducing Group's market share due to new entrant players, resulting in decrease of revenue and/or profitability due to stronger competitiveness.		
Efficient, sustainable and circular operations	Pollution and discharge of waste/scraps resulting from Prysmian operations.	- Potential sanctions and litigation costs. - Increasing operating costs to improve the resilience of plants in terms of water use. - Reputational damage.		
Human capital's well-being, engagement & upskilling	Failure to meet employees expectation on well-being, upskilling and engagement.	- Higher employee turnover. - Increased cost in recruting and talent attraction program.		
Sustainable value chain	Lack of respect of Human rights and Sustainable practices throughout the Value chain.	- Potential increase in Litigation costs. - Disruption of services. - Reputational damage.		
Impacts on local communities	Land clearance and changes of land use to accomodate Prysmian operations.	- Potential increased litigation costs. - Potential disruption of services. - Potential non-compliance on timeliness in the execution of a project with impacts on financials.		
Cyber security and data protection	Unauthorized disclosure and processing of Personal Identifiable Information or sensitive data and information.	- Litigation costs. - Potential sanctions in case of breach of data protection laws. - Potential disruption of services.		
Greater diversity, inclusion & respect for human rights	Lack of the social sustainability practices within the organisational structure and business model including the respect for human rights.	- Potential increase in litigation costs. - Potential increase in employee turnover. - Potential reduction in key people retention.		
Enabling the decarbonization to Net-Zero and digitalization	Contribution to GHG Emissions.	- Manufacturing cost increase (eg. Carbon Tax). - Increasing operating costs to improve the resilience of plants (sea level rise, extreme weather events) and adopt/ implement new practices and processes. - Loss of revenue due to potential downsizing or default of suppliers and/or customers. - Reputational damage.		
Biodiversity and impacts on nature	Loss of Biodiversity in terms of animals and/or plants near the areas in which Prysmian operates.	- Reputational Damage. - Litigation costs.		
Sustainable innovation for products, applications and processes	Potential negative impact on the market due to the emerging of disruptive technologies that can make our technologies and activities obsolete (eg. Hydrogen, etc.) undermining the capacity of creating value for our business partners.	- Decrease of revenue and potential write-offs and early retirement of existing assets due to a reduced demand for products and services. - Increased Litigation costs (e.g. third party patent owners).		

Short/Mid term: in 3 years Long term: 2030

* The list provided represents an example and it may not consider other impacts.

3.2 STAKEHOLDER ENGAGEMENT

Creating value for stakeholders is an essential element of the Prysmian Group's Sustainability Strategy.

This commitment is reflected in stakeholder engagement projects and activities throughout the value chain, with active listening, the promotion of sustainable behaviours and the creation of innovative, green products and services capable of meeting their needs and expectations (see the "Sustainable innovation for products, applications and processes" section of this document for more about sustainable products and services and the related risks).

LA CREAZIONE DI VALORE PER GLI STAKEHOLDER

Costumers

Listen and engage with our customers to better serve them and to drive innovation

Actions:

- Customer satisfaction survey
- Cable App & Customer Portal

Shareholders

Public company with broad shareholders base

Actions:

- Long-term and sustainable value creation
- Shareholders' meetings and participation

Suppliers

Proactively promote the decarbonization of our supply chain incorporating ESG drivers in the suppliers selectioni

Actions:

- ESG evaluation of suppliers base
- Sustainability audits
- CDP partnership (Carbon Disclosure Project)

Schools, Universities & Research Centers

Invest and promote learning and education as a key driver of improvement and innovation

Actions:

- PG's Academy
- Local mentoring programs for 500 students

People

Create and nurture a diverse, inclusive, equal opportunities working environment where meritocracy is at the core

Actions:

- Internal projects of upskilling mobility and workforce development
- Health & Safety focusa

Local Communities

Promote and contribute to the social and economic development of the communities where we operate

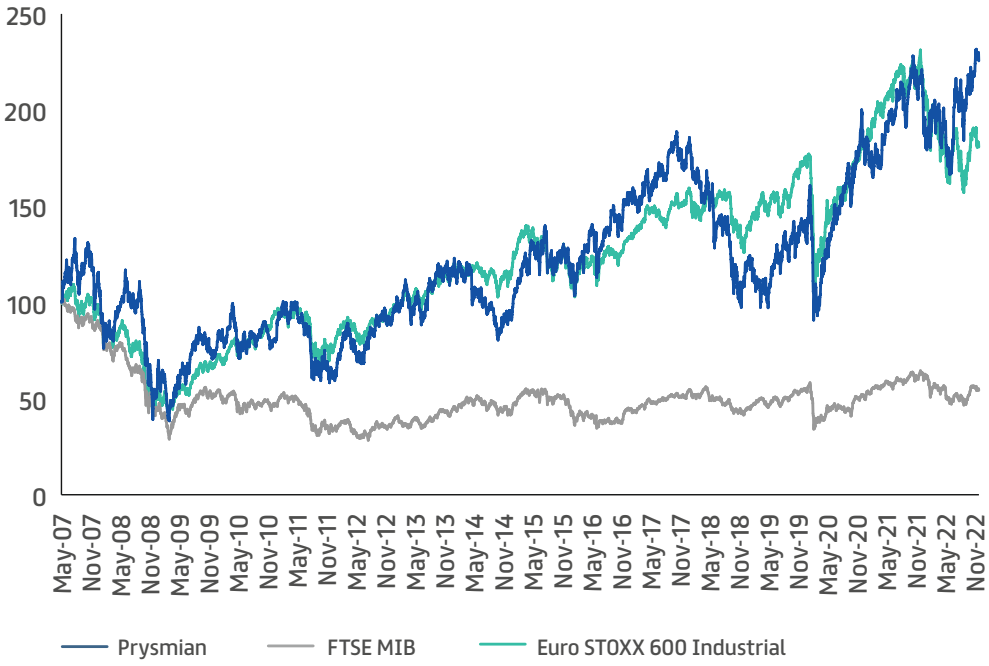
Actions:

- Construction of nursery/school projects
- Donation of cables to improve local development

The creation of sustainable value for all stakeholders also depends heavily on how the supply chain is managed, with Prysmian already adopting an ever more pro-active role in decarbonisation efforts by including certain ESG KPIs in the appraisal of suppliers. Particular attention is dedicated to the engagement and satisfaction of customers and all significant stakeholders, as well as to the impact of on the communities in which the Group operates.

The Group's solidity and the expectations of growth in its reference markets, not least due to such megatrends as the energy transition, electrification and digital transition, have ensured that Prysmian's stock remains highly attractive to the market. This is confirmed by the opinion of those financial analysts who, at year end, recommended buying the stock (63% of all opinions) or holding it (25% of all opinions).
The Prysmian stock price PERFORMED WELL in 2022, rising by 4.7% to close the year at € 34.66 per share compared with € 33.11 at the end of 2021. Including dividends paid, the return offered by Prysmian's stock (Total Shareholder Return, TSR) to its shareholders in 2022 was +6.6% and +215.6 percent since listing on May 3, 2007.

PERFORMANCE OF PRYSMIAN STOCK



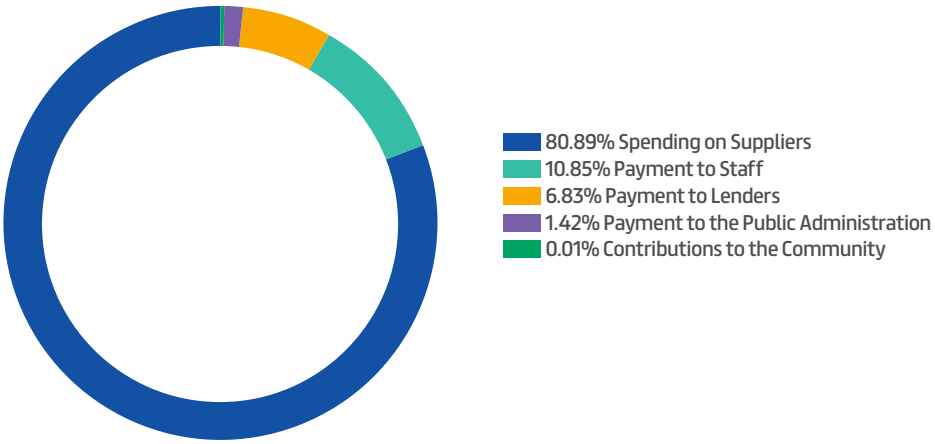
TOTAL SHAREHOLDER RETURN

+6.6%
IN 2022

+215.6%
SINCE ITS DATE OF LISTING

The total economic value generated, being the overall wealth created by the Group for all stakeholders, amounted to Euro 16,719 million in 2022. Much of this value, Euro 16,211 million, was redistributed[15] in the form of:

ECONOMIC VALUE GENERATED



15 The economic value directly generated and distributed (EVG&D) has been calculated on an accruals basis, as envisaged by GRI 201-1.

Dialogue with the group's stakeholders

Events dedicated to dialogue with those Stakeholders whose interests are, or might be, impacted by our activities, are an integral part of the Group's growth strategy and provide an effective communications channel.

The purpose of these initiatives is to

- identify **ideas for improvements that lead to product and process innovation**;
- **map the impacts generated and felt** by the Group, in order to ensure better management of reputational and other risks;
- **inform, engage and raise the awareness of Stakeholders** regarding various aspects of importance to the Group and the societies in which it operates;
- **identify the needs, problems and expectations** of Stakeholders in order to embed them in the Group's strategy and develop a relationship based on trust and transparency..

These engagement initiatives are pursued in various ways and via multiple channels.
In particular, Prysmian organised several Multi-Stakeholder Engagement events during the year, in which stakeholders - both internal and external - were invited to participate actively and discuss:

- identification of the main impacts (positive and/or negative, real and/or potential) of the Group's activities throughout the Prysmian value chain, including additional new actions that the Group could implement to contribute to sustainable development, considering their magnitude and probability of occurrence;
- identification of the major impacts felt by the Group with reference to two financial parameters - Free Cash Flow and Adjusted EBITDA - considering two time horizons – short-medium term (3 years) and long term (by 2030);
- assessment and prioritisation of the impacts;
- clustering of the impacts into material topics and their subsequent prioritisation via surveys and one-on-one interviews;
- assessment, via interactive workshops, of their perception of the Group's initiatives and activities regarding the targets of the UN Sustainable Development Goals (SDGs).

Among the various 2022 stakeholder engagement activities, the Group organised for the first time a "Prysmian Sustainability Week" that was held on a virtual basis in order to reach a global target. The event was streamed live in June to around 6,000 people connected from all over the world and was later seen by many more, who viewed the recordings made by the various streaming platforms.

Speakers included representatives of the Group, including Prysmian directors, managers and employees, as well as such external guests, such as leaders of international organisations and partners in the value chain. The various speakers contributed important points of view on specific sustainability matters, like climate change and energy transition, the circular economy, recycling, the business impact of environmental processes, diversity & inclusion, impact on local communities, sustainable innovation, digitalisation and electrification, citing some examples.

In order to carry out stakeholder engagement activities in a manner consistent with the new GRI Standard 3, the Prysmian Group also interviewed industry experts (including top academics from a number of leading Italian universities), international ESG investors, members of the Group's top management team and Board of Directors. To define and implement its stakeholder engagement process, the Prysmian Group follows the guidelines of the 2015 updated version of the AA1000SES International Standard, developed by AccountAbility (Institute of Social and Ethical Accountability).

Creating value for shareholders and other stakeholders is a key priority for the Prysmian Group, whose policy of strategic and financial communication is based on the highest standards of accuracy, clarity and transparency. Corporate activities and procedures are designed to provide the market with credible information about the business, with a view to increasing and consolidating the confidence of investors and fostering a long-term approach to investment in our shares. Every effort is made to avoid biased disclosures and ensure that all current and potential investors receive the same information, so that balanced investment decisions can be made.

Upon publishing its quarterly data, Prysmian organises conference calls with institutional investors and financial analysts. In addition, the Company promptly informs the market about any action or decision that could have a material impact on the valuation and performance of the share. Relations with the financial market were continuous and intense during 2022, with more than 500 conference calls and one-on-one or group sessions. Some were held virtually, while others were held in person at the parent company's Milan headquarters and in the world's main financial centres such as London, Paris, New York, Sydney and Milan. Prysmian also participated in numerous industry conferences organised by leading international brokers, as well as in road shows and topic-specific events focused, for example, on Energy Transition, Digitalisation, Innovation and Sustainability.

In addition, the Group is increasingly devoting special attention to its relations with ESG investors, meaning those that focus their investment strategies on environmental, social and governance matters. Continuous engagement with them by the Company and top management - with various organised activities, as well as the Sustainability Week and dedicated meetings - has helped to further increase the weighting of these investors within Prysmian's shareholder base. In fact, the weighting of ESG investors has increased substantially in recent years, rising from about 13% in 2019 to over 48% at present. This latter percentage is well above the average for both the industrial sector and the Italian market.

In addition to such ESG topics as Energy Transition, Digitalisation, Climate Change, the Management of Human Capital, Diversity and Inclusion, the Sustainable Value Chain and Remuneration Policy, the meetings with investors also discussed other important matters that included Electrification, Innovation, Business Performance and Outlook over the short/medium term, and the financial structure and strength of the Group.

The Investor Relations function has maintained constant contacts with institutional investors, not least via the website[16], which includes the recordings of conference calls and presentations to the financial community, corporate documentation, press releases and all other information relating to the Group, in both Italian and English. Other available information includes the financial calendar, documents relating to shareholders' meetings, the Code of Ethics and the names of the analysts who cover the stock, as well as specific sections about Corporate Governance, Risk Factors and Share Performance.

Contact details for the Investor Relations Office:
Maria Cristina Bifulco - Chief Sustainability Officer and Group Investor Relations VP
mariacristina.bifulco@prysmiangroup.com

Investor Relations Office
investor.relations@prysmiangroup.com

3.3 GOVERNANCE AND THE MANAGEMENT OF RISKS AND OPPORTUNITIES

To achieve the Group's ambitious, long-term environmental and social goals, it is essential to make strategic decisions that foresee, mitigate and manage Prysmian's significant exposures to ESG matters. Through an effective system of information flows, Prysmian is able to manage all business-related risks and ensure that sustainability remains an integral part of our identity, regardless of the activities carried out.

Corporate structure of the Group

Effective and efficient, to create long-term sustainable value and produce a virtuous spiral with business integrity at its centre.

Prysmian is aware of the importance of a good corporate governance system to achieve strategic objectives and create long-term sustainable value, by having a system that is effective in complying with the legal and regulatory framework, efficient in terms of cost-effectiveness, and fair towards all the Group's Stakeholders.

Accordingly, Prysmian Group keeps its corporate governance system constantly in line with latest recommendations and regulations, adhering to national and international best practices. In addition, the Group has defined principles, rules and procedures that govern and guide the conduct of activities by all its organisational and operating units, as well as ensuring that all business transactions are carried out in an effective and transparent manner.

During 2022, Prysmian continued to comply with the Corporate Governance Code for listed companies approved by the Corporate Governance Committee.

For further information about:

- compliance with the principles and recommendations of the Code of Corporate Governance and the reasons for any non-application of one or more requirements;
- any corporate governance practices actually applied by the Company that go beyond the related legal or regulatory obligations;

please refer to the "Report on Corporate Governance and the Ownership Structure" approved by the Board of Directors and available in the Company/Governance section of the official website[17].

16 www.prysmiangroup.com
17 www.prysmiangroup.com

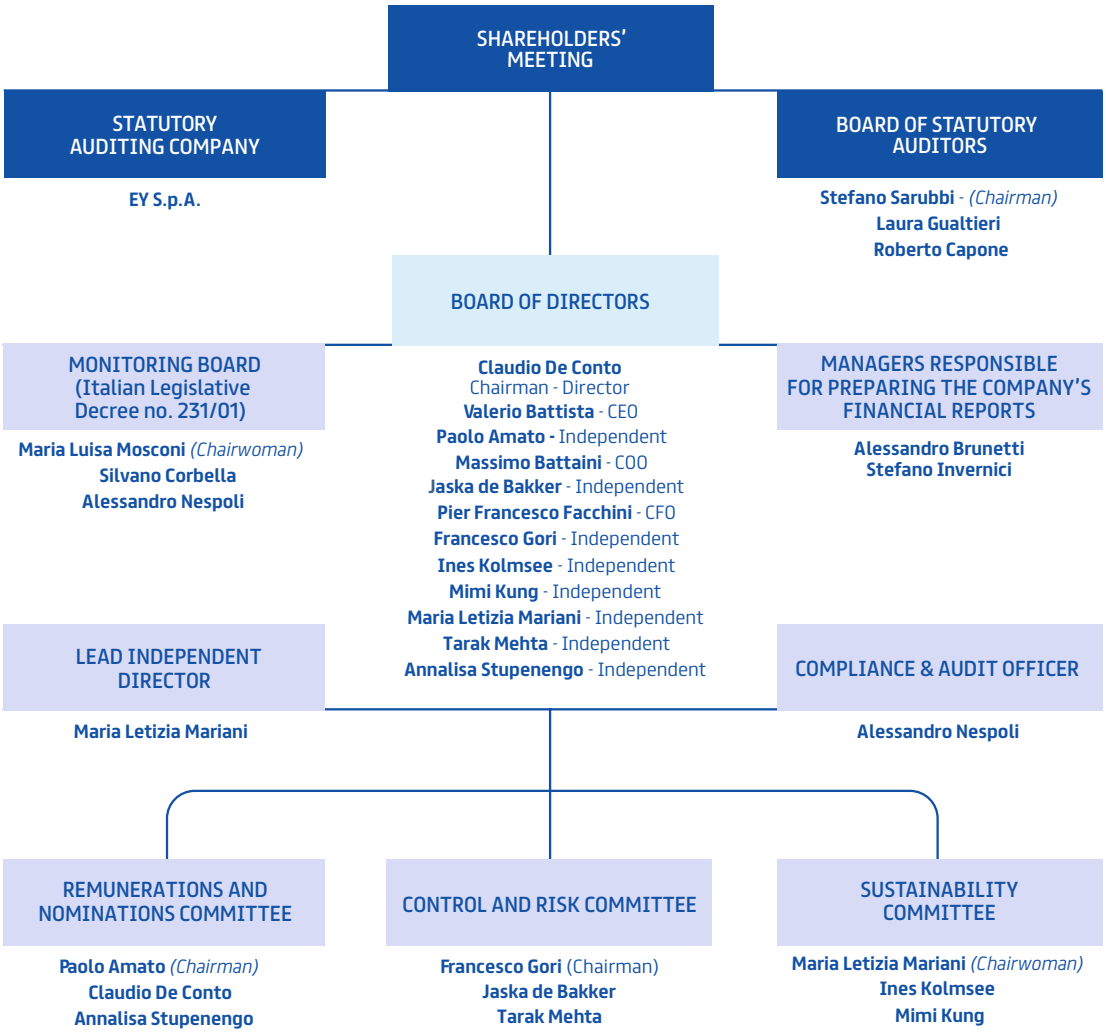
Corporate Governance Structure

The traditional model of governance and control adopted by Prysmian involves the presence of a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors. Prysmian's corporate governance structure is based on the central role of the Board of Directors (as the most senior body responsible for managing the Company in the interests of shareholders) in providing strategic guidance, in ensuring the transparency of the decision-making process and in establishing an effective system of internal control and risk management, including decision-making processes for both internal and external matters. Prysmian's corporate governance structure also includes an Audit Committee, a Remuneration and Nominations Committee, a Sustainability Committee and a Supervisory Body appointed pursuant to Legislative Decree 231/2001.

Further information (i) on the system of corporate governance of Prysmian S.p.A. and (ii) on the ownership structure, required by art.123-bis TUF, can be found in the "Report on Corporate Governance and the Ownership Structure" available on the Company's website *www.prysmiangroup.com*, in the Company/Governance section[18], prepared pursuant to art. 123-bis TUF.

An overview of the Company's corporate governance structure as of 31 December 2022 is presented below.

GOVERNANCE STRUCTURE



Directors and officers

Board of Directors

In compliance with the provisions of art. 14 of the By-laws, the Company is managed by a Board of Directors currently consisting of twelve members who will remain in office until the date of the annual general meeting called to approve the financial statements for the year ended 31 December 2023. The Board of Directors consists of three executive directors and nine non-executive directors. Eight of the non-executive directors are independent pursuant to both Article 148, Paragraph 3 of Legislative Decree No. 58 of 24 February 1998 (T.U.F.) and Article 2, Recommendation No. 7 of the Corporate Governance Code, while one non-executive director is independent pursuant to Article 148, Paragraph 3 of T.U.F. The non-executive directors are in such number and with such authority as to ensure that their opinion can have a significant weight in the adoption of board decisions.

As of 31 December 2022, seven members of the Board of Directors are men and five are women. This complies with the rules governing the gender composition of corporate bodies. Four directors are in the 50-55 age bracket, while eight are over 56.
Within the Board of Directors, two directors were elected from the list of candidates presented by a group of institutional investors and management funds coordinated by Assogestioni and voted by a minority of those entitled that attended the Shareholders' Meeting (12.3%), while the other ten directors were elected from the list of candidates presented by the outgoing Board of Directors and voted by a majority of those entitled that attended the Shareholders' Meeting (85.5%).

The Board of Directors exercises the widest powers of ordinary and extraordinary administration, except for those that by law are reserved solely for the Shareholders' Meeting; The Board of Directors has appointed a Chief Executive Officer from among its members and granted him all the authority and powers of ordinary management of the company necessary or useful for conducting its business. Management of the business is the responsibility of the directors, who take the actions necessary to implement the corporate purpose. The Board of Directors is also responsible for the Group's system of internal control and risk management and, accordingly, must check its adequacy and adopt specific guidelines specified by that system.

The Board is assisted in this work by other persons involved in the system of internal control and risk management, being the Audit Committee, the Director responsible for the system of internal control and risk management, the manager of the Audit & Compliance function, the Board of Statutory Auditors and the Executive responsible for corporate financial reporting.
For further information on the composition, appointment and functioning of the Board of Directors, please refer to the website: Corporate Bodies | Prysmian Group and to the "Report on Corporate Governance and Ownership Structure", paragraph 4[18])

18 *https://www.Prysmiangroup.com/sites/default/files/01_Relazione%20Corporate%20Governance%202022.pdf*

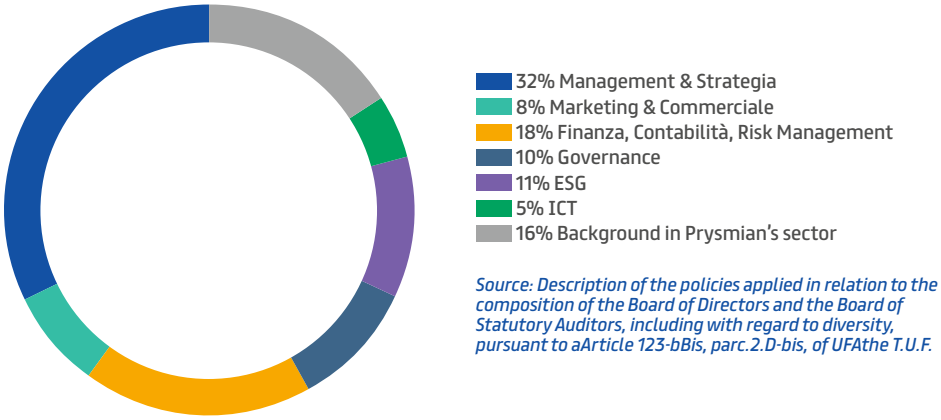
BOARD OF DIRECTORS

Member Year of birth	First Appointment (1)	Current charge (2)	Executive Independent	Meetings (3)	Other offices (4)
* Claudio De Conto Chairman - 1962	21/07/2010	from 28/04/2021 to 2024	Independent (5)	8/8	3
* Valerio Battista CEO - 1957	15/12/2005	from 28/04/2021 to 2024	Executive	8/8	1
** Paolo Amato Director - 1964	12/04/2018	from 28/04/2021 to 2024	Independent	8/8	2
* Massimo Battaini Director and COO - 1961	25/02/2014	from 28/04/2021 to 2024	Executive	8/8	-
* Jaska de Bakker Director - 1970	28/04/2021	from 28/04/2021 to 2024	Independent	8/8	2
* Pier Francesco Facchini Director and CFO - 1967	28/02/2007	from 28/04/2021 to 2024	Executive	8/8	2
* Francesco Gori Director - 1952	18/09/2018	from 28/04/2021 to 2024	Independent	7/8	1
* Ines Kolmsee Director - 1970	28/04/2021	from 28/04/2021 to 2024	Independent	7/8	3
** Mimi Kung Director - 1965	12/04/2018	from 28/04/2021 to 2024	Independent	6/8	1
* Maria Letizia Mariani Director and L.I.D. - 1960	16/04/2015	from 28/04/2021 to 2024	Independent	6/8	1
* Tarak Mehta Director - 1966	28/04/2021	from 28/04/2021 to 2024	Independent	8/8	1
* Annalisa Stupenengo Director - 1971	28/04/2021	from 28/04/2021 to 2024	Independent	8/8	-

Notes
(*) - Director elected form the slate presented by the outgoing Board which obtained the majority of the votes.
(**) -Director elected form the slate presented by a group of shareholders related to asset management companies and institutional investors.
(1) - Date on which the director was appointed to the Board of Directors for the first time (ever).
(2) - Expiry date envisaged with the Shareholders' Meeting that will approve the financial statements for the year ending 31/Dec/2023.
(3) - Attendance at Board meetings in 2022 (no. of attendances/no. of meetings held. N/A: not in office during the period).
(4) - Number of offices held in other companies listed on regulated markets, including foreign ones, in financial, banking, insurance companies, or companies of significant size.
(5) - Independent Director as for Unified Financial Act – Italian Legislative Decree no. 58/1998 (T.U.F.).

Adopting the best practices of Anglo-Saxon countries and subject to compliance with any regulations in force from time to time, the Company has decided to prepare a Board Skill Matrix to identify the skills already available to the Board and any gaps. Indications are then provided on the skills considered useful when preparing lists of candidates for the appointment of directors.
The following chart shows the results of applying the above Board Skill Matrix to the current members of the Board of Directors.

BOARD SKILL MATRIX



Source: Description of the policies applied in relation to the composition of the Board of Directors and the Board of Statutory Auditors, including with regard to diversity, pursuant to aArticle 123-bBis, parc.2.D-bis, of UFAthe T.U.F.

For further information, please refer to the website: Corporate Bodies | Prysmian Group and to the "Report on Corporate Governance and Ownership Structure"[19].

19 https://www.prysmiangroup.com/sites/default/files/01_Relazione%20Corporate%20Governance%202022.pdf

Board of Statutory Auditors

The Board of Statutory Auditors oversees compliance with the law, the By-laws and the standards of good management in the performance of company activities whilst also monitoring the adequacy of the Company's organisational structure, internal control, administrative and accounting systems. In compliance with the provisions of Article 21 of the By-laws, the Board of Statutory Auditors is composed of three standing members, including a Chairman, and two alternate members, who will remain in office until the date of the shareholders' meeting that will be called to approve the financial statements for the year ending 31 December 2024. All members of the Board of Statutory Auditors are independent pursuant to both Article 148, paragraph 3 of Legislative Decree No. 58 of 24 February 1998 (T.U.F.) and Article 2, recommendation No. 7 of the Corporate Governance Code. At 31 December 2022, two standing members and two alternate members of the Board of Statutory Auditors are men and one standing member is a woman, in compliance with the gender rules on the composition of corporate bodies. Within the Board of Statutory Auditors, one Standing Auditor, appointed as Chairman, and one Alternate Auditor were elected from the list of candidates presented by a group of institutional investors and management funds coordinated by Assogestioni and voted by a minority of those entitled that attended the Shareholders' Meeting (15.2%), while the other two Standing Auditors and one Alternate Auditor were elected from the list of candidates presented jointly by shareholders Clubtre S.r.l, Albas S.r.l. and Angelini Partecipazioni Finanziarie S.r.l. and voted by the majority of those entitled that attended the Shareholders' Meeting (80.8%). For further information on the composition, appointment and functioning of the Board of Statutory Auditors, please refer to the website: Corporate Bodies | Prysmian Group and the "Report on Corporate Governance and Ownership Structure" paragraph 11[20]).

BOARD OF STATUATORY AUDITORS

Member Year of birth	First Appointment (1)	Current charge (2)	Independence Code/TUF	Meetings (3)	Other offices (4)
** Stefano Sarubbi Chairman - 1965	12/04/2022	from 12/04/2022 to 2025	X/X	10/10	14
* Roberto Capone Standing Auditor - 1955	12/04/2022	from 12/04/2022 to 2025	X/X	10/10	17
* Laura Gualtieri Standing Auditor - 1968	13/04/2016	from 12/04/2022 to 2025	X/X	14/14	0
* Stefano Rossetti Standing Auditor - 1965	12/04/2022	from 12/04/2022 to 2025	X/X	N/A	3
** Vieri Chimenti Standing Auditor - 1966	12/04/2022	from 12/04/2022 to 2025	X/X	N/A	36

Notes
(*) - Member elected form the slate jointly presented by the shareholders Clubtre S.r.l., Albas S.r.l. e Angelini Partecipazioni Finanziarie S.r.l. which obtained the majority of the votes
(**) - Member elected form the slate jointly presented by a group of shareholders related to asset management companies and institutional investors.
(1) - Date on which the Auditor was appointed to the Board of Statutory Auditors for the first time (ever).
(2) - Expiry date envisaged with the Shareholders' Meeting that will approve the financial statements for the year ending 31/Dec/2024.
(3) - Attendance at Board of Statutory Auditors meetings in 2022 (no. of attendances/no. of meetings held during the period of the year in which the Auditor was in charge. N/A: not in office during the period).
(4) -Number of offices held in other companies pursuant to art. 148-bis TUF and of the related provisions contained in the Consob Issuers' Regulation.

Internal committees of the Board of Directors

The Board of Directors has established internal committees, tasked with carrying out investigations, making recommendations and providing advice, and has adopted a regulation that defines their duties and rules of operation. The current Board of Directors of Prysmian S.p.A. has established three internal committees and appointed their respective members, including the chairman. The composition, duties and functioning of the committees are specified in the Corporate Governance Regulations adopted by the Board of Directors[21].
The committees each comprise three non-executive directors, the majority of whom are independent pursuant to the Corporate Governance Code and the TUF, with the exception of the Remuneration and Nominations Committee in which one member is only qualified as independent pursuant to the TUF. The term of office of each member is the same as that of a director.
For further information on the composition, appointment and functioning of the Board committees, please refer to the website: Committees | Prysmian Group and the "Report on Corporate Governance and Ownership Structure" paragraphs 6 et seq.[22])

20 https://www.Prysmiangroup.com/sites/default/files/01_Relazione%20Corporate%20Governance%202022.pdf
21 https://www.Prysmiangroup.com/sites/default/files/01_Relazione%20Corporate%20Governance%202022.pdf
22 https://www.Prysmiangroup.com/sites/default/files/01_Relazione%20Corporate%20Governance%202022.pdf

Sustainability Committee

The Sustainability Committee comprises three non-executive independent directors. In general, the Sustainability Committee has been assigned the task of overseeing sustainability issues related to corporate activities and the dynamics of interactions with all Stakeholders including, in particular:

A. promoting guidelines for consideration by the Board of Directors that embed sustainability within the various business processes, in order to ensure the creation of sustainable value over time for shareholders and all other Stakeholders;
B. spreading the culture of sustainability among employees, shareholders, customers and, in general, Stakeholders;
C. assessing the environmental, economic and social impacts deriving from business activities;
D. providing opinions on the annual and long-term sustainability objectives to be achieved with specific reference to the management of associated medium- and long-term risks for the Company and its subsidiaries, so that they are correctly identified and appropriately measured, managed and monitored;
E. monitoring the Company's position in the main sustainability indices;
F. expressing opinions on the initiatives and programmes promoted by the Company or by subsidiaries on Corporate Social Responsibility (CSR) matters;
G. checking, before approval by the Board of Directors, the annual sustainability report containing non-financial information pursuant to European Directive 2014/95/EU prepared by the competent corporate functions;
H. preparing, upon request from the Board of Directors, opinions and proposals concerning specific Corporate Social Responsibility (CSR) matters.

For further information on the composition, appointment and functioning of the Sustainability Committee, please refer to the Prysmian Group website[23] (Committees) and the "Report on Corporate Governance and Ownership Structure" paragraph 7).

Governance of Sustainability

As part of work to improve constantly the sustainability of business activities and the related communications to stakeholders, in 2022 Prysmian Group defined a new governance model that clarifies the roles and responsibilities of all actors:

1. **The responsibility of the Chief Sustainability Officer is to:**

- guide creation of the ESG Strategy, define targets and set priorities by developing the Group's Materiality Matrix;
- support the Regions and business units in implementing actions and initiatives designed to achieve the Group's sustainability goals;
- manage the Sustainability Indices;
- ensure that stakeholder engagement activities are carried out;
- lead the internal Sustainability Steering Committee and the Network of Local Sustainability Ambassadors;
- serve as Secretary of the Board's Sustainability Committee;
- support the Administration, Finance and Control Department to prepare the Integrated Annual Report;
- oversee determination of the contents of the Sustainability Report.

2. The responsibilities of the **Group Planning and Control and Group Administration functions are to:**

- monitor the performance of ESG KPIs;
- coordinate the collection of non-financial data;
- prepare the Integrated Annual Report;
- verify the accuracy and quality of data.

23 https://www.prysmiangroup.com/sites/default/files/atoms/files/Prysmian-Corporate-Governance-Regulation-%282021-02-03%29_Final_0.pdf

3. The responsibilities of the **Communication and Public Affairs Division** are to:

   - develop communication campaigns;
   - help the CSO to organise stakeholder engagement events.

4. **The Sustainability Committee**, established by the Board of Directors, has the responsibilities detailed in the section on "The structure of Corporate Governance".

5. The responsibilities of the **internal Sustainability Steering Committee**, headed by the Chief Sustainability Officer and comprising representatives of the various corporate functions, are to:

   - develop objectives and targets and submit them to the Group Leadership Team;
   - support the Chief Sustainability Officer in the creation of the Materiality Matrix;
   - propose actions to be implemented at Region, BU and function level;
   - monitor and follow-up the sustainability KPIs and results.

6. **Regional and BU leadership teams** play a key role with regard to the Group's sustainability commitments.

7. **The Network of Local Sustainability Ambassadors** was established to promote a culture of sustainability, related initiatives and glocal ESG actions at regional level.

ESG risks and opportunities

The Prysmian Group adopts a system of internal control and risk / opportunity management based on tools and information flows that enable the Board of Directors to take strategic decisions and establish guidelines for the system in an informed manner, considering the context in which the Group operates and the related risks and opportunities, including those relating to sustainability matters: otherwise known as ESG (Environmental, Social, Governance).

Prysmian implements an Enterprise Risk Management (ERM) model, developed in line with internationally recognised models and best practices (in particular, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and standard ISO 31000), that allows the Board and management to evaluate in an informed manner those risk scenarios that might compromise the achievement of strategic objectives, and adopt additional tools that are able to foresee, mitigate and manage significant exposures.

Evaluation of the context and the expectations of the Group, a key activity within the ERM model, also makes it possible to identify and assess potentially favourable circumstances that may increase the value of Prysmian in economic and other terms. In particular, commencing from 2021, the Group carries out - with broad management involvement - careful analyses of climate change and the energy transition matters. This work, developed in accordance with the requirements of the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD), makes it possible to identify risks to be monitored and opportunities to be grasped in the short, medium and long term, all deriving from the process of transformation induced by increasingly stringent decarbonisation policies. See the dedicated TCFD report, published separately in 2022, for further information about the analysis of climate change risks and opportunities, their assessment and our approach to their management.

The guidelines for the System of Internal Control and Risk Management approved by the Board back in 2014 are now part of the Group ERM Policy, which formalises the ERM model adopted. This model adopts a top-down approach, being guided by senior management and our medium/long-term business objectives and strategies. This extends to all types of risk/opportunity that are potentially significant for the Group. These are grouped into five families that each include areas of internal and external risk that characterise the Group Risk Model: Strategic Risks, Financial Risks, Operational Risks, Legal and Compliance Risks, and Planning and Reporting Risks. The Group's Chief Risk Officer (CRO), appointed to govern the ERM process, is responsible for ensuring together with management that the main risks and opportunities faced by Prysmian and its subsidiaries are identified, assessed, managed and monitored on a timely basis.

In addition, an Internal Risk Management Committee comprising senior managers ensures, via the CRO, that the ERM process remains dynamic to reflect changes in the business, requirements and events affecting the Group over time. The CRO reports periodically to senior management on these changes. Each year, the Group's main business/function managers participate in the process of identifying and evaluating the most significant risk factors and opportunities, including sustainability and climate change. A common and clearly defined methodology is used to measure and evaluate specific risk events in terms of their impact, probability of occurrence and the level of adequacy of the control system in place. More information can be found in the Annual Report, in the section entitled "Risk Factors and Uncertainties". This describes those risks and opportunities linked to the topic of sustainability that are most important for the business activities of the Group.

In this report, for each material topic identified by Prysmian Group, the main information, including the key strategies adopted for mitigating the risks and grasping the opportunities identified, are presented.

With particular reference to the opportunities related to climate change, Prysmian carried out an in-depth analysis aimed at assessing the opportunities arising from the energy transition process and the increasingly stringent policies to reduce greenhouse gas emissions. The activity, conducted by evaluating four scenarios proposed by the International Energy Agency (STEPS, APS, SDS and NZE), determined the role of cable market in achieving the expected goals under the ecological and energy transition.

For more details, please refer to the dedicated TCFD report published separately in 2022. Identified opportunities are outlined below:

Opportunities	Material topic 20222
Development and expansion of low-emission solutions and with a lower environmental impact, particularly in the energy cable and fibre markets	Sustainable innovation of products, applications and processes

Classification (TCFD)	Products and services

Customers and consumers are paying greater attention to environmental issues and, more specifically, to the climate effects of purchased products and services. This trend was confirmed by in-depth benchmarking carried out by the Group, in which the climate change policies and strategies of a selected panel of customers, suppliers and competitors were analysed. The business cases, developed for all analysed IEA climate scenarios, highlighted the extent to which an appropriate climate strategy will be a key aspect when consolidating the competitive advantage of a given player. The most significant actions already initiated by the Group's R&D Department and supported with further specific investment include:

- improving the efficiency of power cables in order to reduce energy dissipation from heating due to the Joule effect;
- reducing the use of sulphur hexafluoride (SF6) in cable testing and the reducing/replacing lead in insulating sheaths;
- developing hybrid cable solutions capable of supplying power to devices and transmitting data at the same time (optical fibres and copper cables within the same sheath);
- improving fibre efficiency and performance;
- using recycled materials that guarantee high technical performance.

Opportunities	Material topic 2022
Intercepting the expected growth of the global cable market and access to emerging markets	Enabling the decarbonization to Net-Zero and digitalization

Classification (TCFD)	Market

that will transform the market in which the Group operates. New opportunities were identified when analysing the various IEA climate scenarios. With regard to the Energy business, these will derive from:

- massive use of renewable sources for the generation of electricity;
- increase in the number of electric vehicle users, both in the civil and industrial sectors;
- development and upgrading of transmission/interconnection and distribution networks;
- modernisation of buildings to improve their energy efficiency.

The fibre market is also expected to grow, given its use in all sectors and services due to the strong demand for digitalisation. Detailed business cases have been developed to assess the value added by the individual initiatives identified. These are being examined by the Group, via the R&D Department, with a view to reaping in full the expected benefits.

Opportunities	Material topic 2022
Using low-emission energy resources by installing renewable energy systems (e.g. photovoltaics) and purchasing renewable energy	Sustainable value chain Enabling decarbonisation to Net-Zero and digitalisation

Classification (TCFD)	Energy sources

With the aim of reducing its carbon footprint, Prysmian has taken the opportunity to procure energy from renewable sources, rather than fossil fuels, by installing photovoltaic systems at several plants (one already operational in Italy and four at an advanced stage in Europe). Again in the context of photovoltaic generation, the Group has signed Corporate Power Purchase Agreements (PPAs) for two plants (one already operational in Hungary and one at an advanced stage in Portugal). These initiatives are designed to reduce CO_2 emissions and increase resilience to possible major cost increases by energy providers.

Opportunities	Material topic 2022
Greening the supply chain by evaluating options for reducing energy consumption and waste generation and increasing the use of recycled materials	Sustainable value chain

Classification (TCFD)	Efficient resources

One of the most significant challenges of the ecological and energy transition is the Green Supply Chain, i.e. initiatives to reduce the environmental impact of production activities and the supply chain. Benefits are expected from the improved positioning of the Group, which will reflect new consumer preferences and attract greater interest from financial institutions that favour companies that reduce their carbon footprint, resulting in access to "green" financing that can reduce the cost of capital.

Specifically, Prysmian continues to pursue various initiatives in the field of "eco-friendly" products and in particular the launch of the "Eco Label" (Eco cable) initiative, the purpose of which is to identify products with the best characteristics in terms of carbon footprint, absence of substances hazardous to the environment, recyclability, recycled content, etc., with its extension to a European level, has enabled the "Eco cable" label to be applied to an important part of its product portfolio.
On the other hand, with regard to reducing material consumption in manufacturing, the adopted "Design to Cost" program is the tool used to identify new solutions to be shared with the entire value chain.
With regard to recycling, several initiatives are underway, especially in the European context, with the aim of using recycled materials in particular for the sheathing of medium and low voltage cables, taking advantage of the supply chain of recycled plastics from urban waste and industrial waste. Also, regarding circularity, Prysmian has the proprietary P-Laser technology, which is fully recyclable at the end of its life and offers superior thermal performance, high inherent reliability and superior environmental performance compared to more traditional technologies.
Regarding toxic substances, several projects are underway with the aim of eliminating lead, lead oxides and other substances such as certain plasticizers from the manufacturing process for the production of PVC-based compounds.

Leveraging the strong commitment of the Board of Directors, which is aware of possible significant financial implications in the absence of appropriate action, the Prysmian Group carries out constant, careful analyses of climate change and energy transition matters. This work, developed in accordance with the requirements of the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD), has made it possible to identify the risks to be monitored and opportunities to be seized in the short, medium and long term, all deriving from the process of transformation induced by the increasingly strict decarbonisation policies.
In particular, these analyses covering physical and transition risks, as well as opportunities, have been carried and monitored subsequently considering both the actions already implemented and those that are planned.
In this regard, the Group confirms Euro 113 million invested in R&D, of which Euro 101.4 million in operating expenditure and Euro 12.6 million in capital expenditure. For more information, please refer to the "Sustainable Value Chain" chapter in the 2022 Non-Financial Statement.
Moreover, aware that the Group's role in the low-carbon future means minimising waste and achieving operational excellence, through efficient and effective organisational models that inter alia reduce the energy and water consumption of our plants and lower GHG emissions, Prysmian is committed to investing Euro 100 million over the next ten years as part of an overall plan to reduce CO_2 emissions.

For more information on the analysis of climate change risks and opportunities, their assessment and our approach to managing them, please refer to the TCFD 2022 report that is published separately and available on the Group's website *www.prysmiangroup.com.*

Digital governance of ESG factors

In 2022, Prysmian Group consolidated the process, started in 2020, for managing data on a single digital platform that is audited and certified in accordance with the principal reference standards. The work to audit and certify the Non-Financial Statement was carried out through this platform.

The platform has also enabled the Group to report new sustainability KPIs, including the new GRI Universal Standards 2021. The process of digitalising the sustainability KPIs makes it possible to centralise information and active a virtuous spiral of analysis and active management of these variables, allowing in addition their correlation with financial variables to obtain a complete overview.

The functionality of the tool used has made it possible to manage the reporting process in a collaborative and structured manner, assisted by a workflow that includes the phases of editing, input, validation and approval to ensure the accuracy and traceability of data.

Consolidation of the database over time will enable the Group to calculate the magnitude of ESG impacts by activity, geographical area, project, organisational unit and managerial line.

3.4 FOCUS ON ETHICS AND INTEGRITY

Prysmian Group strives constantly to ensure ethical and responsible conduct throughout the entire value chain. Is solid documentary framework, from the Code of Ethics to the Anti-corruption and Helpline Policies, means that our daily activities can dedicate particular attention to environmental and social matters, with a special focus on human rights.

Integrity underpins the 3 pillars of sustainability

The Ethics and Integrity of Prysmian underpin all Group activities:

- **Ethics in business activities**: applying the concept of business ethics means operating in the market with respect for the rules and standards governing transparency and competitive behaviour;
- **Ethics in internal relations**: for Prysmian, intellectual capital and the development of talent are strategic assets that secure the future growth of the Group. The promotion of diversity is a strategic objective of the Group and strives for an increasingly diversified population at all levels within the organisation;
- **Ethics in environmental and social matters**: Prysmian takes a responsible approach to the environment in terms of both products and processes, for example by calculating the CO_2 footprint of individual cables and adopting HSE management systems that reduce its energy consumption and GHG emissions. Prysmian encourages the responsible use of resources, proper waste disposal and social projects that help to develop the local communities in which it operates.

Risks identified and mitigation actions

In relation to "Governance, Ethics and Integrity", a material topic identified by Prysmian, the following risks and related mitigation actions have been identified.

Risk identified	Material topic 2022
Failure to comply with the Code of Ethics, Policies and Procedures	Governance, ethics and integrity

Description of risk
This risk relates to illegal or unlawful conduct and infringements of existing laws and regulations, as well as to the anti-corruption, antitrust and export control matters identified earlier, with the possibility of administrative or judicial penalties, significant financial losses and/or reputational damage.

Mitigation actions adopted
The Prysmian Group puts in place a series of organisational tools aimed at implementing the principles of legality, transparency, fairness and loyalty used to operate. In particular, the Group:
- has adopted a Code of Ethics containing guidelines and ethical and behavioural principles that all those carrying out activities on behalf of Prysmian or its subsidiaries are required to observe (including managers, officials, employees, agents, representatives, external collaborators, suppliers and consultants);
- provides training to all employees and persons who work in the name and on behalf of the Group (e.g agents and intermediaries);
- through the Internal Audit & Compliance Department, constantly monitors compliance and the concrete application of these rules, not tolerating any type of violation

Risks of non-compliance with the anti-bribery legislation	Governance, ethics and integrity

Description of risk
The legislation and regulations focused on the fight against corruption have become ever more strict in recent years. At the same time, organisations increasingly have to work in environments exposed to that problem, while also complying with the myriad of related rules imposed by various countries around the world, including Decree 231/2001 and the Anti-corruption Law (Law 190/2012) in Italy, the Foreign Corrupt Practices Act in the United States and the Bribery Act in the United Kingdom. All these regulations pursue the same objective: tackle and repress corruption. The Prysmian Group's business model requires constant interaction with numerous third parties (suppliers, intermediaries, agents and customers). This is especially true in the Projects segment, where the management of large international projects requires working and engaging in commercial relations in countries that have significant levels of corruption (see the Corruption Perception Index), often through commercial agents and local public officials.

Mitigation actions adopted
The Prysmian Group acts to prevent corruption-related risks via:
- Group compliance policies (such as Anti-Corruption, Gifts & Entertainment, Conflicts of Interest etc.)
- The Third-Party Program, which is a tool for performing due diligence - using a dedicated on-line platform - before establishing relations of any kind with certain third parties (such as agents, distributors and particular categories of supplier);
- Training on the above topics for all employees;
- Compliance Audits (organised into Site Reviews, Project Audits and Third-Party Audits);
- The Anti-bribery Management System adopted by both Prysmian Group and Prysmian PowerLink S.r.l., subsidiary dedicated to the Projects segment, which are both ISO 37001:2016 certified.

Risks of non-compliance with Antitrust legislation	Governance, ethics and integrity

Description of risk
Prysmian's strong international presence subjects the Group to the antitrust regulations of the various countries in which we operate. Each of these is more or less demanding in terms of the civil-administrative and - where applicable - criminal responsibilities involved. Over the past decade, the various antitrust authorities have dedicated increasing attention to the business activities of market players, with an evident propensity for international collaboration among themselves. Prysmian intends to operate in the marketplace in full compliance with the rules protecting competition.

Mitigation actions adopted
In order to mitigate the risk, the Group has adopted worldwide an Antitrust Code of Conduct that all directors, executives and employees of the Group, as well as third parties where applicable, are expected to know and comply with in the performance of their duties and in relations with third parties. With a focus on Europe, the USA, China and Australia, the Antitrust Code of Conduct provides a clear overview of the risks associated with failure to apply, or improper application of, the competition rules including, in particular, those regarding collusion (both horizontal and vertical) and the abuse of dominant positions. The Antitrust Code of Conduct is accompanied by a training programme (Integrity First) involving both on-line and classroom sessions. The objective is to enhance awareness of the need to comply with the applicable antitrust regulations among all those who work in the name and on behalf of the Prysmian Group.

Risk identified	Material topic 2022
Export-related risks (sanctions, restrictions, trade tariffs etc.)	Governance, ethics and integrity

Description of risk
Many countries have specific rules for international trade and apply laws and regulations that govern trade in products, software, technologies and services, including financial transactions and broking activities. These export control regimes, governed by the legislation of the United States, the European Union (see art. 215 TFEU) and the United Nations (see chapter VII of the UN Charter), impose restrictions on certain parties (individuals and entities) and on certain categories and types of product. Failure to comply with the above may result in fines and criminal and/or civil penalties, including imprisonment, with an adverse effect on the business, the financial situation and/or the operating results of the Group, and might affect the ability of bond issuers to respect their covenants.

Mitigation actions adopted
In order to prevent and mitigate the risk, the Prysmian Group has adopted a policy for the management and control of exports that includes the following actions:
- monitoring of the countries and parties subject to restrictions, as well as the level of the restrictions in force;
- due diligence on the parties subject to restrictions, in order to avoid transactions with forbidden parties;
- classification of products to determine the applicable export requirements and understand where and to whom they can be exported, as well as whether or not a licence or other authorisations are necessary;
- basic training for all employees on export controls and targeted training for persons in functions responsible for international commercial transactions and the control of exports;
- requests for formal confirmation from the end user that the purchaser or the end user of the goods / technologies complies with the current regulations governing exports

Ethics and integrity underpinning sustainability

Prysmian Group strives constantly to **promote business integrity and transparency throughout the entire value chain**. The complexity of business operations and the international scale of the Group mean that Prysmian is exposed to possible infringements of applicable laws and regulations, with possible repercussions for stakeholders, including employees, customers, contractors and suppliers. In addition, these infringements might damage the Company's reputation, adversely affect the socio-economic development of the communities in which it operates and restrict market competition. Partly to mitigate these risks, Prysmian Group has defined **governance rules** and implemented a **system of internal controls** that promote integrity and transparency among all business partners and stakeholders, as well as strict processes that must be followed. The actions and procedures comprising the system of internal controls are designed inter alia to provide credible, truthful information to the market about the Group's activities, thus increasing the confidence of current and potential investors in the business and encouraging them to adopt a long-term approach to their investment.

Commitments of the Prysmian Group

Integrity drives Prysmian's corporate culture.
This is why Prysmian has prepared its own "charter", the Code of Ethics, to disseminate responsible practices and ensure compliance with the highest ethical, economic, environmental and social standards throughout the entire value chain.

The principles embodied in the Code of Ethics apply to all business transactions and day-to-day activities of every employee, supplier, business partner, sales agent, subcontractor and distributor.

Internally, the Prysmian Group has also adopted a series of codes and policies to define the ethical-social and behavioural responsibilities of its personnel, such as the Anti-corruption Policy, the Antitrust Code of Conduct and the Helpline Policy. These documents establish how to conduct activities and work with colleagues, as well as pursue the ambitions of the Group, while dedicating special attention to environmental and social matters, including human rights.

Among these documents, the Code of Ethics represents the Group's "Constitution", being the **Charter of rights and moral duties** that defines the **ethical-social responsibilities** of each participant in the organisation.

The **Code of Ethics**[25](hereinafter "Code") establishes the principles of conduct that everyone must follow, consistent with the vision and mission of Prysmian. Acting as a veritable guide to daily behaviour, the Code plays a strategic role for the Group as a fundamental tool for preventing irresponsible or illegal conduct by those who work in the name and on behalf of Prysmian. In fact, the Code covers all areas of compliance and also applies to business partners who deal with the Group and are required to read it.

The Code lives and evolves in parallel with the development of the business in a competitive context. It is always open to receive and accept requests for legality and propriety received from stakeholders. The Code complies with international best practices and incorporates the principles embodied in the UN Universal Declaration of Human Rights and the Fundamental Conventions of the International Labour Organization (ILO).

In this light, the Group also adopted a **Human Rights Policy**[26] in 2017. This policy is based on various international standards (such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, etc.) and applied in all Prysmian's locations and activities.

The Group has implemented a series of preventive actions relevant to the fight against corruption. The most important was the adoption of an **Anti-Corruption Policy** [27] that prohibits bribery of both public officials and private individuals and requires Prysmian's employees to respect it and, if more restrictive, to observe and comply with all the anti-corruption laws in force in the countries where the Group operates.

With regard to anti-competitive behaviour and in compliance with the priorities defined in the ERM process, the Group has adopted an **Antitrust Code of Conduct** [28] that all directors, executives and employees of the Group are required to know and follow in the performance of their duties and in dealings with third parties. In addition, more detailed documents have also been adopted covering current antitrust regulations in the European Union, North America, China and Australia.

In addition, Prysmian has adopted a **Sustainability Policy** [29] that defines the vision and reference values for various areas: Business Integrity, Governance, Products, Social and Environmental Responsibility. The Policy aims to provide sustainability guidelines for all Group companies, based on the strategic priorities identified by Prysmian as part of its medium/long-term vision.

Response to Prysmian's pledges

Given the ambitions of the Prysmian Group to conduct its business in an ethical and transparent manner, a series of actions have been implemented to guarantee respect for the pledges made.

In this context, every two years the Group holds specific **on-line training sessions on the Code of Ethics**. This training session was completed by 96% of the corporate population in 2022.

25 The Code of Ethics of the Prysmian Group was updated and approved by the Board of Directors in 2019. It is made known to all stakeholders – external and internal – by publication on the corporate website www.prysmiangroup.com, in the Ethics and Integrity section, and on the "Prysmian People" intranet
https://www.prysmiangroup.com/sites/default/files/atoms/files/Code%20of%20Ethics.PDF

26 The Human Rights Policy of the Prysmian Group was approved by the CEO in 2017. It is made known to all stakeholders – external and internal – by publication on the corporate website www.prysmiangroup.com and on the "Prysmian People" intranet
https://www.prysmiangroup.com/sites/default/files/atoms/files/prysmian_group_human_rights_policy_eng_firma-vb.pdf

27 The Anti-Corruption Policy of the Prysmian Group was approved in 2019 and updated by the Board of Directors in 2021. It is made known to all stakeholders – external and internal – by publication on the corporate website www.prysmiangroup.com, in the Ethics and Integrity section, and on the "Prysmian People" intranet
https://www.prysmiangroup.com/sites/default/files/atoms/files/1-Anti-Corruption-Policy.pdf

28 The Antitrust Code of Conduct of the Prysmian Group was updated and approved by the Board of Directors in 2019. It is made known to all stakeholders – external and internal – by publication on the corporate website www.prysmiangroup.com, in the Ethics and Integrity section, and on the "Prysmian People" intranet
https://www.prysmiangroup.com/sites/default/files/atoms/files/1.%20Antitrust%20Code%20Of%20Conduct_%20Feb%202018.pdf

29 This policy, approved by the Group CEO, defines the commitments made by the business and the priorities, governance, strategies and vision linked to Sustainability. It can be found in the sustainability section of the corporate website
https://www.prysmiangroup.com/en/sustainability/strong-commitment/integrated-sustainability-strategy

Specific actions by Prysmian to **prevent corrupt practices** within the Group include:

- **on-site monitoring** combined with an audit of sample transactions, as part of the annual plan of the Compliance function;
- in line with the objectives set in prior years, during 2022 the Prysmian Group continued to monitor anti-corruption compliance, with the maintenance of **ISO 37001:2016 "Anti-Bribery Management Systems"** certification by Prysmian S.p.A. (obtained in 2021) and certification for the first time by Prysmian PowerLink S.r.l., the subsidiary dedicated to the Projects segment. Alongside these certifications, top management and each Regional CEO have signed Declarations of Conformity confirming their commitment to ensure: (i) understanding of the Group's compliance policies and (ii) completion of the training activities and initiatives. This commitment has also been extended to the first hierarchical reporting levels of the Regional CEOs;
- specific training has been delivered on compliance with the **anti-corruption rules** applicable to all Group personnel, with the direct involvement of top management. In particular, during 2022, training on the Anti-Bribery Policy involved approximately 8000 employees globally, corresponding to 100% of the so-called desk workers, including the three senior executives who are members of the Board of Directors.
- the "**Third Party Program**" was implemented during 2019. This Group policy is intended to prevent and manage the risk of corruption deriving from relations with agents, distributors and certain categories of supplier ("Third Parties"). In particular, before establishing business relations with any Third Party, the Policy establishes that due diligence must be carried out in relation to that party using a dedicated on-line platform. As a result of the above activity, a level of risk (high, medium, low) is assigned to each Third Party that, consequently, is subjected to an approval procedure that differs according to the level or risk identified. Furthermore, the due diligence work must be repeated every 18, 24 or 36 months, depending on the level of risk identified and the type of Third Party concerned. Furthermore, the Code of Ethics (which includes an anti-corruption clause) is accepted and signed by all contractors, suppliers and agents and, following introduction of the new Third-Party Program Policy, all new Third Parties must also sign the anti-corruption certificate. In this regard, since the launch of the Third Party Programme Prysmian has involved more than 3,500 Third Parties in signing the anti-corruption certificate, corresponding to 100% of the Third Parties covered by the programme.
- with regard to **Antitrust** matters, the nature of Prysmian's business means that competition is an inherent part of the activities of the Group's commercial functions. For this reason, the Compliance function assists with the delivery of relevant training sessions. Employees in the commercial functions have received classroom, video conference and on-line training over the past 12 months, together with personnel from various other functions and organisational levels;
- on the topic of **Whistleblowing**, Prysmian has adopted a specific Helpline Policy[24] and, during 2022, the parent Prysmian S.p.A. obtained ISO 37002:2021 "Whistleblowing Management Systems" certification, which confirms the soundness of the Group's approach;
- in the area of **Export Control**, the Compliance function supports the Group by implementing IT applications that check all commercial and procurement transactions, on a daily basis, to avoid matches with the various Economic Sanctions lists (USA, EU, UN etc.). In addition, with the changing geopolitical context and the application of severe international sanctions, since 2018 Prysmian has started to classify its products with both civil and military ("**dual use**") application. Commencing from 2020, the Compliance function periodically delivers training sessions to employees on this topic;
- again commencing from 2020, the Company runs questionnaire campaigns with regard to **"Conflicts of interest"**. See the section on "Conflicts of interest and important disclosures" for further information;
- lastly, the **Fraud Risk Management Policy** was introduced in 2022 and communicated to all functions that could be primarily affected. The Compliance function is delivering worldwide training on this topic.

24 *https://www.prysmiangroup.com/en/company/ethics-integrity/helpline*

All compliance policies adopted by the Prysmian Group (including, in addition to the above, the following policies: Global Compliance, Gifts & Entertainment, Donations, Sponsorship, Third-Party Program, Conflicts of Interest and Export Control) are published on the corporate intranet and are available in all official languages of the Prysmian Group, as they apply to every employee. The following policies are published on Prysmian Group's corporate website in the Ethics and Integrity section[25]: Code of Ethics, Human Rights, Helpline, Anti-corruption and Antitrust Code of Conduct, as they also apply to various external stakeholders.

Each year, the Compliance function holds specific meetings with the Regional CEOs and members of their teams to examine the results of the current year's compliance initiatives and discuss the plan for compliance activities in the coming year. These meetings are held at regional level and are based on an overall analysis of business risks. The outcome of these discussions guides the selection of monitoring activities, locations to be visited, commercial agents to be checked and projects to be examined.

The **Conflicts of Interest policy** ("COI") was issued in 2019, consistent with the Group's ongoing commitment to ensuring that the financial and personal interests of employees and consultants do not conflict with their ability to perform their duties professionally, ethically and transparently. The policy was approved by the Group's Board of Directors and published on the corporate intranet for employees to view. Should conflicts of interest arise, the process - including an annual call to declare potential COIs - requires them to be communicated so they can be assessed appropriately. In addition, again with reference to COI, a new on-line platform was implemented in 2021 in order to report potential conflicts of interest, whether within or outside the business. In particular, all Prysmian Group employees have been requested to disclose every personal or financial relationship that might give rise to a conflict of interest (98% completion for the 2022 campaign, a 1% improvement on 2021, out of a population of about 8,000 desk workers).

The **Gifts and Entertainment** policy was updated in 2021, establishing a series of rules to be satisfied before giving or receiving gifts or forms of entertainment. The policy distinguishes the approach to private firms from that to government bodies/public officials. Again in 2021, a new on-line platform was implemented that governs, based on predetermined parameters, the process that employees must follow to offer/receive gifts or forms of entertainment and obtain the required approvals.

Helpline policy and reporting management

As part of its ongoing commitment to ethical and legal behaviour, Prysmian invites all the Group's stakeholders to report any real or apparent violations of the law, the Code of Ethics, or of ethical standards, so that they can be examined and dealt with appropriately. In order to meet this requirement and create the necessary conditions of confidentiality, security and ease of reporting, in 2017 Prysmian adopted a **Helpline Policy**[26] that allowed everyone (employees or not) to report to the Group any improper behaviour and alleged unlawful activities identified within the organisation.

This process implements two channels for the collection of reports, comprising dedicated telephone lines and a web portal, that are both managed by independent operators and available in the 26 languages used by the Group.

25 *https://www.prysmiangroup.com/en/company/ethics-integrity*
26 The Helpline Policy of the Prysmian Group is part of the Code of Ethics. It is made known to all stakeholders – external and internal – by publication on the corporate website *www.prysmiangroup.com*, in the Ethics and Integrity section, and on the "Prysmian People" intranet
https://www.prysmiangroup.com/sites/default/files/atoms/files/Ethical_Code_En_new.pdf

Reports received in 2022

Out of a total of 76 reports received in 2022, 62 had been closed by 31 December 2022.
Of the above 76 reports, 18 were "confirmed" or "partly confirmed" and a total of 27 corrective actions were taken, taking into account that more than one corrective action was taken with regard to some reports.
The corrective actions taken are analysed below: 11 policy or process revisions and specific corrective actions, 7 verbal or written warnings, 5 coaching and training sessions and 4 dismissals and/or resignations.

In terms of their subject, the 76 reports received in 2022 fell into the following categories:

- "HR, diversity and workplace respect", which includes - by way of example - issues related to benefits and possible discrimination in the workplace (49 cases);
- "Business Integrity", including, among others, Conflicts of Interest; Corruption; Theft of Goods/Services/Time; Fraud; Audit or Accounting irregularities; Kickbacks; Retaliation; Misuse of Assets (26 cases). Of these 26 "Business Integrity" reports received in 2022, 8 were classified as "confirmed" or "partly confirmed", as analysed below: 3 Conflicts of Interest; 1 Fraud; 1 Theft of Goods/Services/Time; 2 Audit or Accounting irregularities, and 1 Misuse of Assets. By contrast, no reports in the Corruption and/or Kickbacks category were found to be "confirmed" or "partly confirmed";
- "Environment Health and Safety" (1 case).

With regard to the reports received via the Helpline and other available channels, a Group Management Committee (the **"Helpline Committee"**) meets quarterly to provide updates on those received during the quarter concerned and on the progress of any investigations carried over from previous quarters.

The Helpline Committee comprises senior managers drawn from the Operations, Human Resources, Corporate Affairs and Compliance functions, while the Chief Operating Officer participates as an observer. Notably, the majority of the matters raised cannot be considered "critical". Nevertheless, exceptional cases that sometimes need for external legal and investigative support are notified promptly to top management.

In addition to updating the Helpline Committee on a quarterly basis, the Compliance function also reports the KPIs for the quarter (e.g. new, closed, confirmed and unjustified matters, disciplinary or corrective actions taken - analysed by categories, region and country) to the Audit Committee, which may request clarification about the resolution of any problems that have arisen.

With regard to the complaints made by employees, the Group does not have global mechanisms/procedures/policies because their application in all the different jurisdictions in which it is present, whether at local or national level, might not comply with the relevant employment regulations and practices.

Prysmian applies the Helpline Policy and related procedures to manage all official complaints made by employees. Corrective or disciplinary measures may be adopted if these complaints are confirmed by the investigative work carried out. These measures are tailored specifically to each complaint made and do not necessarily require or involve changes to corporate policies or processes. Notably, Prysmian was audited in 2022 and awarded ISO 37002 certification for Whistleblowing Management Systems, becoming one of the first Italian companies to obtain this recognition.

Solely in the United Kingdom, in order to comply with local legislation, Prysmian has adopted a policy and related procedures for the management of complaints

Performance in 2022

With regard to anti-corruption issues, in 2022 Prysmian Group recorded the following figures: 12 members of the Board of Directors of Prysmian S.p.A. (100%), 8,539 employees (of which 8,219 white collars, and 320 external/sales agents, both of them equal to 100%), and 3,564 business partners received communication about the organization's anti-corruption policies and procedures. On the other hand, with regard to anti-corruption training, it should be noted that it was provided to 3 members of the Board of Directors (equal to 25% of the total), and to 8,539 employees (of which 8,219 white collar and 320 external/sales agents, both equal to 100% of them).

With regard to the Antitrust investigations in progress and the disputes promoted by third parties against Group companies consequent to and/or connected with decisions adopted by the competent authorities, details of which are outlined in the note on Provisions for risks and expenses in the Explanatory Notes to the Consolidated Financial Statements, it should be noted that the Group has recorded a provision for risks and expenses of about Euro 179 million at 31 December 2022. Although the outcome of the outstanding investigations and related disputes is uncertain, this provision is deemed to represent the best estimate of liabilities based on the information available at the time of preparing this document. It should also be noted with regard to 2022 that 3 investigations are pending against Group companies by public authorities for alleged antitrust violations. For further details, please refer to the section on "Provisions for Risks and Charges" in the "Explanatory Notes" to the 2022 Consolidated Financial Statements of the Prysmian Group. Lastly, the Group was not found to have infringed the anti-corruption regulations in 2022.
During the period 2020-2022, the Group did not receive any significant penalties (monetary or other) for regulatory non-compliance in the environmental, social or economic fields.

3.5 GROUP'S TAX STRATEGY

The ESG leadership of the Group is founded on an honest and fair tax strategy, compliant with the regulations, that bases relations with the tax authorities and third parties on cooperation and transparency. The guiding principles for tax matters and related governance procedures adopted by Prysmian are described below.
The Prysmian Group adopts a tax strategy applicable to all Group companies that has been approved by the Board of Prysmian S.p.A. This strategy is consistent with the fundamental values of honesty and propriety embodied in the Code of Ethics, in order to minimise the substantive impact of any tax and reputational risks.

The tax strategy of the Prysmian Group is founded on the following principles:

- **COMPLIANCE**: conformity with the tax laws, regulations and circulars issued by the tax authorities;
- **LEGALITY**: satisfaction by all Group companies of their tax and tax payment obligations;
- **SUSTAINABILITY**: efficient, effective and sustainable management of the tax variable, in order to support the Prysmian business and, like all other aspects of our business operations, maximise shareholder value;
- **EQUITY**: diligent exercise of professional judgement in order to ensure that all tax decisions are consistent with domestic and international best practices, following proper analysis and with appropriate documentation;
- **TRUST AND TRANSPARENCY**: positive and transparent approach to the tax authorities, in order to develop and maintain fair and honest relations.

Tax management by complex multinational groups, such as Prysmian, may give rise to uncertainties about the correct tax treatment of transactions that do not fall into clearly defined categories. In these cases, the Group applies the tax treatment deemed most correct and appropriate, having due regard for any legitimate tax-saving opportunities and for the opinions of subject experts and related best practices. Prysmian strives to endorse sound and reasonable interpretations, adopting a cautious approach in order to avoid any reputational losses for the Group.

As a general principle, Prysmian adopts a **transparent and proactive approach to relations with the tax authorities**. Indeed, the Group has an open, honest and collaborative attitude. Prysmian is committed to transparency in the management of tax matters. If the regulations are subject to conflicting interpretations, the Group enters into proactive discussions with the tax authorities and even requests advance rulings, so that agreed solutions can be found before tax returns are filed.

Governance and the control of tax risks

The following table, presenting the risk identified and the related mitigation actions, is published as it relates to "Governance, Ethics and Integrity", which a material topic addressed by the Group.

Risks identified	Material Topic 2022
Risks relating to possible improper applications (interpretations and/or errors and omissions) of tax law	Governance, ethics and integrity

Description of risks
The complexity of the Group's business activities and its international scale mean that it might not apply (interpretations and/or errors and omissions) tax law correctly, especially when the proper tax treatment of transactions that cannot be categorised readily is unclear, not least due to the rapid evolution of tax regulations in many of the jurisdictions in which Prysmian operates, thus exposing the Group to possible legal proceedings, reputational losses and/or financial losses including fines/penalties

Mitigation actions adopted
Prysmian Group adopts a tax strategy for all Group companies that is consistent with the fundamental values of honesty and fairness set out in the Code of Ethics, in order to minimise any material impacts deriving from tax and reputational risks.

If there are uncertainties about the proper tax treatment of transactions that cannot be categorised readily, the Group applies the tax treatment considered most proper and appropriate, having due regard for legitimate tax-saving opportunities (if any), the opinions of subject experts and the related best practices. Prysmian is committed to embracing sound and reasonable interpretations, taking a cautious approach in order to avoid negative impacts for the Group.

It should also be noted that the Group has tax provisions for about Euro 107 million as at December 31st 2022.

As a general principle, Prysmian adopts a transparent approach to dealings with the tax authorities and, in the event of conflicting interpretations of the regulations, seeks proactive discussions with the tax authorities, including requests for rulings, so that an agreed solution can be found before its income tax declarations are filed. Lastly, the Group has initiated an internal process for defining and implementing the Tax Control Framework (TCF): a system for the management and monitoring of tax risks already adopted by the Group's Italian companies.

The management of taxation is divided between the Parent Company's tax function and the CFOs in each country, as supported by specific tax teams in selected countries (e.g. Italy, USA) Tax advisors from leading firms / networks are involved in addressing specific tax matters of particular complexity and/or importance, with coordination by the Parent Company's tax function.

The tax function is organised as follows:

- **"International Tax"**: support for the CFOs in each country, with the central management and coordination of transfer pricing; the tax aspects of cross-border operations; non-routine and/or non-recurring transactions; inspections by the tax authorities in relation to the above operations;
- **"Italy Tax"**: responsibility for compliance with the Italian regulations governing direct and indirect taxation (e.g. calculation of taxes, preparation of tax returns); management of inspections by the tax authorities; provision of advice and training to management on tax matters;
- **"Tax Risk"**: responsibility for tax governance, with specific focus on the tax control framework (Italian companies).

At local (individual entity) level, CFOs are responsible for: managing tax compliance; managing and disseminating the tax risk culture; facilitating the centre-periphery exchange of information on cross-border matters; involving the Parent Company's tax function promptly in the event of non-routine and/or non-recurring transactions; notifying any changes in the selection/management of tax advisors.

Within the Group, work has started on defining and implementing the Tax Control Framework (TCF): a system for managing and monitoring tax risks that has already been applied to the Group's Italian companies. Prysmian also supports adopting cooperative compliance approaches abroad. In December 2021, the Prysmian Group's Italian companies were admitted to the cooperative compliance regime operated by the Italian tax authorities.
In addition, the Group tax manager attends the meetings of Prysmian S.p.A.', in order to report on specific matters, and participates in tax groups organised by the leading trade associations.

Tax reporting in the countries in which prysmian operates

Commencing from the Consolidated Non-Financial Statement for 2021, Prysmian has implemented a tax reporting model that supplements, on a voluntary basis, the GRI 207-4 Country-by-Country Reporting (CbCR) information (see the "Requirements" section) with data on the broader Total Tax Contribution (TTC), which is an ESG metric consistent with the standards defined by GRI 207-4 (see the "Recommendations" section) and the WEF. This makes it possible:

- on the one hand, to provide an overview of revenues, profit before tax, income taxes - both paid and accrued - and the number of employees, as well as other economic and financial data;
- on the other to present in full the tax contribution made to the economic and social systems of the countries in which the Group operates, including not just income taxes, but also the other taxes levied on the Group (e.g. payroll taxes, taxes on products and services), and considering not only those taxes that represent a business cost (**Taxes borne**), but also the taxes on third parties collected by the business on behalf of public administrations using recharge, agency mechanisms etc. (**Taxes collected**).

As envisaged in GRI 207-4, given that the information to be disclosed in the latest consolidated financial statements (2022) is not available yet, the information and data presented below relates to 2021, being the time period covered by the consolidated financial statements "immediately preceding the most recent ones".

In 2021 Prysmian is present in more than 50 countries with more than 170 entities and 40 branches. Below is a list of the entities considered in the reporting scope: Prysmian Group legal entities and branches considered for the 2021 taxes. They may differ from those in the scope of consolidation of the 2021 Consolidated Financial Statements as the latter does not include entities no longer existing at 31.12.2021.

Economic, financial, and tax-related information is presented for the following areas: North America, EMEA, APAC and LATAM. Lastly, revenue information is provided for the main countries in each area[27].
All data is stated in millions of euro (except for the number of employees, which is stated in FTEs).

27 Brazil, Canada, the United States, France, Germany, Italy, the Netherlands, Spain, the United Kingdom and China.

Country-by-Country Reporting (CbCR) in accordance with the Requirements section of GRI 207-4

The disclosures envisaged by GRI 207–4 are presented below. This information includes economic, financial and tax-related data needed to understand the size of the business, as well as the income taxes accrued and paid in the countries where Prysmian is present.

The data is presented in accordance with the OECD Reporting Standard - Action 13 Country-by-country reporting and, as mentioned above, relates to 2021[34]

	Revenue Related Parties	Revenue unrelated parties	Total Revenues	Profit and Loss before tax	Corporate income tax paid on cash basis	Corporate income tax accrued	Number of employees (FTE)	Tangible Assets	Employee Remuneration
North America	**788**	**3,964**	**4,752**	**164**	**48**	**88**	**5,868**	**1,313**	**424**
Canada	299	536	835	28	9	11	699	127	50
United States	489	3,428	3,917	136	39	77	5,169	1,186	375
LATAM	374	1,197	1,571	56	13	20	4,374	415	87
Brazil	125	472	597	19	2	4	1,607	170	36
OTHER	**249**	**725**	**974**	**37**	**11**	**16**	**2,767**	**245**	**51**
EMEA	4,848	7,535	12,383	266	43	64	16,482	2,887	851
France	429	950	1,379	92	5	6	2,594	463	164
Germany	290	836	1,126	10	1	3	1,910	322	141
Italy	2,453	1,688	4,141	18	10	19	2,526	694	179
Netherlands	195	393	588	45	7	12	902	192	64
Spain	324	599	923	(3)	-	-	1,180	224	70
United Kingdom	133	629	762	32	4	5	1,182	223	64
OTHER	**1,024**	**2,440**	**3,464**	**72**	**16**	**19**	**6,188**	**769**	**169**
APAC	314	1.139	1,453	26	15	12	3,039	360	92
China	201	499	700	32	7	5	1,669	148	37
Other	113	640	753	(6)	8	7	1,370	212	55
Total	**6,324**	**13,835**	**20,159**	**512**	**119**	**184**	**29,763**	**4,975**	**1,454**

34 When evaluating the data in the table, note that any differences with respect to the consolidated financial statements are mainly attributable to: i) the Action 13 Country-by-country reporting criteria, which call for aggregated rather than consolidated information; and ii) consolidation adjustments, made in accordance with the accounting standards adopted when preparing the consolidated financial statements and not allocated to individual Prysmian entities. Note also that:

- Revenue Related Parties and Revenue Unrelated Parties include non-recurring and financial income, as well as revenues from ordinary operations. However, they do not include dividends received from other legal entities within the Group. Revenue Related Parties includes the revenues from transactions between Group entities resident in the same tax jurisdiction.
- Profit (Loss) Before Income Tax does not include dividends received from other group entities within the Group.
- Total Income Tax Paid (on cash basis) comprises the income taxes paid during the reporting year, regardless of the tax year to which they relate. They do not include taxes on dividends received from other legal.
- Total Income Tax Accrued – Current Year comprises the current income tax charge for the year. The total does not include deferred taxes, provisions for unconfirmed tax liabilities or taxes on dividends received from other group entities.
- Reasons for the difference between Total Income Tax Accrued - Current Year and the theoretical tax due (GRI 207-4-b-x) are described in Note 26 - Taxes of the 2021 Consolidated Financial Statements.
- The Number of Employees is calculated at year end using the Full-Time Equivalent (FTE) methodology.
- *(Net) Tangible assets comprise the net carrying amount of property, plant, equipment and inventories.*

BELOW IS THE REPORTING FOR THE YEAR 2020

	Revenue Related Parties	Revenue unrelated parties	Total Revenues	Profit and Loss before tax	Corporate income tax paid on cash basis	Corporate income tax accrued	Number of employees (FTE)	Tangible Assets	Employee Remuneration
North America	**658**	**3,151**	**3,809**	**221**	**62**	**46**	**5,449**	**1,141**	**408**
Canada	229	334	563	19	11	8	576	107	39
United States	429	2,817	3,246	202	51	38	4,873	1,034	370
LATAM	**204**	**885**	**1,088**	**40**	**13**	**17**	**4,191**	**338**	**76**
Brazil	85	405	490	28	1	12	1,548	154	33
OTHER	119	479	598	13	12	5	2,643	184	43
EMEA	**3,641**	**5,727**	**9,368**	**(244)**	**41**	**44**	**16,479**	**2,545**	**816**
France	325	790	1,115	46	1	12	2,554	430	159
Germany	193	660	853	(4)	2	1	1,825	292	133
Italy	1,818	1,161	2,979	(82)	13	-	2,371	592	172
Netherlands	151	357	507	9	9	15	848	171	64
Spain	214	455	669	(256)	-	1	1,306	214	72
United Kingdom	126	465	591	(14)	(1)	(2)	1,167	205	58
OTHER	814	1,840	2,654	56	16	16	6,408	641	157
APAC	**218**	**902**	**1,120**	**(8)**	**6**	**8**	**2,906**	**275**	**78**
China	122	385	507	39	4	5	1,382	115	28
Other	96	518	613	(47)	2	3	1,524	159	50
Total	**4,720**	**10,665**	**15,385**	**10**	**123**	**114**	**29,023**	**4,298**	**1,378**

Total Tax Contribution (TTC)

Information about the total tax contribution is presented below. This information covers the full range of taxes paid in the countries where Prysmian is present. The data has been collected and presented on a cash basis, as this is deemed to be the best way to report the actual total tax contribution made. The taxes paid comprise both:

- **Taxes borne**: taxes that represent a cost for Prysmian;
- **Taxes collected**: taxes on third parties, collected by Prysmian on behalf of the public administrations using agency and similar mechanisms [28]

28 Despite not representing a cost for Prysmian, these taxes are included as part of the TTC because they also derive from the economic activities carried out.

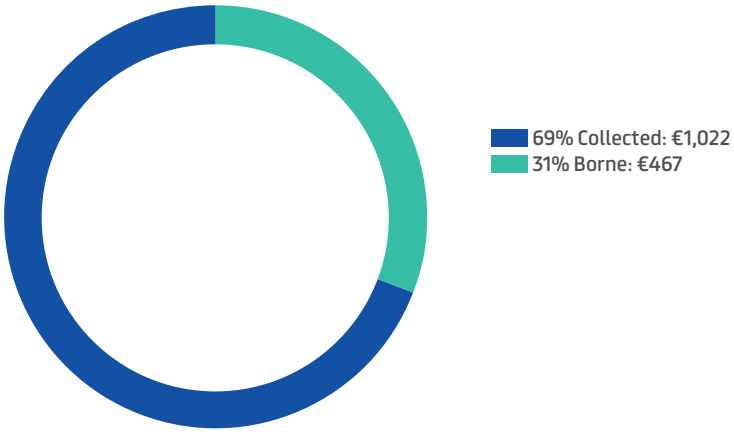
The taxes borne and collected are categorised as follows[29]:

- **Profit taxes** – income taxes[30];
- **People taxes** – payroll taxes;
- **Product taxes** – taxes on products and services;
- **Property taxes** – property and related taxes;
- **Planet taxes** – environmental taxes.

The total tax contribution made by Prysmian in 2021 amounted to Euro 1,489 million: 69% collected and 31% borne.

Total tax contribution 2021

2021 TOTAL TAXES PAID: DISTINCTION BETWEEN BORNE AND COLLECTED



The total tax contribution is spread among the three geographical areas in which the Group operates, in a manner consistent with the distribution of revenues and the level of employment: EMEA represents 68% of the Group's total contribution, while the Americas (North America and LATAM) and APAC account for 22% and 10% respectively.

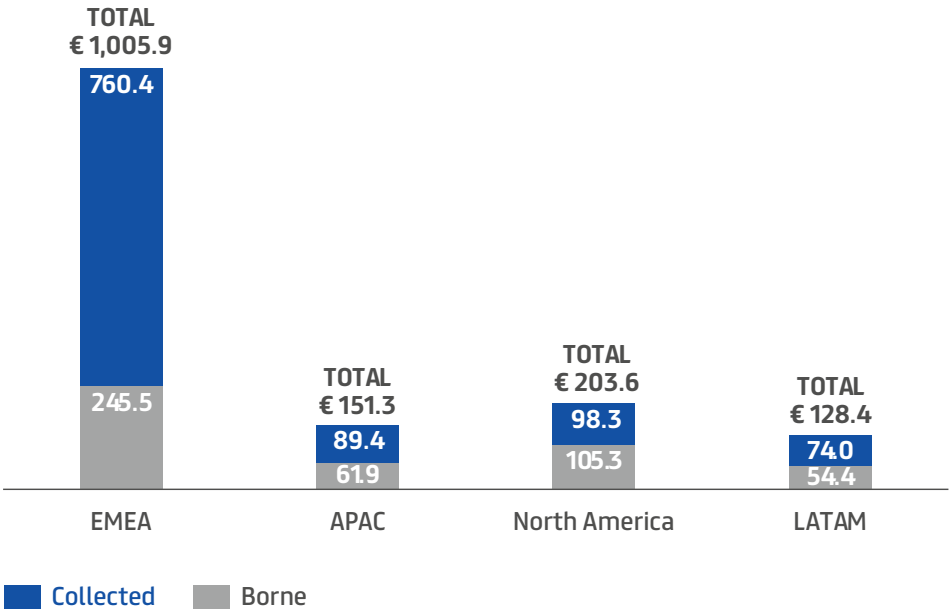
29 The following tax categories are considered:
- Profit – income taxes: this category comprises both corporate income taxes borne (e.g. corporate income taxes applied at national or local level, taxes on productive activities, as well as withholding taxes) and collected, if applied to a third party (e.g. withholdings on interest, royalties).
- People - payroll taxes: this category includes all payroll-related taxes, including income taxes and social security contributions. The taxes levied on the employer are considered to be taxes borne (e.g. social security contributions, health insurance, pensions, disability contributions), while the taxes levied on workers are considered to be taxes collected (e.g. personal income taxes and social security contributions charges to workers, which are usually withheld by the employer).
- Products - taxes on products and services: indirect taxes applied to the production, sale or use of goods and services, including the taxes and tariffs applied to commerce and international transactions. This category includes taxes that may be paid by businesses with reference to their consumption of goods and services, regardless of whether paid to the supplier of the goods and services, or directly to the government. This category includes both taxes borne (e.g. consumption taxes; turnover taxes; excise taxes; customs duties; import taxes; taxes on insurance contracts; non-deductible VAT) and taxes collected (e.g. net VAT paid).
- Property - property taxes: taxes on ownership, usage or the transfer of tangible or intangible assets. This category comprises both taxes borne (e.g. taxes on ownership and the use of property; taxes on capital applied to increases in risk capital, transfer taxes on the purchase or sale of assets, equity and capital transactions; registration taxes; stamp duty on the transfer of property; stamp duty on the transfer of shares) and tax collected (e.g. taxes on rentals collected by the lessor and paid to the government).
- Planet - environmental taxes: taxes and levies on energy products (includes vehicle fuel); on motor vehicles and transport services; and on the supply, use or consumption of goods and services considered to damage the environment. Examples of planet taxes include: taxes and excise duty on electricity and gas, taxes on the production of nuclear fuels, carbon taxes and taxes on hydrocarbons.

The data was collected in foreign currency and translated using the average exchange rates for the year.

30 Consistent with the Total income tax paid (on cash basis) reported in the table containing the GRI 207-4 data, Profit Tax Borne does not include the taxes on dividends received from other entities in the Group.

Distribution of total tax contribution by area 2021

2021 DISTRIBUTION OF THE TOTAL CONTRIBUTION

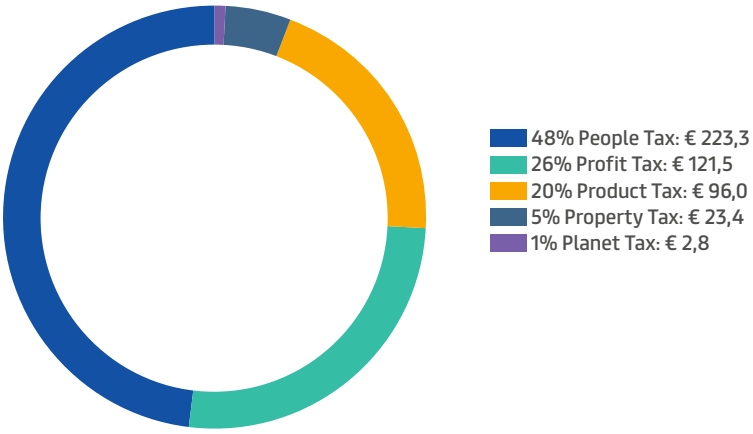


Compared with 2020, the total tax contribution has risen by about Euro 128 million (+9%). This increase comprises both higher taxes borne and higher taxes collected and relates, albeit with differing intensities, to all geographical areas.

Taxes borne

Taxes borne totalled Euro 467 million in 2021. The largest portion related to people taxes, 48%. Profit taxes and product taxes represented respectively 26% and 20% of total taxes borne. Property taxes (5%) and planet taxes (1%) were less significant.

TAX BORNE

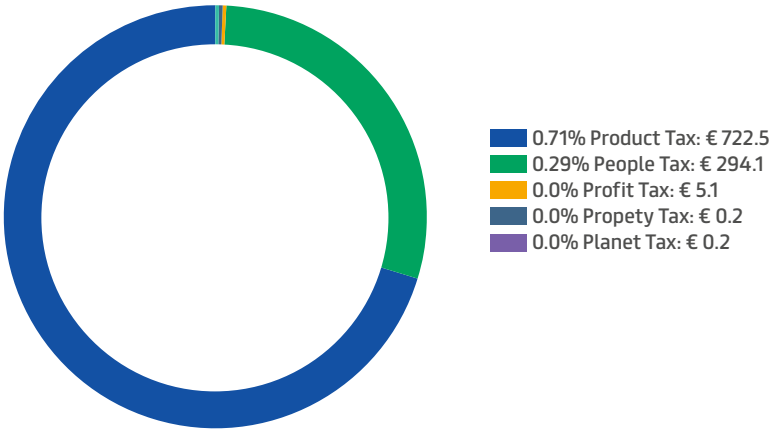


Compared with 2020, taxes borne have increased by about Euro 26 million (+6%) due, in the main, to higher product taxes in all geographical areas, despite the reduction in profit taxes in Emea and the Americas.

Taxes collected

Taxes collected totalled Euro 1,022 million in 2021. The largest portion related to product taxes, 71%. People taxes instead represented 29% of the total taxes collected. The other taxes were negligible.

TAX COLLECTED



Compared with 2020, the taxes collected have increased by about Euro 101 million (+11%) due, in the main, to higher product taxes and people taxes in all geographical areas.

Focus on the 10 main countries in which the Group operates

The total tax contribution is mainly concentrated in Brazil, Canada, the United States, France, Germany, Italy, the Netherlands, Spain, the United Kingdom and China, consistent with the distribution of revenues and the number of employees. These ten countries, together making a tax contribution of about Euro 996 million, or just under 70% of the total for the Group, in fact generate about 75% of the Group's revenues and employ 65% of all personnel.

TABELLA TTC 2021

	Americhe	Brasile	Canada	Stati Uniti	Altro	EMEA	Francia	Germania	Italia	Olanda	Spagna	Regno Unito	Altro	APAC	Cina	Altro	Totale
Imposte sostenute	**159,69**	**11,32**	**25,46**	**79,85**	**43,06**	**245,47**	**63,23**	**30,40**	**46,18**	**15,68**	**16,37**	**13,03**	**60,58**	**61,89**	**16,97**	**44,92**	**467,05**
Imposte sui redditi	62,35	1,66	9,24	40,35	11,10	43,71	5,44	1,08	10,41	6,85	0,03	4,12	15,78	15,44	7,21	8,23	121,50
Imposte sul lavoro	45,83	5,87	1,66	25,55	12,75	165,94	49,36	26,67	32,44	6,82	14,71	5,55	30,39	11,50	6,37	5,13	223,27
Imposte sui prodotti e servizi	42,40	3,48	13,70	6,57	18,65	19,70	2,20	2,17	1,22	0,39	0,18	0,74	12,80	33,91	2,39	31,52	96,01
Imposte sugli immobili	9,10	0,31	0,86	7,38	0,55	13,74	6,16	0,48	1,94	0,24	1,45	2,21	1,26	0,59	0,55	0,04	23,43
Imposte ambientali	0,01	-	-	-	0,01	2,38	0,07	-	0,17	1,38	-	0,41	0,35	0,45	0,45	-	2,84
Imposte riscosse	**172,30**	**20,09**	**13,75**	**84,57**	**53,89**	**760,43**	**109,04**	**94,87**	**45,41**	**72,69**	**75,72**	**116,51**	**246,19**	**89,36**	**45,03**	**44,33**	**1.022,09**
Imposte sui redditi	3,15	0,34	0,26	-	2,55	1,52	-	-	0,04	-	-	1,04	0,44	0,45	-	0,45	5,12
Imposte sul lavoro	103,03	6,43	11,66	67,94	17,00	175,97	24,13	37,48	45,36	16,56	13,45	12,31	26,68	15,02	4,70	10,32	294,02
Imposte sui prodotti e servizi	66,12	13,32	1,83	16,63	34,34	582,53	84,91	57,39	0,01	56,13	62,11	103,16	218,82	73,89	40,33	33,56	722,54
Imposte sugli immobili	-	-	-	-	-	0,22	-	-	-	-	0,16	-	0,06	-	-	-	0,22
Imposte ambientali	-	-	-	-	-	0,19	-	-	-	-	-	-	0,19	-	-	-	0,19
Contribuzione fiscale totale	**331,99**	**31,41**	**39,21**	**164,42**	**96,95**	**1.005,90**	**172,27**	**125,27**	**91,59**	**88,37**	**92,09**	**129,54**	**306,77**	**151,25**	**62,00**	**89,25**	**1.489,14**

TABELLA TTC 2020

	Americas	Brazil	Canada	United States	Other	EMEA	France	Germany	Italy	Netherlands	Spain	United Kingdom	Other	APAC	China	Other	Total
Tax Borne	**164.36**	**10.01**	**21.91**	**96.01**	**36.43**	**252.54**	**70.53**	**27.60**	**48.77**	**17.15**	**19.17**	**7.76**	**61.56**	**23.86**	**11.48**	**12.38**	**440.76**
Profit	76.12	2.50	10.79	51.77	11.06	51.32	11.03	2.60	12.74	8.54	-	(0.89)	17.29	7.33	4.20	3.13	134.78
People	48.17	5.91	1.84	29.58	10.84	168.05	48.38	23.26	32.85	6.69	15.56	5.45	35.85	11.49	4.09	7.40	227.71
Product	30.43	1.44	8.59	6.48	13.92	12.10	1.78	1.25	0.85	0.25	0.12	0.79	7.06	3.98	2.19	1.78	46.51
Property	9.62	0.15	0.69	8.18	0.59	17.02	9.22	0.49	2.21	0.20	1.53	2.05	1.31	0.53	0.47	0.06	27.16
Planet	0.02	-	-	-	0.02	4.06	0.12	-	0.12	1.46	1.95	0.35	0.06	0.52	0.52	-	4.60
Tax Collected	**156.24**	**34.93**	**11.45**	**86.51**	**23.35**	**689.53**	**120.87**	**68.18**	**54.43**	**67.14**	**62.02**	**84.94**	**231.96**	**74.98**	**46.79**	**28.19**	**920.76**
Profit	3.17	2.01	0.18	-	0.98	1.59	(0.49)	-	0.04	0.30	-	1.26	0.47	0.23	-	0.23	5.00
People	99.01	6.54	10.33	68.50	13.64	167.82	21.23	37.95	43.48	17.07	16.80	11.13	20.16	7.79	4.27	3.52	274.61
Product	54.06	26.38	0.94	18.01	8.73	519.60	100.12	30.24	10.91	49.75	45.22	72.55	210.82	66.96	42.52	24.44	640.63
Property	-	-	-	-	-	0.02	-	-	-	0.02	-	-	-	-	-	-	0.02
Planet	-	-	-	-	-	0.50	-	-	-	-	-	-	0.50	-	-	-	0.50
Total Tax contribution	**320.60**	**44.94**	**33.37**	**182.52**	**59.77**	**942.08**	**191.40**	**95.78**	**103.20**	**84.29**	**81.18**	**92.70**	**293.52**	**98.85**	**58.27**	**40.57**	**1,361.52**

The principal changes between 2020 and 2021 in the tax contributions of the ten main countries in which Prysmian operates are described below:

- In **Brazil**, product taxes collected fell by Euro 13 million due to the effect of sales that, under special tax regimes enjoyed by purchasers, were not subject to ICMS (*"Imposto sobre Circulação de Mercadorias e Serviços"*), an indirect tax similar to VAT.

- In **Canada**, product taxes borne rose by Euro 5 million as a result of higher imports, resulting in increased customs duties and charges;

- In the **United States of America**, profit taxes borne fell by Euro 11 million due to the workings of the income tax payment mechanism and, in particular, to payments made in 2020 with regard to prior years.

- In **France**, profit taxes borne fell by about Euro 6 million due to the workings of the income tax payment mechanism (the advances paid in 2021 were determined with reference to the results for 2020) and product taxes collected were about Euro 15 million lower.

- In **Italy**, product taxes collected fell by Euro 10 million due, in the main, to the lower VAT payments made in 2021 compared with 2020. This was due to (i) the adoption of Group VAT from 2021 and (ii) the VAT overpaid in 2020, which gave rise to VAT credits that were only offset from 2021.

- In **Germany**, **Spain** and the **Netherlands**, product taxes collected increased respectively by Euro 27 million, Euro 17 million and Euro 6 million, largely due to higher sales.

- In the **United Kingdom**, (i) profit taxes borne increased by Euro 5 million due to greater profitability in 2021 compared with 2020, a year adversely affected by Covid-19 and Brexit; (ii) product taxes collected increased by Euro 30 million, as a result of higher VAT payments in 2021, which also included the payment of VAT for 2020 following a payment extension granted during the pandemic.

Approach to relations with the tax authorities and assurance processes with regard to tax information

Prysmian seeks transparency in the management of tax matters. If the regulations are subject to conflicting interpretations, the Group enters into proactive discussions with the tax authorities and even requests advance rulings, so that agreed solutions can be found before tax returns are filed.

3.6 CYBERSECURITY: PROTECT SENSITIVE AND STRATEGIC DATA

Creating value for our stakeholders also means protecting their personal and sensitive data and adopting operational procedures that preserve and leverage the wealth of information owned by the Group.

In a rapidly changing world where information has significant value and there is a growing interoperability between networks, systems, and applications, it is increasingly complex to manage and protect information assets, ensuring compliance with applicable regulations. This increased complexity - combined with the proliferation and evolution of persistent cyber threats - exposes companies to new kinds of risks, whose harmful effects could serious negative impacts in terms of financial loss, brand reputation, compliance, data leakage and business interruption.
In this ever-changing scenario, it is progressively challenging to achieve a secure environment, minimizing potential adverse impacts on business operations, and guaranteeing compliance to regulatory requirements.

The following tables on identified risks and the related mitigation actions are published pursuant to Legislative Decree 254/2016 (Consolidated Disclosure of Non-financial Information).

Risk identified	Material topic 2022
Cyber security risks	Cyber security and data protection

Description of risk
The increasing spread of technologies that allow the transfer and sharing of sensitive information via virtual spaces leads to the emergence of greater IT vulnerabilities. The Group therefore strives to protect its IT systems from the theft of or damage to hardware, software and the information held, as well as from interruptions in the services provided by them. In fact, the exposure to potential cyber attacks derives from several factors, such as the global distribution of IT systems and the cloud storage of high value-added information (such as patents, technological innovation projects, as well as financial projections and strategic plans not yet disclosed to the market). Prysmian has carried out an analysis to assess quantitatively the impact of the cyber attack risk on productive activities, considering the entire life cycle of assets, the growing use of IoT systems in operations and the probable acceleration of these technologies due to the energy transition programmes. Based on the "possible" future scenarios defined by the IEA, this analysis confirms a medium impact over the medium term, with increased operating costs and capital, and a medium-high impact over the long term.

Mitigation actions adopted
Since 2016 the Group has implemented an Information Security Strategy that defines the related governance structure adopted by the Group and provides guidelines for cyber risk management in the field of IT architectures and company processes. In particular, the Group has implemented a Cyber Security Program, complete with governance, policies and procedures, training, security reports, technologies and processes for monitoring, analysing and containing incidents, security assessments for selected plants, periodic review of the threat model and further analysis of the complex structural factors involved in the development of modern security for the Group as a whole. Manufacturing cyber attacks are increasingly frequent in the industrial sector and, in this regard, a programme to segregate the networks of production plants is currently in progress, starting with those considered most strategic. Once again, the cyber security committee met periodically during 2022 to supervise the activities of this programme. Special consideration was given to the Russia-Ukraine geopolitical crisis and its possible consequences for the Group, which are not believed to be significant. Lastly, multi-channel security campaigns and training were delivered throughout the Group during the year, with controlled social engineering and phishing activities designed to test the readiness of personnel to recognise these common types of cyber attack. Together with the Cyber Security function, the Audit function also carried out ad hoc audits (vulnerability assessments and penetration tests) on the technical specifications repository for cables.

Risks relating to data processing	Cyber security and data protection

Description of risk
In the current context, marked by the increasing globalisation of business, the proliferation of channels and methods of access to information, as well as an increase in the volume and types of data managed, the Prysmian Group is tackling the different data management topics that range from alignment with the latest industry regulations, to defence against potential threats against the confidentiality, completeness, accuracy and availability of information. Furthermore, the European GDPR (General Data Protection Regulation) entered into force in May 2018 and has become one of the major points of reference for a renewed effort in the area of data protection, with a focus on personal data.

Mitigation actions adopted
Il programma per la protezione dei dati personali adottato dal Gruppo si basa sui seguenti elementi fondamentali, che coinvolgono l'intera struttura aziendale:
- implementation of a model based on mapping the personal data processed by business functions and keeping a register of processing activities;
- definition of a governance model designed to comply with the requirements of the GDPR and other emerging data protection requirements;
- evaluation and implementation of adequate technical and organisational measures to ensure a level of security appropriate to the risk, partly with the help of new tools such as the data protection impact assessment introduced by the GDPR;
- definition of the communications and training materials specifically reserved for the roles identified with the data protection organisational model.

This complex and rapidly changing scenario affects the Group not only as a user, but also as a service provider, given its systematic involvement in innovation to compete in the global market. By adopting new technologies, Prysmian is able to guarantee a customer-centric approach and increase business efficiency. Prysmian Group developed an Information Security Strategy in 2017, the main objective of which is to tackle effectively the management, control and protection of the Group's information assets.

The Group's Information and IT Security organisation comprises a Cyber Security Unit directly that reports directly to the Chief Information Security Officer (CISO), who is part of the headquarter HR staff.

The unit is structured to manage four main skills:

1. Governance, to ensure that the Organisation has effective control structures to maintain and improve levels of prevention, investigation, response and restoration of security in the event of an incident;
2. Prevention, to reduce the practical exposure to cyber attacks via systematic analyses and work to protect the Group's assets;
3. Detection, to ensure that the organisation is aware of internal and external threats and can mitigate them proactively;
4. Response & Recovery, to defend the organisation against cyber attacks and restore operational functionality in case of impact.

The organisational structure envisages the involvement of the Business Lines in IT security activities through the Information Security Committee, chaired by the Head of Industrial Relations (CSO) and permanently composed of the Group Chief Information Officer (CIO), the Audit & Compliance Officer, the Chief Risk Officer (CRO), the Group Chief Operating Officer (COO) and the Senior Vice President HR & Organisation.

The Prysmian Group has issued a complete series of policies, procedures and operating instructions, with the aim of directing and regulating, at different levels of detail, information security issues and operations in accordance with the Information Security Strategy and the established Framework.
Security documents, such as policies, procedures and operating instructions, are systematically revised and shared with employees, published on the Corporate intranet and made available via specific on-line training.

Following the first cyber security programme, a new three-year strategic roadmap was devised in 2021, with initiatives to strengthen IT security and consolidate the experience accumulated via a series of new initiatives intended to reduce overall cyber and compliance risks.

Consistent with the three-year strategic roadmap, a number of important initiatives were completed in 2022:

1. The new security technologies acquired last year have been implemented successfully across the entire perimeter of IT, IoT and OT assets, making them fully operational, consolidated and embedded within the processes envisaged in the Security Frameworks. As a consequence, the overall level of Group security has increased significantly. This ensures that the heightened emerging technological risk has been adequately contained and managed: the necessary, constant update of the corporate controls and processes designed to safeguard information assets provides further protection for Prysmian's industrial know-how and competitiveness in the market. The current reliable and well-established technology stack also makes it possible to weigh fully the interplay between IT security, privacy, ethics and transparency, in order to better represent the values of each component and meet fully the expectations of the Company, fostering cross-organisational cooperation.

2. An organisation's cyber capabilities grow as employees understand more about cyber risks and their role and responsibilities in recognising and managing them. The online training courses and "Cyber Security Culture" readiness exercises (simulated attacks with a personal impact) are mandatory for all employees. Covering the new and emerging risks, they include those associated with the extensive recourse made to remote working. Since 2022, blue-collar categories have also received compulsory training in production- and factory-related risks, while over 90% of new hires have successfully completed specific on-boarding training. The enhancement of periodic multi-channel campaigns (via e-mail and through the corporate social media) has further facilitated the learning, processing and consolidation of content, making training even more engaging and effective.

3. Geopolitical events of the past year have significantly influenced information security strategies, tactics and operations worldwide. The need for a strategic vision to understand and contain the risks triggered by unpredictable cyber weapons and rampant information wars has been fully reflected in the activities of the Information Security Committee. The Committee met 6 times during the year, to monitor continuously the development of major events, highlight and document threats, analyse and inform the business lines involved, and supervise and sponsor specific activities and initiatives at the branches in the countries concerned. The main outputs included new security technology solutions and strengthened internal measures and controls over third-party access to corporate environments and data. Special Security Plans have been devised and implemented for the branches in Russia and Finland, while the network segregation and segmentation plan at all plants in North America has been accelerated and completed.

The process of managing IT security risks is based on the ISO/IEC 27005 international standard and extends the existing general process for the management of business risks adopted by the Group. This process attaches proper importance to security measures, linking them with known threats and risks, and draws on the results of the analysis driven by the Threat Model (security process by which potential threats are identified, classified, and analyzed, assessing their risk and providing necessary countermeasures).
After this analysis, any unacceptable risks will be mitigated by defining and implementing risk management actions, which will be appropriately prioritised with reference to the levels of risk identified.

Advanced technologies are widespread and shared by many organisations: today, their dependencies and vulnerabilities are also commonly known. Dependency on the Group's suppliers and on all outsourced products and services that support the most critical IT operations increases the Group's cyber risks and attack surfaces. The most recent and advanced IT attacks target suppliers, requiring extensive effort and additional resources for the constant supervision and control of IT security at the third parties engaged by the Group.

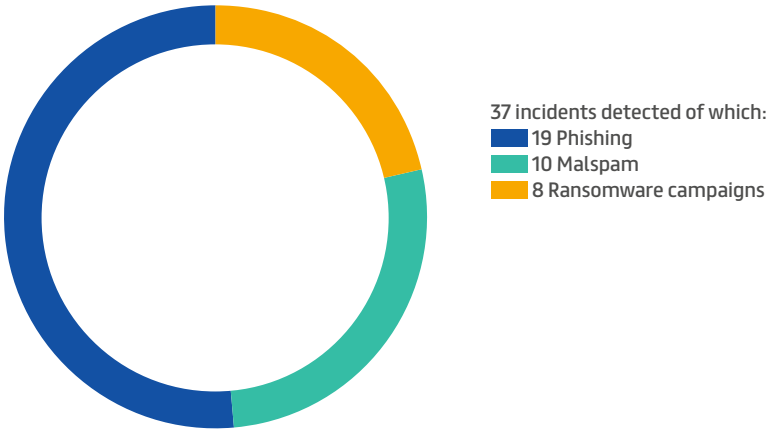
The Group constantly monitors its digital footprint with the support of cyber scoring agencies and this practice is extended and applied to the entire digital ecosystem.
The primary scoring agency is SecurityScorecard, which measured the maturity of corporate security in 2022 at between 85 and 90 (out of 100). This score is calculated in real time using a proprietary algorithm that examines two extrinsic, observable classes of data: configuration information (which represents the diligence of a company in implementing risk mitigation best practices) and security events recorded (such as system compromise, data breach, breach of confidentiality or breach of information integrity).
Security incidents as well as identifiable and attributable vulnerabilities can have a negative impact on the overall assessment and must be considered and resolved in a timely manner. The Group is committed to ensuring and maintaining a rating that exceeds 85/100.

If the risk factors are not properly managed with corrective actions and treatment plans, the confidentiality, integrity and availability of Group information cannot be properly protected. This may result in damage or financial losses (loss of market competitiveness due to margin reduction or cost increases), reputational losses (loss of brand reputation), operational losses (business interruption or process delays) and legal losses (non-compliance with regulations, laws and contractual requirements).

At the beginning of 2019, the Group defined and adopted a series of performance indicators to evaluate the level of information security. By using KPIs and KRIs systematically, Prysmian Group can obtain a continuous and updated overview of security, detecting potential deficiencies and addressing them in a timely manner.
These indicators cover all areas of the information security framework defined at Group level, targeting two different needs: business metrics provide management with the clearest and most direct status information, while technical metrics measure the efficiency and adequacy of the technological solutions adopted.
Once again, during 2022 the Information Security Committee supervised the operating plans for the implementation of planned initiatives, with periodic updates.

Over 59 information security events ("incidents") of varying severity were managed every month during 2022. In addition, 37 Internet domains used for digital fraud (malspam, phishing and ransomware) campaigns were identified and reported to the competent authorities. Furthermore, each month more than 158 security clearances were issued, authorising significant changes to IT systems or providing access to critical resources. Lastly, 26 internal investigations were conducted to contain and prevent theft and fraud, and to tackle potential reputational losses.

NUMBER OF INCIDENTS DETECTED



These 37 major events are part of the 707 total security incidents handled by the Group in 2022. They also involved filing timely reports with the competent and interested domestic and international authorities and organisations on the Internet and e-mail domains used maliciously and the TLC providers involved.

Prysmian Group, a strategic business for its national and European know-how, has continued the collaborations envisaged by its membership of associations and consortia, as well as under conventions with domestic and international institutions, in the form of information sharing about significant cyber events including attacks on its own IT infrastructure.

Growing concerns about an increasingly fragmented and unpredictable world have also triggered a major change in the perceived effectiveness of the cyber security and privacy regulations.

Some aspects of the standards today represent genuine compliance challenges; however, local and international certification and attestation regulations and standards are increasingly seen as a suitable and appropriate approach to ensuring greater IT security and system resilience.

In 2022, certification of the Prysmian Group's ISO/IEC 27001:2013 information security management system was confirmed by Bureau Veritas in the areas of Cyber Security, Information Security and Incident Management. Regarding the governance of foreign subsidiaries, the Cyber Essentials and Assurance certifications of the UK subsidiaries were confirmed in 2022, together with the first-level Cybersecurity Maturity Model Certifications (CMMC) of the Group's US subsidiaries.

In order to monitor Cyber Security activities, the Group has elected independently to report the following indicators:

AUTONOMOUS INDICATORS

Description	UM	2022	2021
Number of Information Security training courses	Number	**18**	13
Avg time for high-risk vulnerability resolution	Weeks	**15**	17
Percentage of log sources integrated with SIEM[31] solution	Percentage	**89**	83
Number of Security incidents	Number	**707**	780
Percentage of cyber-attacks on total security incidents	Percentage	**3**	7
Avg time for forensic activities after an incident	Hours	**4**	4

31 Security software that helps recognize potential security threats and vulnerabilities before they have a chance to disrupt business operations

4


IMOCA
GLOBE SERIES
ITA 34
Prysmian Group
ROUTE DU RHUM
DESTINATION GUADELOUPE

SUSTAINABLE AND AGILE PRODUCTION

SUSTAINABLE INNOVATION FOR PRODUCTS, APPLICATIONS, AND PROCESSES

Innovation is, and will always be, the keystone on which Prysmian Group's operations rely. Via sustainability and innovation, the Group's R&D is heavily committed to finding new solutions, materials and processes that bring benefits. In fact, being an enabler of energy transition and digitalization means having the ability to innovate constantly. Innovation is the driver that defines and underpins all the Group's social and environmental goals. Innovation and sustainability are inextricably bound together, requiring Prysmian to adopt a holistic and integrated approach: the efforts made to innovate strengthen the commitment to reach the long-term targets set. Sustainability is already embedded in the creation of value for customers, making it tangible and visible, via the development of innovative and green solutions.

4.1 IDENTIFIED RISKS AND MITIGATION ACTIONS

The tables below illustrate the risks identified and the related mitigation actions with respect to technological innovation and the presence of third-party patents for increasingly complex products, based on the Group's impact creation model.
The following tables of risks identified, and the related mitigation actions are published pursuant to Legislative Decree 254/2016 (Consolidated Disclosure of Non-financial Information).

Risk identified	Material topic 2022
Risk related to technological innovation and, in particular, to emerging, alternative or replacement climate-related technologies	**Sustainable Innovation of products, applications and processes**
Description of risk The acceleration of technological innovation in recent years, with ever more mass use of renewable energy and an already established path towards digitalisation, consolidated during the COVID-19 pandemic, exposes the Group's cultural and organisational model to the risk of being unprepared for such rapid change. Prysmian has assessed the possible impact on the business of new emerging, alternative or replacement technologies linked to the climate and renewable energy (e.g. hydrogen, batteries with greater capacity, E-Vehicle technologies, wireless etc.). Exposure to this risk was analysed over the 2022-2035 time horizon, considering the four IEA[(1)] emission scenarios (STEPS[(2)], APS[(3)], SDS[(4)] and NZE[(5)]), confirming a medium-low impact, which becomes medium-high in a Net-Zero scenario over the long term. **Mitigation actions adopted** In terms of mitigation actions, the diversified portfolio of activities with a global geographical presence is a strength for Prysmian Group, as the only world leader with a business model balanced among areas with differing profiles, where each segment plays a precise role in the overall strategy, considering stability, growth potential and the generation of opportunities. Prysmian aims to maintain its leading role in R&D, with 26 centres of excellence, advanced proprietary technologies, 1,000 experienced professionals, 5,800 patents granted or pending, and relationships with the world's leading universities and research centres. The appointment of a Chief Innovation Officer (CIO) and a Chief Digital Officer, reporting directly to the CEO, and the establishment of a Group Innovation Steering Committee, chaired by the CIO, further consolidate the Group's commitment to innovation, research and development. The Group strategy is completed by roadmaps dedicated to innovation, cost reduction and projects in the Projects and Telecom sectors, innovation competitions among employees, involving key customers, and a professional development plan dedicated to strengthening the innovation skills of employees.	
Risk of loss of competitiveness or leadership in the energy transition business	**Sustainable value chain**
Description of risk The new energy transition policies and resulting new market opportunities are rapidly changing an already competitive context, with the potential entry or strengthening of new players and the development of new technologies, which may reduce or interrupt Prysmian's leadership. Exposure to this risk has been analysed over the 2022-2035 time horizon, considering the four IEA[(1)] emission scenarios (STEPS[(2)], APS[(3)], SDS[(4)] and NZE[(5)]), with an impact in the form of lower revenues and/or profitability assessed as low-medium over the medium term and medium-high over the long term. **Mitigation actions adopted** Prysmian has carried out an in-depth analysis of its business activities in relation to the entry of new competitors into the HV Underground, Submarine Energy and Submarine Telecom sectors. Assessment of the risk of new players also considered companies with large financial resources, not necessarily active in the cables sector, that might see the energy transition sector as an important business opportunity. Adopting a quantitative approach, this activity analysed the demand for these businesses in the period 2022-2035, highlighting the main drivers that might prompt new players to enter into the market. This will enable Prysmian to monitor the risk carefully, as it evolves, and facilitate any necessary refinement of its medium/long-term strategy.	

(1) IEA – International Energy Agency
(2) STEPS – Stated Policy Scenario
(3) APS – Announced Pledge Scenario
(4) SDS – Sustainable Development Scenario
(5) NZE – Net-Zero Emission

4.2 DESIGNING A SUSTAINABLE FUTURE THROUGH INNOVATION

In Prysmian, innovation means meeting customer needs, quickly and effectively understanding their business drivers, and developing solutions that are attentive to the environment and local communities. To achieve the commitment towards innovation and sustainability every day, Prysmian has identified internal functions and processes that guarantee their effectiveness.

The key figures driving innovation at Prysmian Group

Innovation steering committee

In 2022, the Innovation Steering Committee of Prysmian Group confirmed the pace of activities aimed at consolidating the Group's main areas of innovation and improving the entrepreneurial culture of employees.
By uniting the strengths of the R&D department, Corporate Hanger, EOSS and the Digital Innovation department, the following measures were introduced:

- creation of a global **innovation portfolio** aligned with the Group's objectives, namely to be an innovation LEADER in **energy transition** and **digitalisation** by ensuring that high potential projects are accelerated with the right resources;
- increased R&D spending, linking Innovation activities to Sustainability activities in support of the **climate ambition;**
- enhanced internal and external collaboration, in order to offer higher value-added products and services that transform Prysmian into a solution provider of cables and systems, capable of meeting the needs of customers;

The R&D team

Promotion of greater employee engagement in the area of innovation via Innovation Contests and by creating Wired for Innovation, a new initiative that introduces employees to international experts in areas of innovation relevant to the Group.

Globally, Prysmian Group R&D has more than 1,000 professionals working in 26 Research & Development centres. The main R&D centre, located near the Milan headquarters, coordinates the activities of local R&D centres and adopts a medium/long-term approach to special projects dedicated to revolutionary innovations. In its laboratories, new cables and technologies can be developed in complete autonomy, being able to benefit from an experimental prototypes room for the production of cables and compounds, an electrical testing facility equipped with the most advanced systems for testing EHV cables, and a physical-chemical lab complete with cutting-edge instruments for accurately analysing the properties of cables and materials.

A new R&D facility, currently under construction at the Quattordio (AL) plant in Italy, will have additional test areas for research into HV and EHV cables, as well as special laboratory instruments for the analysis of materials. This new facility will work in direct synergy with the compounds centre at the plant, which was recently upgraded with the installation of a new unit for the production of semi-conductive materials used in medium and high voltage cables.

Group R&D is responsible for the overall innovation strategy, which seeks to make Prysmian a major player in the value chain, supporting energy transition, digitalisation and sustainability. The local R&D centres are active operationally in new product development, the design-to-cost program and the rationalisation of product families.

2022 NUMBERS

114* million euros invested in R&D

about **5,800** patens covering the main innovations

26 research centres

250 product families launched in 2022

50 collaborations withresearch centres and universities

1,000 professionals

*operating expenses of 101.4 million euros and investment of 12.6 million euros.

Sustainability is increasingly central to the Group's R&D activities following the 2022 launch of the **DESIGN FOR SUSTAINABILITY** (D4S) programme, which will change the way of working of the entire R&D community and related network. The development of new products now considers their value in terms of sustainability, applying the Eco Cable criteria at the heart of the D4S programme. In addition, the "Accolade" programme will include sustainability among the key criteria when evaluating project portfolios in various countries/Business Units.

The global economy continued to grow significantly in 2022, following the relaxation of pandemic-related restrictions and the gradual scaling-back (not yet normalised) of the raw material shortages that affected business performance in 2021. It was a record year for the Group, especially for the Energy segment, driven by the solid performance of the Telecom business and the strong order backlog for Projects. The significant recovery in economic activity was accompanied by marked inflationary pressures sparked, above all, by higher energy and raw material prices and supply chain disruptions, which were aggravated by the war in Ukraine. Against this background, our R&D activities provided fundamental support for the business, implementing more effective procedures for the qualification of alternative materials and leveraging the Group's strengths and global presence.

2022 was another record year for the **DESIGN TO COST** (DTC) programme, not least due to the strong impetus generated by the significant growth in Group revenues. The final result was 53.3 million euros.
The DTC programme has helped mitigate variable cost inefficiencies (mainly attributable to raw material shortages and their price volatility) and improve the competitiveness of our products in several segments. Performance in the New Product Introduction (NPI[32]) area was even more significant, with vitality up by as much as 17% (14% in 2021) and over 100 families of new products active in the Innovation category.
The Group successfully completed the **PG CONNECT CONTEST**, open to the entire Prysmian population, and the Joint Innovation Contest, organised together with a major customer active in Multimedia & Enterprise Solutions. The objective of the Joint Innovation Contest was to strengthen the customer-supplier relationship via the joint development of ideas, while the purpose of the PG Connect Contest was to define Prysmian's new remote experience. Both initiatives made it possible to make interesting ideas scalable, obtain a patent and improve the customer experience.

32 New Product Introduction (NPI) is the process of establishing a clear plan to take your product from concept to its final form. The steps involved in this process vary from project to project, but the ultimate goals are always the same: to reduce waste, avoid miscommunication, speed up production, and save money.

Innovation ecosystem

Prysmian Group is aware that – today – to carry out new projects and realize innovative solutions, as demonstrated by the SDGs, it is essential to establish partnerships with **relevant Stakeholders,** from the academic world to independent research centers, from suppliers to supply chain counterparts and customers, whose collaboration and feedback are extremely important to identify those requirements that need more attention.
Prysmian has established consolidated collaborative relations with over 50 major universities and research centers around the world. These collaborations, strategic for Prysmian, support cutting-edge technological research and allow the adoption of state-of-the-art innovations in all areas of the cables and cabling sector.

Partnership

Among our numerous collaborations, those with the following bodies are particularly worthy of mention:

- Politecnico di Milano (Italy)
- Università degli Studi di Salerno (Italy)
- Università di Palermo (Italy)
- Università di Bologna (Italy)
- Università di Padova (Italy)
- National Electrical Energy Research & Application Center (USA)
- Università Rice (USA)
- Università Purdue (USA)
- University of Central Florida (USA)
- Oak Ridge National Laboratory (USA)
- CPqD - Centro de Pesquisa e Desenvolvimento em Telecomunicações (Brazil)
- Università Politecnica della Catalogna (Spain)
- Shanghai TICW (China)
- Infosys Advanced Engineering Laboratory (India)
- Istituto Fraunhofer (Germany)
- Università di Lille (France)
- Nokia Bell Labs (USA)
- Università di Strasburgo (France)
- Università della Cantabria (Spain)
- Università Tecnica di Delft (Netherlands)
- Università Nazionale di La Plata (Argentina)
- Wuhan China Electric Power Research Institute (China)
- Università Politecnica di Bucarest (Romania)
- Università Tecnica di Berlino (Germany)
- Università Tecnica di Dresda (Germany)
- Università Tecnica Statale di Jaroslavl (Russia)
- Università Statale di San Pietroburgo (Russia)
- Università Politecnica Tomsk di Ricerca Nazionale (Russia)
- CIDET - Centro de Investigación y Desarrollo Tecnológico (Colombia)
- UFAL – Universidade Federal De Alagos (Brazil)
- CEPEL - Centro de Pesquisas de Energia Elétrica (Brazil)
- LACTEC - Instituto de Tecnologia Para o Desenvolvimento (Brazil)
- Virginia Polytechnic Institute and State University (USA)
- SCITEC - Istituto di scienze e tecnologie chimiche "Giulio Natta" (Italy)
- NICT - National Institute of Information and Communications Technology (Japan)
- Università degli Studi dell'Aquila (Italy)
- UOIT - University of Ontario Institute of Technology (Canada)
- UoT - Università di Toronto (Canada)
- Università Jiao Tong di Shanghai (China)
- Università Bursa Uludag (Turkey)
- Università di Marmara (Turkey)
- EPFL - Scuola Politecnica Federale di Losanna (Switzerland)
- EPFL - Scuola Politecnica Federale di Zurigo (Switzerland)
- Università delle Scienze Applicate HE-ARC, Neuchâtel (Switzerland)
- Università della Francia Contea (UFC), FEMTO-ST, Besançon (France)

- Università di Alcalá de Henares (Spain)
- IPEAS – Instituto de Pesquisa e Estudos Avançados Sorocabano (Brazil)
- IBSS della Xi'an Jiaotong-liverpool University (China)
- IST -Integrated System Technologies (UK)
- SuperGrid Institute (France)
- Inova (Italy)
- Impact Recycling (UK)
- Jade Hochschule Wilhelmshaven (Germany)
- Kunststoff-Institut Lüdenscheid (Germany)
- Università del Colorado (USA)
- FGH Institute di Mannheim (Germany)
- Università Tecnica di Eindhoven (Netherlands)
- PA Consulting (UK)

The specific research carried out includes:.

- **Carbon Hub**: in 2022 CH awarded 5 new research projects and extended 2 of the projects already in progress. The activities on the different projects are delivering good results and the process proofs to be successful. The CH Consortium continues to grow with additional companies joining the initiative.
- **Università di Salerno, Politecnico di Milano and SCITEC**: continued the collaboration to define a proper test method to evaluate relevant mechanical, thermal and electrical properties on thermoplastic formulations for HVDC application, under the coordination of HQ R&D. New polymeric mixtures and additives have been characterized at laboratory scale. Special attention has been dedicated to the study of homogeneity level of different components inside final formulation, depending on process conditions and raw materials. Dynamic-mechanical properties combined with water absorption sensitivity, have been used to create a simulation method which defines a proper homogeneity level to guarantee a good performance during HVDC cables lifetime.
- **NICT**: collaboration for development of large-capacity transmission using a single-core few-mode fibre; new speed record set of 1.53 Petabit per second in optical fiber data transmission, 6.3 times more than previous rate with single-mode fiber.
- **University of Central Florida (CREOL)**: collaboration for development of ultra-low-loss Fan-In/Fan-Out devices (loss between 0.2 and 0.4dB vs. state-of-the art ≥0.5dB) required to connect single-mode fibers to multi-core fibers.
- **Politecnico di Milano**: since few years Prysmian Group is working with Polimi on accurate calculation of magnetic losses in steel armors of submarine HVAC power cables for all the different configurations and designs. These models allow to optimize the cables' design minimizing the losses and the increasing the performances of the connections. New cable design and configurations have been included and the simplified models have been validated.
- **University of Colorado**: with the aim of improving conductors' material conductivity, Prysmian Group is working with different entities to explore new technologies to incorporate nanocarbon structures in metals and their influence on the conductivity.
- **Inova**: Since few years Prysmian Group is collaborating with Inova. A joint development aims at reducing even further the diameter of the buffer tubes while emitting less CO^2 during production. In Q1 2022, the first trial took place with promising results. The manufacturing of a trial production line will be completed end of 2022. Beginning 2023, a second prototype production is planned.
- **IST (Integrated System Technologies) - Smart Buildings**: Prysmian has been working since 2021 with IST (Integrated System Technologies), a company specializing in the design of PoE components, based in Lichfield in the UK, on a range of Smart Building products powered by PoE (Power Over Ethernet). PoE technology is used for delivering direct current (DC) power to devices over copper Ethernet cabling, where a single cable can provide both electrical power and data to many devices such as wireless access points (WAPs), LED lighting, emergency lighting, Internet of Things (IoT) gateways, and well-being sensors. The aim of these products is to optimize the energy consumption of a building, with the possibility of reducing carbon footprint, fostering sustainability, and endorsing eco-friendly alternatives.
- **Impact Recycling**: Corporate Hangar started a collaboration with Impact Recycling in late 2020, in the framework of a project related to separating and recycling plastic materials in mixed waste streams. Impact Recycling is a UK-based start-up that developed an innovative technology for the gravimetric separation of materials based on their relative density. The technology developed by Impact Recycling, not only allows for the recovery of valuable materials otherwise destined for landfilling, but also allows to market recycled plastics for future applications, saving tens of thousands of tons of material from landfilling. While Corporate Hangar is working with its Italian partners to bring Impact Recycling's technology to the Italian market, Prysmian Group successfully tested Impact

Recycling's material for cable sheathing applications in its R&D laboratories and is now performing industrial trials in its plant in Wrexham.

- **Super Grid Institute - alternative to SF6**: a collaboration with Super Grid Institute started at the end of 2021 to focus on characterization on new gas alternative solution to SF6 and its compatibility with different epoxy resin fillers for GIS DC application up to 640 kV.
- **IPEAS - Hardware Integration of Measurement Terminals with Database in Fiber Optic Plant**: with the advent of the Industry 4.0 and crescent need for process reduction, In order to increase Prysmian's operational efficiency, in partnership with IPEAS, we identified the opportunity to develop a management system that integrates information from several factory sensors such as: gases used in the production process, quality of electrical energy to control the factors of power, volume consumption and indicators of the composition of the water used in the process for quality improvement, control of cooling plants or monitoring of factory emergency electrical supply systems. A differentiated identification in a single and centralized database can be optimized between the indicators and a generation of information that allows a unique configuration of the products that allow the production of information and a higher quality.
- **CPqD - Flex Ribbon**: this project refers to the development of an aerial flexible ribbon optical cable. The development of Flex Ribbon Optical Cables in Brazil is a strategic alternative for the evolution of the national optical plant destined to meet the communication demands of the automation and control systems of intelligent networks (Smart grid), as well as the needs of the advancement of the telecommunications, mainly related to the Internet of Things (IoT). Flexible optical ribbon cables were proposed and developed for self-supporting aerial installation in 200 m spans and for installation in ducts or lashed aerials, with 288 flexible optical ribbon fibers, which will allow greater compaction of optical networks and decrease installation and commissioning times and costs. This development included new engineering knowledge to define the functional and performance requirements of these new types of optical cables, as well as specific knowledge for project execution, prototype manufacturing, laboratory testing and development of new splice execution techniques. and multi-fiber optical measurements. And also, the result was presented as a paper at the the international forum IWCS.
- **CPqd - Mine Led**: Since 2020 we have a working group formed by Prysmian's employees from Chile and Brazil where we also include specialist from CPQD (Telecommunications Research and Development Center) to develop an innovative solution to illuminate cables for mining application. The mandatory points during this developing process were provide a clearly way to identify the cables installed in mining despite of it was energized or not, reduce number of times cables are accidentally damaged by trucks, be more efficient than alternatives available in this market, this technology shall be work full time, provide a safety condition for maintenance employees who has difficult to identify which cables are energized before start the maintenance activity and be robust enough to resist the mechanical efforts from mining application. CPQD support us since the project conception until the first prototype produced manually in their laboratory, now we are working together to analyze the last inputs received from the field application about our solution.
- **IBSS - Prysmian China Local School**: started its training partnership with IBSS of Xi'an Jiaotong-liverpool University from 2021, and as a top-ranked business school, IBSS offers valuable opportunities including cross disciplinary partnership in research, learning and teaching. In order to let our employee better understand the logic behind our Social Ambition and make their commitment, we cooperation with IBSS launched the training of Creating Change through Socially Responsible Corporation in 2021. The training is delivered along 6 closely interconnected topics covering as much as possible for different aspects of our work, with total 30 leaders or staff with good potentials from different functions participated. As a result, our participants shared what they learned with their team, and they made 6 proposals for 6 different topics connecting to their daily work.
- **PA Consulting - Splicing Robot**: a machine splicing process is developed by partnering with PA consulting in UK and US largest utilities to improve safety and reliability of the underground cable network system. The development of design concept is completed in 2022 and sub-system development is in progress, expected to be ready by 3Q, 2023.

Speaking platform

In order to share the evolution of its research work and best practices, Prysmian Group participated, through its managers, in major international conferences - which were held partially remotely due to the anti-Covid-19 restrictions - with a view to outlining the active role played by the Group in implementing the changes under way. The Group took part in the following conferences:

- "Sustainability through SF6 reduction on HV/E-HV cable accessories": AIET International Annual Conference held in Rome in October 2022. Paper focused on the technical challenges and consequent R&D activities aimed to enhance sustainability of the accessories by reducing the consumption of SF6;
- Optical Fiber Communication conference (OFC 2022) - "Reduced-Coated Fibers and Micro-Duct Cables", 07

March 2022, paper M4E.2 (Pierre Sillard, Prysmian R&D Fiber group, France) European Conference on Optical Communications (ECOC 2022) - "Single-Mode Fibers with Reduced Cladding and/or Coating Diameters", 20 September 2022, invited paper Tu3A.1 - "Simple Multi-Core Fiber Fabrication Method", 22 September 2022, paper Th1A.1 (Pierre Sillard, Prysmian R&D Fiber group, France);

- International Cable & Connectivity Symposium (IWCS 2022) - "Multi-Core Fiber Cable Development", 12 October 2022, paper 4-2 (Donald Parris, Prysmian Innovation Group, Nord America);
- IWCS Cable & Connectivity Industry Forum - (Providence,RI-USA) 10-13 October: Presentation of a patented Self Support Flexible Ribbon Optical Cables for the Brazilian Market, a solution for technological introduction of high fiber density cables. Panelist: Kleber Caliani (Prysmian Brazil R&D Manager);
- IEEE Concapan 2022 - (Panama City - Panama) 9-12 November: Fiber Optic Flexible Ribbon Technology: Cable Development, Requirements, and Test Methods. An alternative to optimize the network for IoT and 5G systems. Panelist: Fabio Corcini (Prysmian Brazil Telecom R&D coordinator);
- IEEE Concapan 2022 - (Panama City - Panama) 9-12 November: Reliability in Medium Voltage Distribution Systems in Renewable Energy Applications. Panelist: Carlos Ospina (Prysmian Colombia & Ecuador R&D Manager);
- EVENT - "XX Brazil MRS Meeting" -Materials Research Society (Foz do Iguaçu – Brazil) – 25-29 September, panel "Study of the thickness influence of extrudate and blocking ingress of moisture, cross-linking ambient of XLPE, in covered cables for spacer cable system.", panelist: Savana R. Schiavon (Prysmian Latam R&D Materials Manager);
- IEEE Power talks - Vitthal Sawant; Technology for reducing losses and increasing ampacity - June 2022;
- Cables & Wires: Benoit Albert Georges Lecuyer - Speaker in Delhi, May 2022 on Prysmian Sustainability;
- Indo French Chamber of Commerce and Industry: Benoit Albert Georges Lecuyer - Prysmian innovation solutions March 2022;
- China Internation Import Expo (CIIE) - Nov 2022, speaker: M. M. Bavaresco (Prysmian China CEO) - Enhance Prysmian cooperation with China Energy to satisfy our customers' needs today as well as to find solutions for the challenges of tomorrow for worldwide energy transition and digitalization;
- Submarine Networks World: September 2022, panel "The Open Cable model - does the traditional full turnkey model still exist?" (A. Bhargava, Prysmian Group VP Subsea Telecom);
- HansePhotonik:November 2022, presentation "Submarine Telecom Cable Systems", (V. Schwarz, Prysmian Group Product Engineer Submarine Telecom);
- AMI Cables 2022: Cologne, March 2022 - Cable industry market overview; speaker: Benjamin Ferlay, R&D Director - Central Eastern Europe, Prysmian GROUP, Germany;
- Werkstatt Kabel 2022: Wiesbaden, Nov/Dec 2022 - Status of the introduction of PP insulation for HV, MV and LV cables; speaker: Frank Lübbe, R&D Manager Schwerin Stabilimenti, Prysmian GROUP, Germany;
- ETM Forum: Julia Rogozhnikova - speaker in Kaluga (Innovative cultural center) - 29.09.2022;
- ETM Conference "Golden Ring": Igor Kim - speaker in Moscow (ETM central office) - 16.06.2022
- Fair Position Association Conference: Igor Kharitonov - speaker in Sterlitamak - 23.06.2022;
- ARPA-E Methane Pyrolysis Cohort Annual Meeting 12 January: Srinivas Siripurapu, Prysmian Group Chief Innovation and R&D Officer – Carbon Products Panel "Considerations for advanced nanocarbon conductors";
- US Department of Energy HVDC Workshop 3-5 May: Srinivas Siripurapu, Prysmian Group Chief Innovation and R&D Officer – Panel on HVDC Station Architecture and Equipment. Presentation on "Cable technologies, monitoring systems and component insulation requirements";
- CABLE 2022 Big Idea Workshop Washington, DC (USA) 20-21 July: Srinivas Siripurapu, Prysmian Group Chief Innovation and R&D Officer – Industry Plenary Presentation on "Innovation Drivers for Wire & Cable Industry";
- ARPA-E Energy Innovation Summit - Denver, CO (USA) 23-25 May Srinivas Siripurapu, Prysmian Group Chief Innovation and R&D Officer – Panel "Rethinking Solutions for the Resilience, Reliability, and Security of Electric Grid Infrastructures";
- CIGRE 2022, Paris, 29 Aug - 2 Sept: Giovanni Pozzati (Prysmian Group R&D), Grazia Berardi (R&D Prysmian Group), Davide Pietribiasi (Prysmian Powerlink), Stefano Franchi Bononi (R&D Prysmian Group) – Paper: "Performance and characterization tests on HPTE insulation material"; Etienne Rochat (Omnisens) and other external authors - Paper: "Temperature monitoring and current rating computation for the Cluster Westlich Adlergrund"; Etienne Rochat (Omnisens) and other external authors - Paper: "Complex cable temperature monitoring within the largest commissioned offshore wind farm"; Alessandro Pistonesi (Prysmian Powerlink), Diego La Cascia (Prysmian Electronics), Giuseppe Fiscelli (Prysmian Electronics) - Paper: "PD, temperature and acoustic measurement of Eleclink HVDC interconnector – anticipate failures to minimize service disruption and impact on train circulation"; Lluis Sales Casals, R&D Director Prysmian Group South Europe (and other external authors) - Paper: "Evaluation of the HVDC VSC cable system behavior in presence of transient voltage phenomena";
- US Offshore wind 2022 (18-19 July, Boston): HOW TO ACCELERATE THE DEVELOPMENT US OFFSHORE WIND - Hakan Ozmen – President and CEO, Prysmian Power Link; PERSPECTIVES FROM TRANSMISSION DEVELOPERS AND TECHNOLOGY PROVIDERS - Andrea Pirondini – CEO, Prysmian Group North America;

- Recharge Offshore Wind Summit 2022 (16 November, Washington DC, USA): Building the first two Terawatts - Hakan Ozmen – President and CEO, Prysmian Power Link;
- OFC, Optical Fibre Conference, San Diego 6-16 March 2022: Workshop: "Revolutionary vs. Evolutionary SDM Fibers: Extra Gain at Extra Complexity?" (Pierre Sillard);
- FT Digital Dialogues - March 15, 2022: Co-branded digital event with Financial Times, "Building a more sustainable telecoms industry. Building a More Sustainable Telecoms Industry" (Philippe Vanhille, PG Telecom Division EVP);
- FTTH Council Europe Conference - Vienna, May 23-25: 23 May, 10.15 Workshop 2 - "Streamlined Full-Fibre Deployments from Start to Finish"; 23 May, 14.30 Workshop 19 - "Deploying fibers in historical towns: technical experiences and regulatory implications"; 25 May, 9.15 Panel 8 - "Sustainability action plans in the FTTH industry" - speech by Philippe Vanhille PG Telecom Division EVP; 25 May, 13.45 Panel 16 - "Voices of Industry 3 - Network planning, design & architecture for efficiency, performance and flexibility" - speech by Erik Van Den Oever about Ecoslim;
- ANGA COM - Live event in Cologne, May 10-12: Talk on Ecoslim (Erik Van Den Oever, Commercial Director Telecom Benelux);
- CRU Wire and Cable Conference, 25-27 July: Market Dynamics & Industry Contribution (M. Del Brenna, CEO UK);
- CRU Wire and Cable Megatrends Conference, 25-27 July 2022: "Shaping the Energy Cable Industry" (J. Mogollon);
- CRU World Optical Fibre & Cable Conference – 7-9 November, Milan: "Building connections in uncertain times" (P. Vanhille, Prysmian Group Telecom Division EVP); "Fireside Chat on Demand and Supply Dynamics" (T. Bosch, VP Telecom Division); "Advanced high-density cable systems and their benefits on TCO and carbon footprint reduction" (A. Amezcua, Product Manager- Optical Fiber);
- FT ETNO - 29 September, Panel: Keynote Panel: "Europe's hunger for connectivity: fibre, 5G, 6G and beyond" (P. Vanhille, PG Telecom Division EVP): Sustainability Hub, Il Sole 24 Ore, 24 March - Round table: "Gli obiettivi di sostenibilità nella governance, l'integrazione nella strategia e nelle politiche aziendali" ["Sustainability goals in governance, their integration into the business plan and corporate policies"] – Cristina Bifulco, Prysmian Group Chief Sustainability Officer and Group IR VP;
- Italian Energy Summit, 28 September – V. Battista, CEO di Prysmian Group - Il Sole 24 Ore;
- Made in Italy 4-5-6 October – "Transizione energetica, tecnologia e sostenibilità come leve competitive delle imprese", M. Battaini, Prysmian Group Chief Operating Officer - Il Sole 24 Ore;
- Made in Italy 4-5-6 October – "La trasformazione digitale per un Made in Italy moderno e competitivo", C. Bifulco, Prysmian Group Chief Sustainability Officer and Group IR VP – Il Sole 24 Ore;
- Global Inclusion 29 November – "Imprese, empowerment femminile ed ecosistema imprese-Terzo settore", F. Rutschmann, Prysmian Group Chief HR and Organizsation Officer - Il Sole 24 Ore;
- CEO Talk "Impresa e Futuro. Economia, Sostenibilità e Inclusione Sociale" – 15 June 2022 - M. Battaini, Prysmian Group Chief Operating Officer - RCS Academy;
- Green Talk "Repower EU, verso l'unione energetica" 11 October – V. Battista, Prysmian Group CEO – RCS Academy;
- Green Talk "Filiera, industria e manifattura: la sostenibilità dei processi produttivi", 25 October – C. Bifulco, Prysmian Group Chief Sustainability Officer and Group IR VP - RCS Academy;
- FTTH Council MENA Conference, Dubai, 18-19 May, Two panels:
  - The role of fibre in Green Energy and Sustainability (Ufuk Colak);
  - Latest Trends in Fiber (Lucas Cruces).

The most advanced R&D projects

R&D projects - submarine cables

500 kV DC solution for very great depths

Development to implement decarbonisation projects in Italy and improve the use of energy from renewable sources. Prysmian completed internal qualification for the 1 GW system for installations at a maximum depth of 1,870 m and pursued the development of a solution suitable at a depth of 2,200 m.
A first sea-trial to a depth of 1,870 m has been completed to validate the cable system and installation and repair methodologies.
Energy Transition

High-Power AC Systems

High power AC solutions for connecting high power offshore wind farm to the shore (400 kV AC single core, 275 kV 3-core). A strategic project to promote an effective transition towards renewable energy. Prysmian progressed in the development of a large 3-core cable operating at 275 kV with a maximum voltage of 500 MVA. The development of new cable systems, with aluminium and copper conductors and fully flexible bimetallic transition done in the factory has been completed. Prototypes are currently under testing with completion expected in early 2023. This new design includes some new features to decrease losses during operation, to optimise associated manufacturing costs for better overall competitiveness, and to reduce material emission values.
Energy Transition

525 kV DC extruded submarine cables

A highly pertinent project to meet the new EU climate objectives through the installation of wind farms very distant from the shore. Prysmian completed qualification of the full submarine 525 kV cable system with extruded insulation technology and related accessories, in this way completing and integrating the work already started with the land solutions developed with the German TSO.
Energy Transition

R&D projects - land cables

HVDC solutions for German Corridors

Industrial production of the innovative cable system solutions for German Corridors energy transition projects have been started, for both P-Laser and XLPE versions:

- P-Laser production started in August 2021 and more than 300 km of cable have been insulated;
- XLPE industrial production commenced in June 2022. 80 km of cable will be completed by the end of 2022.

Meanwhile, the related Type Tests for the German Corridors project have been completed or are in progress. Industrialisation work is in progress for producing very long lengths of cable: more than 6 km in one production run. Transfer of the technology to produce 525 kV HVDC XLPE cable systems in the US has been started, including the pre-qualification test of a cable system prototype.
Evaluation of alternative insulation XLPE base materials to move from 70 to 90°C conductor operating temperature are ongoing with full scale cables produced and tested in 2021 and more planned for the end of 2022.
This activity makes a substantial contribution for the purposes of reporting and, based on the effect of Prysmian's impact creation model, to energy transition and greater circularity.

R&D - energy products

Pry-ID

A cable digital identification system based on RFID technology which enables quick and easy cable recognition, acquiring and providing information on the installation and a full view of the cable path. The development of the final version of the application to manage Pry ID technology has started. A new factory in Italy is going to be equipped to use this technology.
Reduced CFP

EV charging cables

Fast charging requires development of cooled DC systems, including the integration of a cooling unit. Cable development has started with two solutions to accommodate various partners' requirements.
Energy Transition

Pry-cam home three-phase

Already mentioned in the section Electronics - Industrial development of the PRY-CAM Home for home use. This technology serves to monitor continuously the main parameters of a low-voltage electrical system, ensuring it works correctly, is safe, and has suitable management. Development completed, including a web-based software platform and ancillary services.
Reduced CFP - Energy Transition - Safety

Water Sensor for HV Joint Monitoring

This is a full monitoring system (sensors, monitoring architecture and SW) to detect water entry in HV land joints so as to prevent failures and service interruptions. The proof-of-concept and validation phases have been successfully completed. Lab electrical qualification of the joints is in progress.
Energy Transition - Safety

E3X - Field Application Service and Coating Solutions to Enhance OHL Performance

Development of E3X Coating solutions to improve heat dissipation and radiation absorption of aerial line conductors, enabling either more power transmission or lower losses in the same conductor. Retrofitting existing lines is also possible by means of two robots able to apply the coating on live lines. In 2022, the enhanced operational performance of the robots was upgraded per customers' requirements, for example with an increase cable displacement speed for robotic applications (3.7 m/min to 7.6 m/minute), a long-distance (up to 2,000') RF communication system, reduced weight and broadening the conductor working range (0.9" to 1.7").

These improvements are intended to improve overall operational efficiency in the field and reduce project costs. The improved robot is ready for industrialisation. Additionally, a high temperature 250°C coating has been developed in the lab and is scheduled to be validated at the Oakridge National Lab (ORNL) by the end of this year. This E3X technology is expected to reduce Scope-3 emissions produced by OHT.
Reduced CFP

Expressways for Electric Vehicles

Dynamic wireless charging has been validated and officially launched on a BreBeMi test track. Prysmian has developed, supplied and installed an innovative LVDC P-Laser cable to power the power units of the charging coils. Together with EOSS, Prysmian has also provided the full monitoring system (partial discharges, temperature, vibrations, etc.) to assist with all the tests to be done on the track, with materials, vehicles and various apparatus.
Energy Transition - Reduced CFP - Enhanced Circularity

Medium Voltage Cable Automated Splicing Machine for Underground Cable Network Systems

Reliability and safety of medium voltage cable splicing is of paramount importance for an underground cable network system. Manual splicing puts worker safety at risk and reduces the reliability of the network system. Hence to improve the safety and reliability of the network, an automated cable-end completion process has been developed in collaboration with PA Consulting and with major British and US utilities. Development of the project design concept is to be completed in 2022 and sub-system development is in progress, expected to be ready by Q3, 2023.
Reduced CFP – Safety

Sensor for Oil Pollution in External HV Cable Terminals

PG is working with a start-up to develop an innovative sensor to detect pollution and early signs of degradation of the oil inside external HV cable terminals. The sensor will send the oil analyses directly to the control room as an output signal. The device can be installed on new terminals as well as during retrofitting of terminals in operation.
Energy Transition - Safety

Electric-drive Vehicles

The rapid evolution of the EV market requires new products that are more efficient and comply with the various specifications. Prysmian Group will develop a full range of power cable systems (large conductor cross-sections, display-screen systems, etc.) that always keep abreast of the latest technological developments. Development and qualification have been done for US OEMs, while for the German market, various solutions are still under way.
Energy Transition

TLC R&D

Reduced Diameter FlexRibbon Cables

A new range of very high fibre count FlexRibbon cables with reduced diameters to enable a greater length of cable to be gathered on the drum. This project was started in 2021, when the first prototype cable was made. In 2022 a further prototype length was manufactured for a trial with Amazon which took place in June 2022. The cable passed the trial, and two different cable lengths were produced, respectively, in Q3 and Q4 2022.
Reduced CF - Digitalisation

Sirocco HD Fibre Cables with Reduced Diameter

A range of increased-density fibre optical cables that utilise 200 µm optical fibre. The cables offer the highest fibre densities on the market for 200 µm optical fibres, enabling them to be inserted into smaller ducts than those of the competitors. The cables were initially launched in 2020 and 2021 with a range of 96f to 576f. In 2022 this range was expanded with the development of a 36f version and an 864f version. Both cables were fully tested and launched in 2022. Reduced CF - Digitalisation.
Reduced CF - Digitalisation

Sirocco HD and Extreme Microduct Cables

A new range of extremely dense fibre optical cables that utilise the world's first commercially available 180 µm optical fibre. The cables offer the highest fibre densities on the market enabling them to be inserted into smaller ducts, or for more fibres to be installed into an existing duct. The first cable with 288 fibres was launched at the end of 2020. Two further cables with 192 fibres and 576 fibres were launched in 2021. In 2022, further development was started on a 144f, a 432f and an 864f version. These cables are currently being tested and are due for launch in Q1 of 2023.
Reduced CF – Digitalisation

Hybrid Cables

The ever-broadening use of 5G and IOT are driving the need for distributed antennas and sensors that require both power and data. This is driving the need for a new range of small hybrid cables that can be used to deliver both data and low voltage power. In 2022 a hybrid drop cable with 12f and two 2.5 mm^2 was developed for the German market. In addition, two cables for small charging cells were developed for Telefonica in Brazil, one with six 2.5 mm^2 cores, 24 optic fibres and twenty 0.4 mm^2 twisted pairs, and a second one with two 2.5 mm^2 cores, 12 optic fibres and eight 0.4 mm^2 copper twisted pairs.
Reduced CF - Digitalisation

Multi Core Fibre

Development of a multi-core fibre where each fibre contains four separate cores. This offers four times the capacity of a standard fibre within the same space, enabling cables to be manufactured with four times the capacity in the same diameter. In 2022, further fibre drawing trials took place in Douvrin, France, and the first cable prototype was made in Lexington, USA.
Reduced CF - Digitalisation

Pre-terminated Very High Fibre Count Cables

Development of fully pre-terminated very high fibre count FlexRibbon cable with ultra-compact 144f expanded beam connectors. This will enable customers to easily install the cable through the duct and plug it into a patch panel without the need for splicing in the field. After making the first prototypes in 2021, further work was carried out in 2022 to make the first live cable for a field trial. The cable was produced in Lexington, USA and terminated with the EBO connectors at a third-party supplier. A field trial is to take place in November 2022 to check that the cable can be inserted into the duct after being terminated.
Reduced CF - Digitalisation

96f Ultralight Cable (ULW)

Currently British Telecom uses a 36f ULW cable to distribute fibre optics in their FTTH network in the United Kingdom. Many thousands of kilometres of this cable are used each year. In 2022, a 96f version was developed with the same diameter as the 36-fibre cable, providing additional capacity in the same space. Prototypes have been made and are currently in testing with the aim of launching the product in Q1 of 2023. This will make a reduction in carbon footprint possible by being able to install fewer cables in the network.
Reduced CF - Digitalisation

Wall-Mount Junction Box for Under-floor Distribution (UFS)

A new connectivity wall box that provides multi functionality was developed in the United Kingdom in 2022. Currently, three separate wall boxes are used in MDU applications to deliver FTTH in the UK market. This wall box is multi-functional and, in a third of the space, it can provide the same functionality as three separate wall boxes, saving cost, installation time, and time and space.
Reduced CF - Digitalisation

R&D Network components

Asymmetric "Twin-plug" Joints for 400 & 525 kV DC Cables

A new DC asymmetric joint at 400 kV and 525 kV is key to optimise cable system connections, providing a solution in sea-land joints and as a joint between cables insulated with different materials and designs. Additionally, it can cover almost all the cross-sections. The introduction of gas-free solutions, such as the Twin-plug, will serve to zero out CO^2 emissions. Prequalification of the joints for 525 kV DC land cables was successfully completed in Q1 of 2021 on 3,000 mm^2 XLPE cable systems. Prequalification of the joints for 525 kV DC submarine cables was successfully completed in Q2 of 2022 on 2,500 mm^2 XLPE cable systems. Testing of the new configuration (EQT) with reversed polarity (LCCC or line converters commuted) will be completed in Q2 of 2023 on the 2,500 mm^2 P-laser systems.
Energy Transition - Reduction

Asymmetrical Rigid Repair Joint (RRJ) for 275 kV cables for Shallow-depth Use

Development of a new 275 kV Rigid Repair Joint (RRJ) for shallow-water submarine applications. The outer protection concept is inspired from the solution successfully qualified for deep-water applications. The development and the qualification of the symmetric design were successfully completed in October 2021. Design of the asymmetric RRJ, including a new sleeve able to accommodate the connection, was completed in Q2 2022. The type tests qualification on unarmoured cable is expected to be completed in late 2022.
Energy Transition

Outdoor dry self-supporting terminations (ODSE) for HV AC and HVDC

Development and qualification of a full range of self-supporting EHV Dry-Type Outdoor Sealing Ends for up to 420 kV AC and 400 kV DC technologies. Type tests successfully completed on Dry-Type ODSE including Click-Fit OuterCone Technology for Umax 245 kV AC (Jan 2022). Performance tests at ambient temperature for 1,700 hrs at 290 kV successfully completed. PQ test on 4500 mm^2 220 kV cable systems planned to be started in Q1 2023. Design of 400 kV DC cables completed (Q2-22) and prototyping of 400 kV HVDC planned for Q1 2023. Design and production of 420 kV AC prototypes to be done, respectively, in Q1 and Q3 2023.
Energy Transition - Reduction

The pillars of Prysmian's innovation

Innovation is and will always be the keystone of Prysmian Group's operations. Its consolidated experience and unceasing efforts in research have enabled the group to develop cutting-edge technology and services for its customers and continue to shape the future of the sector itself.

The following table on the risks identified and the related mitigation actions is published pursuant to Legislative Decree 254/2016 (Consolidated Disclosure of Non-financial Information).

Risk identified	Material topic 2022
Risks associated with the management of third-party patents for increasingly complex products	Sustainable Innovation of products, applications and processes

Description of risk
The growing need for integrated solutions, in part accelerated by decarbonisation policies, increases the probability that Prysmian products will incorporate solutions already patented by third parties, with the risk of incurring litigation costs, that are often very high given the technical skills required to deal with such cases. Exposure to this risk was analysed over the 2022-2035 time horizon, considering the four IEA emission scenarios (STEPS, APS, SDS and NZE), confirming a low impact over the medium term, due to continuous application of the mitigation measures adopted, which becomes low-medium over the long term.

Mitigation actions adopted
The Group maps the applications used to develop integrated solutions and the related proprietary patents, striving to respect the intellectual property rights of third parties when the existence of their pre-existing rights is known. In addition, the continuous investment made in filing patents has enabled Prysmian to build a solid patent portfolio that represents a major deterrent against the improper use of the Group's proprietary technologies by competitors. This risk is monitored by the Group's Intellectual Property department, support, when necessary and on specific topics, by external professionals.

Prysmian's innovation has four pillars.

1. Research and Development

In 2022, The Group has invested primarily in areas that promote the development of cable infrastructures for power and data transmission: EHV underground power transmission systems, ever longer and more efficient submarine cable systems that can be laid at ever greater depths, optical fibre solutions with the highest number of cables in a miniaturised space for easy handling in the field.

2. Digital Ambition

The Digital Ambition of Prysmian seeks to generate long-term value for the business, in order to maintain the Group's leadership in the energy and digital sector, promoting solutions based on the portfolio of products and services offered. Digital tools and solutions are key assets to enable a future of cutting-edge innovation and deliver outstanding performance to the market: digital products and services will support the Group's growth strategy, promoting our collective intelligence through digitalisation of corporate culture.

This ambition rests on three pillars:

- achievement of efficiency by using data to reduce waste and improve performance;
- development of value-added digital products, by extracting and generating value from enterprise data;
- promotion of new digital practices within the organisation to empower all personnel.

Innovative digital technologies play a fundamental role in creating growth opportunities that benefit the Group, customers and other Stakeholders, by leveraging the vast quantity of data already available to optimise the use of resources, ensure accountability in reporting results and maintain high quality standards.

There are now over 30 Local Digital Partners around the world and various activities seek to raise awareness, such as the PG Connect Contest, a successful internal call for ideas that promote new remote experiences for both internal and external customers, and the Digital Week. Digital Innovation moves us closer to sustainable development based on a holistic approach to economic sustainability, social inclusion and environmental awareness, allowing resources to be used more efficiently.

3. Prysmian's Open Innovation Infrastructure: Corporate Hangar

Prysmian Group has renewed its commitment to Corporate Hangar, which accelerates the path to innovation and sustainability. Corporate Hangar accelerated three start-ups (Alesea, Kablee, Cultifutura) in 2022, created in previous years, while also focusing on the development of innovative new projects with high potential to become the next corporate start-ups. The Group's Sustainability Report provides more details about these three start-ups.

The most innovative projects developed by Corporate Hanger during 2022 addressed three different areas. The first project seeks to use IoT to monitor telecom fixed assets remotely, thus improving their maintenance. The objective of the second project is to increase the efficiency of industrial and commercial buildings, using an innovative monitoring system for electricity networks that also improves their safety. The third project seeks to support the sustainability objectives of Prysmian Group with an innovative technology for recycling plastic

4. EOSS (formerly Prysmian Electronics)

As of 2022, EOSS is not only a legal entity, but also an integrated business unit dedicated to the design of electronic and optical solutions for monitoring cable systems. Covering both high and low voltage cables, the objective is to create a dataset, acquired from the digital architecture, that can provide useful information to better understand their performance. R&D activities in 2022 mostly concentrated on completing the architecture for Pry-Cam Home, with a digital platform to collection and visualise data in a more structured fashion, as well as on the systematic creation of an AI approach to various issues related to the use of instruments within the core business.

- Algorithms for analysing Distributed Acoustic Sensing (DAS) data to identify alarm signals correctly.
- Algorithms developed for Distributed Temperature Sensing (DTS) technologies for application in submarine environments and offshore wind farms (RTTR and depth of burial).
- Algorithms for analysing the current layer in HV cable systems.
- Algorithms focused on low voltage electricity consumption, to help Pry-Cam Home users monitor their energy consumption more accurately and, in general, create energy awareness that contributes to sustainability.

EOSS has also worked to expand the range of products for certain specific applications relevant to the current core business, such as overhead line monitoring, home electric vehicle charging and solar farm monitoring.

New products and solutions

As with all R&D core activities, New Product Introductions (NPI) are monitored on an ongoing basis. The main objective of this process is to raise awareness of the growing importance of innovation as a success factor, and of the new product development as a driver for improving the organisation's performance. Consolidation of new product processes, combined with General Cable legacy activities, generates additional value in order to sustain the business, outperform competitors and win new customers.
One of the most innovative tools in this sense is Sopheon Accolade®, specifically designed for managing innovation. Its purpose is to collect all the relevant data and from that configure processes and set up specific metrics to assist strategic planning, manage the portfolio and efficiently implement projects.

At Prysmian, Accolade will function as the "Single Source of Truth" (SSOT) for product development and will subsequently improve strategic project prioritisation, increase value creation, and enhance the success rate of innovations. Accolade also helps with the right resource allocations for new product development. Fully implemented during 2022 in the UK, LATAM, NEU, CEE, OCI and Automotive sectors, it will be progressively implemented during 2022 - 2023 globally to all Regions and integrated Business units.

Prysmian has also developed another innovative tool for reporting activities in the introduction of new products, created internally on Qlikview and automatically updated. This tool assists with the economic analysis of new products and tracks key products during their three-year period of vitality. Currently in use globally by all the regions and BU's, it is also used to set vitality goals (new products results/global results) for each of them so as to keep the focus on the development of new products and to analyse their evolution in coming years.

During 2022, the R&D function implemented a large number of new product development projects resulting in:

- Over 100 new products in the Innovation category (Category/Type of new product not present in the global marketplace);
- Over 650 new products in the Development category (Category/Type of new product not present in Prysmian Group but already present on the market).

The Group's Q3 vitality result compared to Q3 2021 increased from 14.0% to 17.1%:

Prysmian Group	Net Turnover Totale Result (K€)	Net Turnover NP (K€)	Vitality %
Group result	11,661,856	1,996,090	17.1

NP Category	Net Turnover NP NP (K€)	Vitality %	
		3Q2022	3Q2021
Innovation	230,662	2.0	0.7
Product development	1,038,207	8.9	7.4
Technology transfer	727,221	6.2	5.9

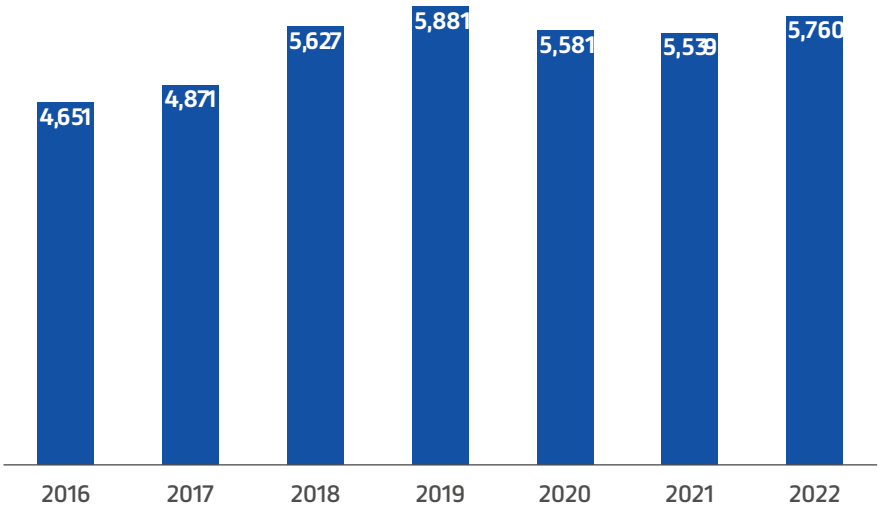
Comprehensive results for new products per business unit

Number of active new products families	2022
OCSEA	16
CEE	136
China	69
Prysmian Electronics	13
UK	56
LATAM	82
NA	92
NE	136
PPL	5
SE	353
TR	35

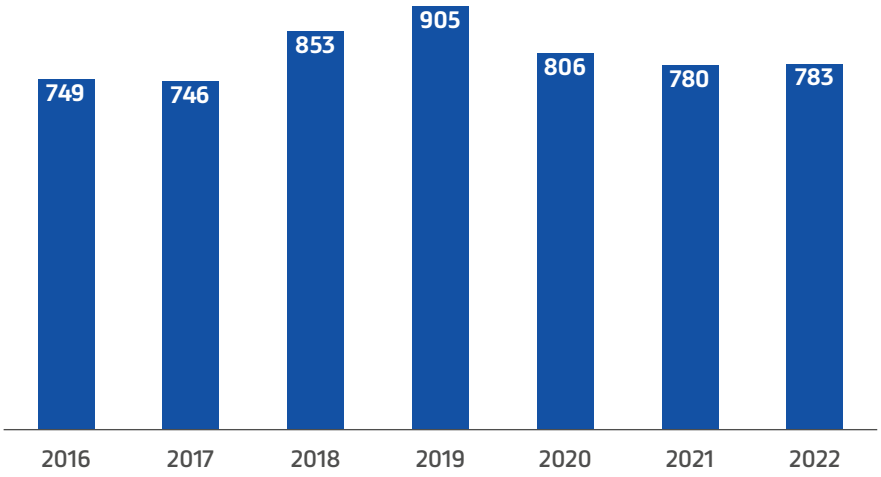
4.3 INTELLECTUAL PROPERTY

Prysmian, by means of its open innovation model, is collaborating with universities and other research centres to accelerate sustainable innovation and thus has a need to protect the Group's know-how. Managing its patents and trademarks portfolio is a key element for the Group's business operations, also for its growth strategy in market segments with high technological content. At the end of 2022, the number of Prysmian Group patents and patent applications had grown compared to previous years, even though the number of families of patents remained essentially unchanged. Since Prysmian Group's presence on the ground has increased, it has also become necessary to increase the geographic protection of intellectual property by applying for new patents in more countries, increasing the number of patents present in our portfolio:

NUMBER OF PATENTS AND APPLICATIONS

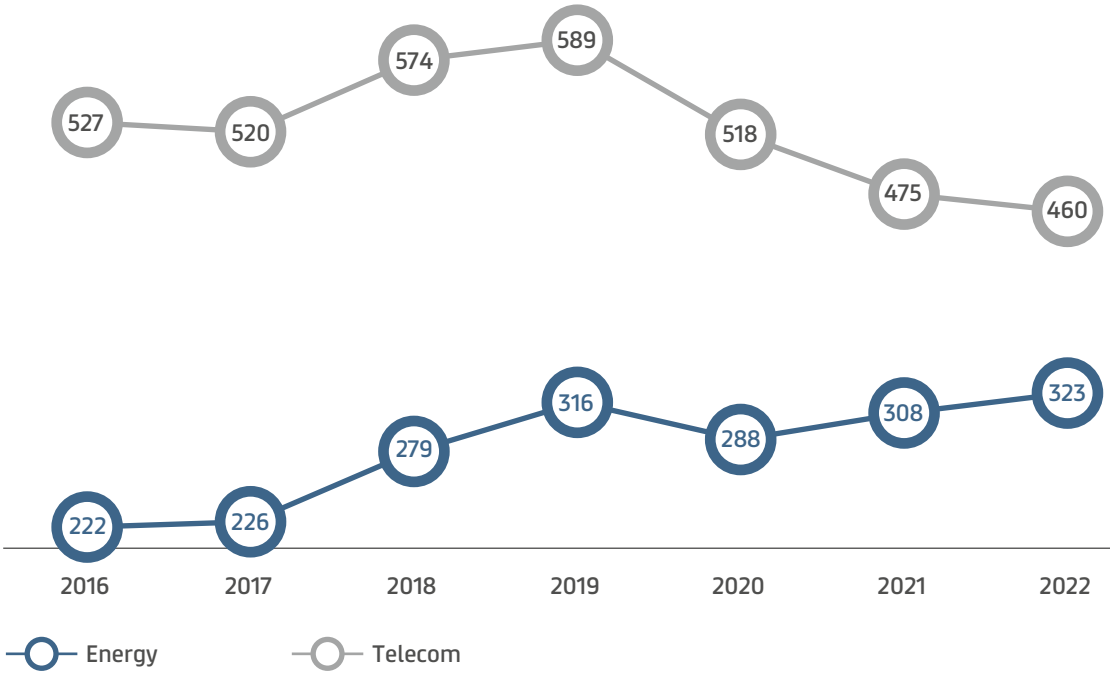


NUMBER OF FAMILIES



The patents portfolio is nevertheless continuously reviewed so as to shed any patents that are no longer useful for the group. The number of Energy patent families is still growing while there is a slight decrease in those for Telecom.

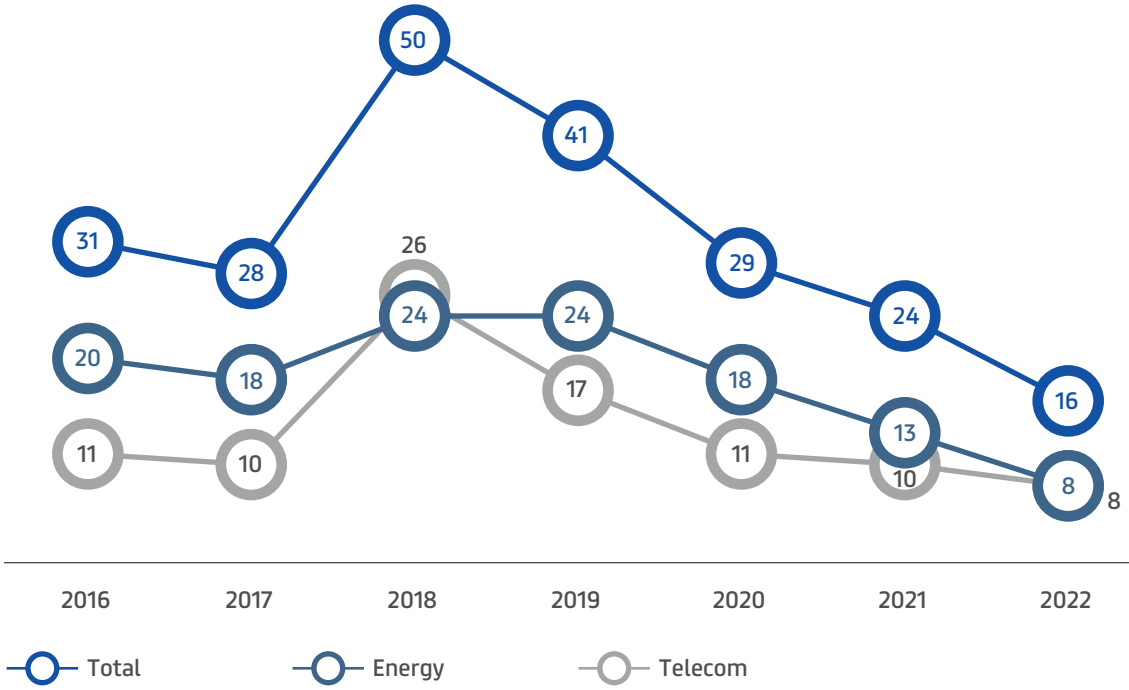
NUMBER OF PATENTS FOR THE ENERGY AND TELECOM SECTORS



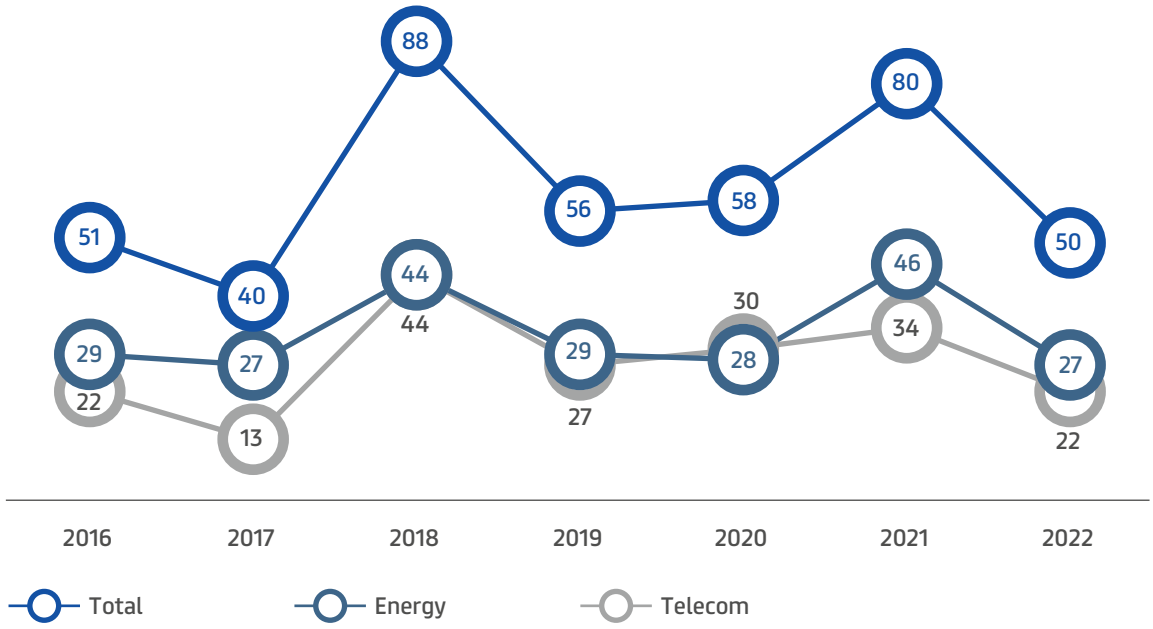
The

Number of new applications per year is decreasing even if the number of ROI's (Record of Invention) received remains high, i.e., the number of inventions set to the Intellectual Property division. Apparently, the number of patentable innovations relative to the number of ROI's received continues to be lower than in the past.

NEW FIRST FILINGS



NUMBER OF ROI



It is important to note that, even in 2022, the Group's patents were used in counterfeiting cases filed in Italy, Germany, the UK and France. Those legal filings form part of a broader strategy adopted by the Group so as to protect the investments it has made in R&D.
In terms of trademarks, Prysmian Group has applied for 30 new trademarks and abandoned 46 trademarks that are no longer used and has aligned trademark registrations with the Group's business plans. The data are drawn from Prysmian's internal database, which the Intellectual Property division constantly updates in coordination with the main patent databases available. In addition, among the tools used by the Intellectual Property division, there is also a new web site for collecting ROI's and requests for new trademarks.
The internal database is regularly cross-reference with the data and with the Patents and Trademarks office databases. The data are also cross-referenced with the databases of external legal consultants that manage some of the phases of process of releasing patents and trademarks.

4.4 OPERATIONAL EXCELLENCE

Prysmian's approach to project management combines the unique experience and competence of its staff with our operational excellence and innovation.

In 2022, Prysmian increased its investments to meet the ever-increasing demand for digitalisation and electrification solutions, and to thus enhance its own goal of being an enabler of energy transition.

Enhancement of Prysmian's offering globally

Our geographic reach and the capacity of our various plants also allowed Prysmian Group in 2022 to consolidate its own industrial strategy based on the following factors:

1. The creation of **products with greater added-value** and technological content in a limited number of establishments destined to become centres of excellence with high technological competences, and where it is possible to leverage economies of scale, with the resulting improvement in production efficiency and reduction in capital invested.
2. A constant search to achieve **greater production efficiency** in the commodities sector, maintaining a broad geographic presence in order to minimise distribution costs.

In 2022, the gross value of investments increased to €454 million, up from the previous year (€283 million), by increasing its investments in production capacity and facilities, which are critical to meeting the accelerating demand for digitalisation and electrification systems that account for some of the key requirements in the so-called transition to alternative sources of energy.

Capacity/Product mix

The rate of investment for operations intended to increase production capacity and variations in product mix amounted to 67% of total investments. The following is an analysis of their distribution by sectors:

Projects

The most substantial investment was for the order for a new cable-laying ship, on the cutting edge, for nearly €200 million, plus a supplement of nearly €40 million for the cable-laying equipment. The design follows that of the Leonardo da Vinci, recently completed and in operation since 2021. The new ship, which will become part of the existing fleet starting in 2025, will be tasked with conducting all offshore operations for pipeline project cable laying, among which are DoIWin4 and BorWin4, which call for the design, production and installation of an interconnection of nearly 1,000 km of submarine and land 320 kV HVDC cables, using single-pole cables with XLPE insulation. The submarine cables will be produced at the Pikkala, Finland, and Arco Felice, Italy, sites.

In 2022, in order to support the increasing quantities related to the greater number of electrification projects, an investment was approved to build a new submarine cable production plant at Brayton Point (in Massachusetts, USA). The project calls for converting the area, originally occupied by a coal-fired power plant, into a new, cutting-edge, inter-array and export submarine cable production plant that will provide a noteworthy competitive advantage in a market such as the US one that is pursuing major electrification goals in the coming years, in particular in the offshore wind power sector.
Also relevant were our investments to enhance support for an increase in the production capacity of submarine and land HVDC cables at our facilities in Pikkala, Gron and Arco Felice. In the first case, the investment, which all together will exceed €100 million, provides for expansion of the plant and the construction of a 185 mt. tower that will contain a new, vertical extrusion line.
Likewise, investments are continuing for the 3 German Corridors (SuedOst Link, A - Nord, Sud Link) orders, for a total of more than 2,500 km of 525 kV DC cables, insulated in part with XLPE and in part with our proprietary P-Laser technology. The cables are also produced at our plants in Gron and Montereau, France, Pikkala, Finland and Abbeville, USA.

Energy

In this business, Prysmian also decided to invest in some specific sectors in order to meet the growing market demands.

In Sedalia, Missouri, to expand the facility for the production of aluminium LV cables, mainly used in the markets

for residential, commercial and industrial construction, and for photovoltaic systems.

In Williamsport, Pennsylvania, to increase the capacity for HV cables for aerial transmission lines.

In Marshall, Texas, to increase the production of MV cables used in power transmission and distribution sectors.

Telecom

In the Telecom field of business, Prysmian is continuing investing to increase the production capacity of optical cables.

In Jackson, Mississippi, to increase production capacity for Loose Tube and Drop cables, enhancing industrial footprint and reaffirming Prysmian's position as a global leader in technology development for new, reliable, and efficient broadband networks.
In Dee Why, Australia, to step up our cable production capacity for the new Telstra Australian fibre optic network destined to connect that country's major cities.
The Durango, Mexico, project is continuing and will become a service centre for the entire Central America and North America region.

Industrial efficiency and footprint

Prysmian is committed daily to align its production efficiency and environmental footprint, reducing its energy use, optimising its use of natural resources and rendering ever more efficient its logistics flows and responsible waste management. Thus, on one hand, the total investments destined to provide efficiency for the reduction of variable costs (mainly in product design and the materials used), and of fixed costs, has amounted to nearly 10% of overall investments. Moreover, even in 2022, the Group has continued to implement a major operation to minimise costs in the entire Telecom business sector production chain. In specific terms, 2022 saw a continuation of the investments required to adapt our machinery to the best production technologies the Group currently possesses.
In terms of the Energy business sector, we completed our investments in Sedalia, Missouri to minimise the production costs of aluminium cables for special applications for which, as described in the "Energy Products" section, there is a growing demand in the marketplace.
Also in 2022, Prysmian Group maintained its plan to invest €100 million for sustainability over the next 10 years: the goal is to reduce global CO^2 emissions equivalent to 48% by 2030 (compared to 2019 levels) and to meet our Zero Emissions goal (Scope 1 and 2) by 2035.
Those investments, amounting to a total expenditure of €12 million in 2022, involve various aspects, including the installation of photovoltaic systems at some of the group's plants, various operations to reduce energy use, and a multi-year plan to reduce our use of SF6 gas. These are two strategic sectors for ensuring energy transition and digitalisation that merit greater attention.

IT, Research and Development

8% of investments were devoted to the continuous upgrading of the Group's IT systems, to digital transition actions and to R&D. In 2022, in accordance with Prysmian Group's integration strategy, the group's ERP system (SAP 1C) was implemented in Poland, Peru and Canada, bringing to 83 the total number of plants managed in the one SAP 1C system, also present in another 30 countries. In the field of Operations, the plans for implementation of the Corporate MES (FastTrack) were successfully completed in Pikkala, Finland, and at Slatina Energy, Romania, in Q2 2022; the analysis phases of the new projects for the Vilanova Energy, Spain, and Livorno (NWC), Italy, facilities were started in Q4, with start-up of the systems expected in Q2 2023.
For the future of Customer Centricity, a new initiative was taken with the scope of strengthening our corporate "eServices Strategy" with the introduction of a new B2B portal.
Lastly, in terms of Digital Innovation, various initiatives were taken over the course of the year and implemented so as to increase the digitalisation of our systems and benefit from the advantages of digitalisation from various points of view (from enhanced security to improved production capacity).

Base-load

The portion accounted for by the maintenance structural interventions was around 15% of the total. A large share of that amount goes to pursue modernisation of the production sites, including updating the roofs. Another pertinent portion of the base-load is for the overall plan to improve viability safety conditions inside the plants.

4.5 ENVIRONMENTAL RESPONSIBILITY

Prysmian Group is committed to rigorous and lengthy course of action to reduce its environmental impact, both via our own production systems and involving the supply chain. Our goals were approved this year for by Science Based Target Initiative and will bring us to Net Zero for our operations by 2035, and for the other, indirect emissions, by 2050.

The following table, presenting the risks identified and related mitigation actions, are published pursuant to Legislative Decree 254/2016 (Non-financial Statement).

Risk identified	Material topic 2022
Environmental risks	Efficient, sustainable and circular activities

Description of risk
The Group's manufacturing activities are subject to specific environmental regulations. These include the management of raw materials, energy resources, hazardous substances, water discharges, atmospheric emissions and waste, as well as the prevention of pollution and minimisation of the impact on environmental matrices (soil, sub-soil, water resources and the atmosphere). Furthermore, changes in these regulations tend to impose increasingly stringent requirements on firms, often calling for improvements in technology (best available techniques) and the relevant risk prevention systems, which generate additional costs. For these reasons, despite the Group's strong, ongoing commitment to environmental protection, its business operations might still have an impact on the environmental matrices, with possible implications for the continuity of production and economic and reputational consequences.

Mitigation actions adopted
In order to prevent and mitigate environmental risks, the Group has adopted an ISO14001-certified environmental management system at 97% of its production locations. Environmental matters are managed centrally by the Health, Safety & Environment (HSE) function. In coordinating the local HSE functions, this function adopts systems intended to guarantee strict compliance with the regulations in accordance with best practices, collects and analyses environmental data using a centralised platform, monitors the exposures to risk using specific indicators, organises specific training and carries out audit work at the production locations.

Through its activities, Prysmian plays a key role in energy transition and decarbonisation. For example, with its specifically designed submarine power distribution cables, the Company enables energy to be transported to land from offshore wind farms. Prysmian also enables the cross-border transportation of energy, reaching and connecting different countries. Via the production of optical fibre, the Group helps to digitalise society, considered an essential step in the development of a low-carbon economy and a new growth model.

The Group has decided to make a concrete commitment to reduce the GHG emissions that derive from its activities and value chain, setting targets for the reduction of emissions (Scopes 1, 2 and 3) towards the Net-Zero target, thus helping to decarbonise the economy. Further information can be found in the earlier "Climate Change & Social Ambition" section of this document.

Prysmian impacts on the environment via its manufacturing activities, creating direct emissions (Scope 1) from combustion, releases into the atmosphere of SF6 gas used mainly for testing purposes, and leaks of refrigerant gases used mostly in air-conditioning systems, as well as indirect emissions from energy consumption (Scope 2). Indirect GHG emissions (Scope 3) account for over 99% of the Group's total carbon footprint.

In order to contribute even more significantly to the reduction of emissions and analyse in even greater depth the business activities at all levels in the value chain, Prysmian has included its Scope 3 emissions in the Non-Financial Statement for the first time and, like in previous years, in both a specific GHG Statement and in the CDP Climate Change questionnaire. Detailed quantification of Scope 3 emissions has shown that over 97% of total emissions generated throughout the value chain are mainly attributable to use of the products sold. The procurement of raw materials represents about 2.4% of the Group total, while the remainder is split between logistics, investment and other minor categories.

The Group is actively committed to safeguarding and protecting the environment and conserving natural resources, in order to create sustainable value for the benefit of both the organisation and our Stakeholders. The Group's commitment to these aspects is expressed not only by the intrinsic characteristics of our products, but also by how our production systems are managed. In particular, the prevention and reduction of their environmental impact is achieved, for example, by the efficient use of natural resources, the optimisation of logistics flows and the responsible management of waste. Prysmian's commitment is evidenced, both internally and externally, by communicating and applying its Health, Safety, Environment and Energy policy, (as explained in the section dedicated to Circularity).

Environmental protection

In 2021, Prysmian submitted its GHG emission-reduction targets to the Science-Based Targets initiative (SBTi). Further details are presented in the "Climate Change & Social Ambition" section of this document.

In order to satisfy market requirements, about 30 Environmental Product Declarations (EPDs) were prepared, certified and registered for about 300 products in 2022, including medium and low voltage cables, as well as conductors, made in Brazil, France, Italy, Romania and Spain

As established in the related regulations, EPDs evidence an in-depth study of the environmental impact of the products concerned, considering all phases in their life cycle, from manufacture of their raw materials to their end-of-life retirement and transformation into waste, including the related production processes, as well as installation and usage (Life Cycle Assessment – LCA). EPDs do not merely calculate the carbon footprint (represented by greenhouse gases), but extend the analysis to around 20 other environmental impacts. 2022 was a turning point in this sense, with the extension of this activity to a far greater number of products than in prior years.

The assessments and certifications were conducted in accordance with the specific Product Category Rules (PCRs) devised, as appropriate, for EPDs in the various countries and as requested for competitive tendering. Work to prepare, issue and certify EPDs will continue to expand in the near future, in order to cover an increasing number of product families.

As part of continuous improvement efforts, a broader strategy will be devised to guide an increasingly proactive approach, and different ways will be evaluated to set the Group's objectives for the EPD coverage of sections of the product portfolio.

Great attention has been given to the collection and analysis of HSE data, in accordance with Group-level criteria. Data deemed "material" is reported by business units on a monthly basis, thus allowing for a more reliable and up-to-date database. This allows the HSE functions at Regional and Corporate level to analyse this data throughout the year.

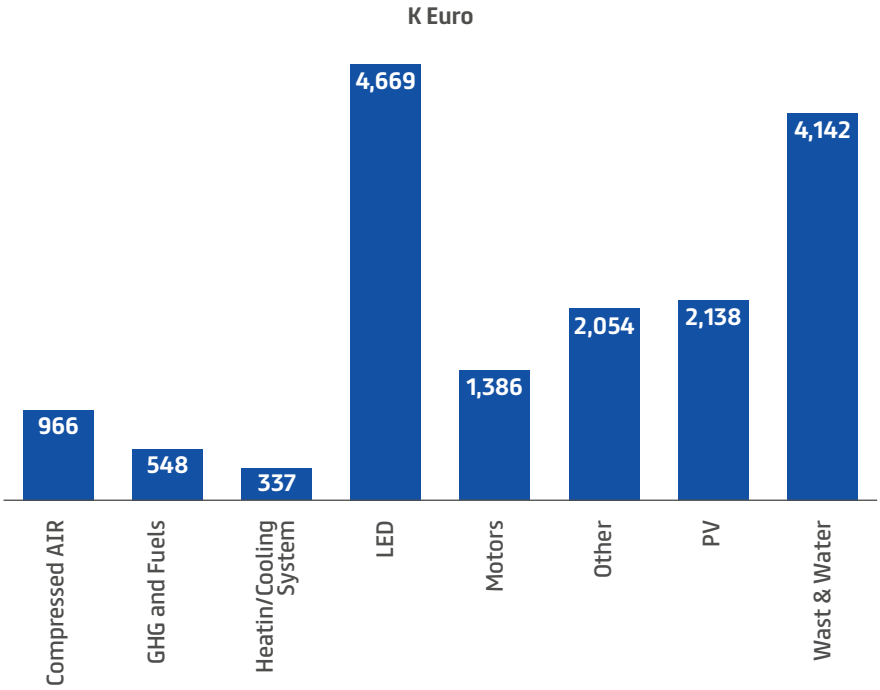
They can therefore not only review its development and ongoing compliance with local legislative requirements, but also make forecasts and launch or extend, to an increasingly larger number of units, those specific actions and/or projects coordinated at central level, including initiatives aimed at achieving Group-level targets (see the "Actions to prevent waste generation throughout the Prysmian value chain" section for further information). Of note in this context are:

- energy efficiency projects designed to reduce energy consumption and greenhouse gas (GHG) emissions at Group level;
- initiatives to improve waste management by increasing the portion recycled;
- optimal use of water resources via the introduction of partial or total recirculation mechanisms as part of the Group's cooling systems;
- constant improvement of the systems and tools for managing Health, Safety, Environmental and Energy matters at both production unit and organisational level.

Note that from 2021 onwards, the performance indicators used by operational functions to evaluate investments and industrial projects include GHG savings, where applicable, as an indicator of their actual environmental benefit, in addition to their energy and economic efficiency. The energy efficiency projects launched or progressed in 2022 covered several areas of interest. Some of them had been previously studied and analysed by the HSE function jointly with other central functions, with the goal of implementing the already validated initiatives in an increasing number of the Group's regions and plants.

In 2022, Group investment dedicated to all HSE projects, including work on energy efficiency, the reduction of direct GHG emissions and optimisation of both the management of water-based cooling systems and the management of waste, amounted to about Euro 37 million. Of this, about Euro 16 million was invested in initiatives for the improvement of environmental management, as shown in the chart below.

Enviromental Investments



The environmental projects / investments involved about eighty sites in 30 countries within the Prysmian reporting boundary.

The project to reduce SF6 was approved centrally at the end of 2021, with a view to cutting the CO^2e emissions associated with the use of this gas by 90% over 5 years. The Livorno and Montereau plants were involved in 2022 and, due to the improved management and monitoring of consumption while using SF6 (mainly in product testing activities), a 76% reduction in environmental impact was achieved at Livorno and a 10% reduction at Montereau. Largely as a result of these projects, the Group's direct emissions associated with the escape of SF6 have fallen by 47%. This project will continue in the coming years with further investment in the minimisation of SF6 releases.
Since 2013, Prysmian has made its environment management initiatives public by participating in the CDP (Carbon Disclosure Project) global environmental reporting system. In 2022, the Group received an [A-] rating, positioning it within the Leadership band and ahead of the European average of [B].

Circularity of resources

Prysmian is committed to implementing circular economies to reduce its own environmental impact, using fewer resources to manufacture its own products and keeping materials in the production cycle as long as possible.
The Group's approach to circularity breaks down into three main aspects: the procurement of recycled materials, the minimisation of waste materials, and the downstream recycling of waste from the plants.

Procurement of recycled materials

In terms of the first point, Prysmian has undertaken in recent years to **find and develop a sector capable of offering recycled materials,** either for metals or for plastics to insulate and protect cables.

It is important to emphasise that often the limitation on the use of secondary materials in the cable sector is the restriction on their availability. This, for example, is the case of recycled copper, which is in minimal supply on the market and the offering is often limited to the most basic applications. There is thus a key need for a dialogue with our supplies and the initiation of long-term projects that would enable them to undertake the investments required to build circular supply chains.

Minimising waste

Prysmian has long undertaken to make wise and aware use of its own resources to reduce the waste products from every production process. Our **Policy on Health, Safety, the Environment and Energy,** signed by the Prysmian Group CEO, Valerio Battista, in 2020, for systematic energy management and, in general, the optimisation of resources and materials, bears witness to the Group's responsibility in this matter. All these topics are deemed to be essential requirements for meeting our own objectives and creating value for all the Group's Stakeholders. Prysmian openly states its own policy and shares it with all its internal and external Stakeholders by publishing it on the Group's web site and on the corporate intranet.

Waste recycling downstream from our plants

For some years now, Prysmian has set objectives intended to increase the percentage of recycled waste. In addition to communicating its targets, the Company shares its views, ideas and results with various Stakeholders in order to facilitate collaboration and create meaningful relationships. The 2022 Sustainability Week, discussed in the section entitled "Creating value through Stakeholder engagement", was also an opportunity to present the commitments and sustainable practices implemented by the Group in the various geographical areas.

With reference to the ISO 14001 standard on Environmental Management Systems, 97% of the Group's plants are certified at the end of 2022; additionally, 73% of plants are certified under ISO 45001 on Health and Safety Management Systems. Various types of organisational unit within the Group have also been certified, such as R&D, installation activities, and assembly and distribution centres, etc., adding up to 6 ISO 14001 certificates and 6 ISO 45001 certificates.
The Group promotes the integrated use of ISO 9001-45001-14001-50001 Management Systems, IT system support, the definition of specific targets and performance indicators (KPIs) for individual Regions or Business Units, as essential elements in the sustainability path of all its companies, in line with the commitments undertaken at Group level.
During the period 2019-2022, the Group did not receive any significant penalties[33] (monetary or otherwise) for regulatory non-compliance in the environmental field.
The matters identified during periodic internal audits or visits by external bodies or customers are managed directly by the sites concerned, which determine the actions to be implemented and the related timing. Where it is not possible to meet the deadline set for compliance, management at the sites concerned arranges, with support from the country HSE function, to contact the supervisory bodies, confirming the willingness of Prysmian to implement the necessary measures and justifying the request for an extension of the original deadline.

Waste management

In order to meet the commitments contained in the HSEE policy, mentioned earlier, the Group manages the various environmental matters by implementing Environmental Management Systems (EMS) compliant with international standard ISO 14001:2015. Application of the EMS makes it possible to define plans, processes and practices intended to improve the organisation's environmental performance. In addition, specific procedures and operating instructions have been prepared at Group level, with regular updates that also reflect any legislative changes and innovations, for the correct identification of:

1. Activities, processes, projects and investments that generate waste, and evaluation of the associated potential environmental impacts, both under normal and abnormal/emergency conditions;
2. Types of waste generated, their classification under locally applicable legislation and proper grouping and reporting, in line with internal criteria established uniformly at Group level;
3. Specific instructions and training for staff on the proper handling of waste in the Group's operating units and for its disposal in accordance with regulatory requirements, but also in order to minimise the environmental impact of operations downstream in the supply chain;
4. Specific instructions and training for staff on the reporting of waste in the database managed by HSE (database for reporting in the NFS), with particular attention to the reporting of all types of production waste;
5. Specific requirements and/or performance indicators applicable to the various types of suppliers, with random HSE audits to verify waste operations, in accordance with contractual agreements and regulatory requirements.

33 For monetary penalties, significant means fines above Euro 10,000.

In order to track and assess the sustainability of business partners with regard to waste management activities and processes, some group companies have defined specific criteria addressing their ability and technologies to process the various categories of waste, in order to ensure the achievement of their objectives and contribute to reducing the environmental impacts of waste disposal.

The main types of waste generated by production activities have been split into specific categories, classifying their level of danger (hazardous waste and non-hazardous waste) according to the related EU classification, regardless of the country of origin and disposal of the waste. An exception is made for certain types of waste (such as laboratory chemicals), whose classification depends on local regulatory requirements.

The data on waste generated is collected and reported promptly at operating unit level using a common database (HSEDM). The reporting system makes it possible to aggregate this data by legal entity, country, region and ultimately for the entire Group. In general, the operating unit coincides with the plant, except in certain cases in which there are several operating units within the same plant.

The Group's commercial and administrative offices and distribution centres are not included in the waste reporting procedure.

Since 2020, operating units input their environmental data both monthly and annually, thus improving data collection and analysis at the various organisational levels. Further information about how data is reported can be found in the section on "Actions to prevent waste generation throughout the Prysmian value chain".

Various initiatives to improve waste management were implemented during the year; indeed, in addition to those carried out within individual environmental management systems as part of continuous improvement efforts, since the issue of sustainability applies to the entire organisation, a number of practices and initiatives pursued by functions other than HSE have also impacted on sustainability.

In terms of reducing the production of waste, attention is drawn to the numerous efforts made to improve production efficiency (Lean Six Sigma projects) at individual plants, with coordination provided by the Manufacturing function. These practices seek to reduce production scrap rates in order, mainly, to enhance production efficiency but also to reduce directly the volume of scrap. The following results are provided as examples:

- Sorocaba (Brazil): by improving production efficiency, bleed-out scrap from the production of compounds was reduced by 32%, while waste from the production of sheathing was reduced by 21%.
- Presov (Slovakia): tin-plated copper scrap was reduced by 31% (the initial target for this project was 15%).
- Merlino (Italy): production scrap was reduced from 6.9% to 1.17%, exceeding the initial target of 1.2%.
- Kistelek (Hungary): start-up scrap was reduced by 50%, compared with the initial target of 20%.
- Berlin (Germany): conductor insulation scrap was reduced by 35%, compared with the original target of 30%.

The management of waste and its proper disposal are regarded as important matters that are managed locally within the Environmental Management System. In addition, the Group has set a target for increasing the volume of waste sent for recycling, thus reducing the waste sent to landfills and/or incinerators.

Waste product sources and their relative means of disposal

The matter of waste management is inherently linked to the processes that generate waste and to the means of disposal of same. Prysmian contributes directly and indirectly to positive or negative effects linked to the production of waste products. The Group's direct impact on the creation of waste products, and on the nature of that waste, is associated with its production operations. In that context, Prysmian, in accordance with EU directives on waste products, is committed to preventing the production of waste by promoting circular operations.

In a broader context, the company intends to become a leader in this sector through the use of recycled materials and the design of gradually more recyclable products. To that end, our selection of suppliers, either upstream or downstream from the value chain, has become more accurate, and this has led, on one hand, to an increase in the procurement of recycled materials, and on the other, to undertaking commercial relationships with waste managers who share Prysmian's vision in terms of sustainability and circularity.

Actions to Prevent the Production of Waste throughout Prysmian's Value Chain

In the upstream phase, the Prysmian Group has decided to take a stand and integrate into its own procedures for selecting new commercial partners more specific requirements for environment, health and safety. To that end, in 2021 a project was launched to implement a Vendor Management site that standardises various procurement procedures. That project will serve to structure the procedures for qualifying suppliers using questionnaires, in which the questions will cover many topics, including matters on Health, Safety and Environment.
In the downstream phase, in terms of our relationships with various contractors who manage waste, Prysmian has introduced special requests and/or performance indicators applicable to the various types of suppliers, with random-sampling HSE audits to check their handling of waste products relative to contractual agreements of legislative obligations. Among the performance indicators to be included as requirements in calls for bids, Prysmian assessing the value of including the percentage of recycle materials. In support of this last point, a number of events have arisen ahead of time. As an example, we can recount the initiative implemented by the Netherlands which, as part of the selection criteria for new waste management service providers has imposed specific requirements on circularity and recyclability (in choosing the requirements, they based their decision on the performance achieve by their own plants).

Two aspects are especially relevant for circular production and waste management at production sites: water treatment and the preservation of biodiversity.

Water

The following table, presenting the risks identified and related mitigation actions, is published pursuant to Legislative Decree 254/2016 (Non-financial Statement).

Risk identified	Material topic 2022
Risks related to the availability of water	Efficient, sustainable and circular activities

Description of risk
Water is consumed at Prysmian plants mainly for industrial use and, in particular, for cooling purposes during certain processes. Cooling water is recirculated, in whole or in part, at most plants in order reduce the volume of water drawn. Each year, Prysmian carries out a water stress analysis, considering the ratio of water demand to water available. This analysis uses the web-based "Aqueduct" platform, developed by the World Resources Institute (WRI), to evaluate the geographical position of all Group plants exposed to the risk of reduced water availability, over a time horizon extending out to 2040, considering the entire life cycle of each asset. The analysis shows that about 25% of plants are located in areas with an extremely high water stress risk in a conservative, high CO^2 emissions scenario (indicated by the Intergovernmental Panel on Climate Change (IPCC), RCP 8.5); however, considering the mitigation actions adopted, the financial impact remains low. There are similar conclusions for low CO^2 emissions scenarios (IPCC, RCP 2.6). The assessment of water availability risks has been extended to the entire supply chain (upstream or downstream activities and customers), considering a selection of strategic suppliers and customers.

Mitigation actions adopted
Prysmian regularly measures the volume of water drawn at its production locations, analysing and checking the cooling process parameters to ensure the efficiency of water consumption; in this regard, water supply systems are maintained appropriately in order to avoid significant leakages. For the majority of plants for which water availability or water stress risks have been evidenced, it must also be borne in mind that current production processes employ water recirculation in order to reduce consumption. Lastly, the mitigation plan already envisages further improvements in the percentage of water recirculated and/or the installation of new recirculation systems to optimise water consumption, where necessary or cost effective, thus lowering exposure to the risk. With regard to the supply chain, the assessment of third-party sustainability risks, including water availability, is a fundamental part of the entire supply chain management process.

Prysmian Group plants mainly use water for cooling purposes; accordingly, the quality specifications for industrial water merely seek to prevent all biological and/or corrosion risks within the cooling circuits. For this purpose, some plants need to use softeners or biological treatments, depending on the source from which the water is drawn and its characteristics.

On-site wells are the main sources of water, satisfying more than half of all water needs, supported by other sources of surface water and the public water main. In order to optimise the consumption of water and energy, the process water used for cooling at many Prysmian plants is recirculated, either totally or partially, depending on the situation. As a result, the volume of water drawn is low in many cases.

The Group reports on the management of water resources, highlighting a) the systems and procedures already in place thanks to which the significance of water management is limited, and b) the assessments performed, making them even more transparent for all Stakeholders.

As part of the continuous improvement of environmental performance and the related management system, Prysmian is committed to maintaining and improving the water recirculation systems already in place.

In addition, considering the quantity and quality of water sources, the type of usage and existing recirculation systems, it was determined that the most significant water-related impact is not directly associated with organisational activities, but rather with the supply chain and, in particular, with the production cycles of the suppliers of raw materials, especially metals. For this reason, in addition to continuing to track and audit "critical" suppliers with reference to sustainability criteria and indicators, Prysmian extended assessment of the risks related to water availability to the entire supply chain in 2021 and introduced specific rating systems, including completion of the CDP Water Security Questionnaire by its suppliers.

Various initiatives to reduce water consumption were implemented during the year, including one completed at the Cornimont plant in France, where water consumption was reduced drastically by installing a water recirculation system that minimises the environmental impact on surface water by minimising the volume of water discharged.

Biodiversity

The environmental aspects potentially impacted by Prysmian, with possible adverse consequences for the condition of the biosphere, include the biodiversity of animal and plant species.
The various environmental analyses carried out at site level show that Prysmian has no potentially significant impact on biodiversity.

Nevertheless, Prysmian seeks to plan activities that are respectful of natural habitats, in order to maintain their equilibrium without adversely affecting any of the biological functions of the areas selected for operations, whether on land or at sea, while restoring any habitats that are adversely affected by those activities. This undertaking involves carrying out prior feasibility analyses of new plants and monitoring protected areas in the territories in which the Group operates, considering such aspects as local legislation on biodiversity and the geographical proximity of its plants to protected areas or where potentially endangered species are present.

In order to consolidate the Group's commitment to protecting biodiversity and nature, Prysmian has established an inventory of protected areas, prepared directly by each plant, that will be updated annually. The analyses carried out and the inventories currently show that the majority of Prysmian Group plants are not located in or near protected areas.

Environmental performance

This section analyses the Group's environmental performance from various perspectives, from the energy used to emission, from water use to waste produced and the protection of biodiversity.

Energy

The Group's total energy consumption, as reported in the following table, also include the consumption of its company fleet vehicles. The comparative figures for 2021 and 2020 were thus subject to a slight modification from what was reported in the 2021 Consolidated Disclosure of Non-financial Information issued, where the information concerning company fleet vehicles was published separately.

Energy Consumed (GJ) *	Total 2022	Total 2021	Total 2020
Electricity from renewable sources	464,450	2,593,155	2,099,436
Electricity from non-renewable sources	454,750	3,588,272	3,800,896
Natural gas	328,990	3,121,660	3,144,106
GPL	25,922	136,024	111,009
Petrol	1,697	5,905	13,232
Diesel	23,546	411,316	417,954
Fuel oil	358	6,050	24,659
Steam (purchased, not produced internally)	-	6,977	3,381
Steam (purchased from distribution networks)	-	150,491	126,872
Chilled water	-	281	374
Total	**1,299,713**	**10,020,131**	**9,741,919**

(*) Energy consumed is the value expressed in Giga Joules (GJ) for the energy consumed inside the organisation. This comprises energy purchased from sources outside the organisation (e.g. electricity, heating, cooling and steam purchased for consumption) or generated by the latter (e.g. fuel used in self-generation activities).
The 2020 and 2021 figures include estimates for the Chiplun and Sohar plants. The 2022 figures contain estimates for the Chiplun plant only, since Sohar reported normally.
The figures for 2020, 2021 and 2022 include consumption by the fleet, which were previously reported separately.

The following table shows the energy intensity for the 4 lines of business, expressed in Giga Joules per kilometre or product ton.

Energy consumed per km/Tonne of product (2022)			
Power cables GJ/Tonne	**Telecom cables GJ/km**	**Optical Fibre GJ/km**	**Wire rods/Tonne**
3.57	0.01	0.04	2.05
Energy consumed per km/Tonne of product (2021)			
Power cables GJ/Tonne	**Telecom cables GJ/km**	**Optical Fibre GJ/km**	**Wire rods/Tonne**
3.38	0.02	0.04	2.24
Energy consumed per km/Tonne of product (2020)			
Power cables GJ/Tonne	**Telecom cables GJ/km**	**Optical Fibre GJ/km**	**Wire rods/Tonne**
3.56	0.02	0.04	2.18

Emissions

The following tables, presenting the risks identified and related mitigation actions, are published pursuant to Legislative Decree 254/2016 (Non-financial Statement).

Risk identified	Material topic 2022
Risk linked to the emission of greenhouse gases, including increased operating costs caused by the introduction of a carbon tax or application of the Emission Trading Scheme	**Decarbonisation on the path to Net Zero and digitalisation**

Description of risk
This risk has been analysed considering a possible increase in production costs that could result from the adoption of more restrictive GHG emission laws and regulations, both in the form of taxation (carbon taxes) and participation in the emissions market (Emission Trading Schemes - ETS). Prysmian has carried out an in-depth analysis to assess the impact of that risk in relation to the Group's direct GHG emissions (Scope 1), considering current policies and those announced by governments and supranational organisations in the territories in which it operates. The exposure to risk over the 2022-2035 time horizon and with respect to the IEA scenarios analysed - STEPS, APS, SDS and NZE - does not appear critical overall, with a low impact over the medium term and a medium impact over the long term, although the impact on operating costs could vary markedly between territories. The carbon tax/ETS risk is monitored constantly, not least with respect to their possible effects on the cost of the raw materials and energy purchased by the Group (Scope 2).

Mitigation actions adopted
The Group strives to monitor constantly the changes in the laws and regulations governing GHG emissions at an international level, especially in the countries where its production plants are located. In addition, the Group has defined a strategic plan (Sustainability Scorecard) with quantitative targets for the reduction of GHG emissions, using specific indicators aligned with the GRI Standards. The targets for reducing Scopes 1 and 2 emissions have been validated on a scientific basis in accordance with the Science-Based Target Initiative (SBTi), with a commitment to reach Net Zero by 2035..

Risks linked to the increased severity of extreme weather events	**Decarbonisation on the path to Net Zero and digitalisation**

Description of risk
The Group constantly monitors the exposure of all its production sites, considering the entire life cycle of the assets, to such weather events as storms, floods, hail etc. using CatNet®, a profiling tool that measures the exposure to geo-specific risks developed by Swiss Re. This tool has also been used to evaluate their exposure over a time horizon extended out to 2035, in a conservative high CO^2 emissions scenario (RCP 8.5), confirming their low overall exposure to risks deriving from changes in the summer/winter rainfall and higher temperatures, with the exception of a few sites in areas with a maximum temperature rise of 1.5°C. Lastly, a sensitivity analysis was carried out for the period 2020-2040, assuming a further increase in the severity and frequency of the extreme weather events that have affected Group assets over the past 20 years. This analysis confirmed medium exposure to this risk, involving increased operating costs or loss of revenue. Similar conclusions were reached for lower CO^2 emissions scenarios (RCP 2.6). The assessment of risks linked to the increased severity of extreme weather events has been extended to the entire supply chain (upstream or downstream activities and customers), considering a selection of strategic suppliers and customers.

Mitigation actions adopted
The Group has a well-established loss prevention programme at all its production plants, which seeks to foresee and mitigate material losses and stoppages caused by extreme events, not least by monitoring changes in the weather. Additionally, risk mitigation actions include a Group agreement with an international company specialised in "disaster recovery & restoration" services, as well as insurance cover for both direct losses and loss of profits due to production stoppages. The assessment of third-party sustainability risks, including risks linked to the increased severity of weather events, is a fundamental part of the entire supply chain management process.

Risks linked to the rise in sea level (climate change)	**Decarbonisation on the path to Net Zero and digitalisation**

Description of risk
Since 2017, the Group has monitored the risk of climate change and, in particular, of rising sea levels, with a view to evaluating the potential impact on all production locations, considering the entire life cycle of key assets. A detailed analysis of the exposure to rising sea levels is carried out every year, supporting the analyses performed using CatNet®, a profiling tool that measures the exposure to geo-specific risks developed by Swiss Re, with the analyses performed using Aqueduct - a web platform made available by the World Resources Institute (WRI) - in a conservative high CO^2 emissions scenario (RCP 8.5). The analysis confirmed, over a time horizon extending out to 2080, the absence of direct impacts on the Group's production plant. Nevertheless, the rise in sea level could increase exposure to the risk of coastal flooding caused by storms; this situation would however affect a very limited number of production plants (<2%). The impact, mainly in the form of increased operating costs or lost sales, would be low. The exposure will be monitored so that action can be taken ahead of time, including the introduction of additional control systems, where necessary. Similar conclusions have been reached for low CO^2 emissions scenarios (RCP 2.6). The assessment of risks linked to the rise in sea level has been extended to the entire supply chain (upstream or downstream activities and customers), considering a selection of strategic suppliers and customers.

Mitigation actions adopted
The Group has a well-established loss prevention programme at all its production plants, which seeks to foresee and mitigate material losses and stoppages, not least by monitoring changes in the weather. Local flood protection measures, such as dams, walls etc. also mitigate the risk of coastal flooding. Additionally, agreement has been reached with an international company specialised in "disaster recovery & restoration" services and insurance cover has been arranged for both direct losses and loss of profits due to production stoppages. The assessment of third-party sustainability risks, including risks linked to the rise in sea level, is a fundamental part of the entire supply chain management process.

Greenhouse gas emissions, measured in tonnes of CO^2 equivalent, have been calculated using the methodologies indicated in "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition, 2004)" considering:

- for **Scope 1 emissions** (direct GHG emissions):
  - fuel consumption data;
  - release of refrigerant gases from air conditioning systems;
  - release of SF6 gas, mainly used for testing activities.
- for **Scope 2 emissions** (indirect GHG emissions), the consumption of purchased energy (mostly electricity).

Prysmian Group is a multinational and diversified concern; for this reason, and consistent with the requirements of the reporting standard, two main methods are used to account for Scope 2 emissions: the Location-based method and the Market-based method. Both methods, described below, are recognised and required by the GHG Protocol and are necessary for the reporting of Scope 2 emissions in the "CDP's Climate Change program" starting in 2016.

LOCATION-BASED	This is a method for quantifying Scope 2 CO^2 emissions based on mean emissions factors related to the generation of power for well-defined geographic perimeters, which include local, subnational and national borders.
MARKET-BASED	This is a method for quantifying Scope 2 CO^2 emissions based on the CO^2 emissions produced by energy suppliers from which the reporting entity (the company submitting the report) purchases, by means of a contract, a package of electric power. The markets vary in terms of the contracts available for purchasing electric power or the demands for special features, but may include: certificates of guarantee of the origin of the electric power and direct contracts with supplies (RECs, GOs, I-REC, etc.); emissions factors specific to the supplier; default emissions factors representing the type of power, and non-monitored or non-claimed emissions (defined as a "residual mix"); and mean regional, subnational or national emissions factors.

The Group's total GHG emissions, shown in the following table, include those of the fleet. For this reason, the comparative figures for 2021 and 2020 differ slightly from those reported in the published Consolidated Non-Financial Statement for 2021, in which the fleet data was presented separately.

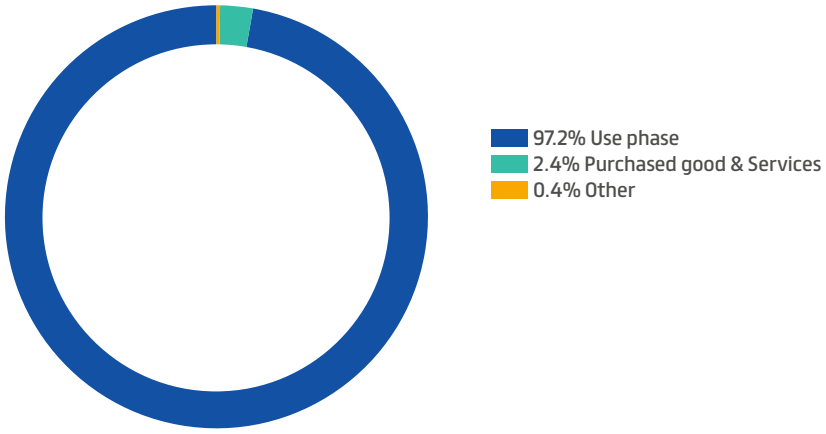
Emissions of tCO_2 (*)		Total 2022	Total 2021 (**)	Total 2020
Scope 1 (1)	Direct emissions from combustion (***)	232,178	216,874	219,519
	Emissions from refrigerant gas leaks	3,696	7,047	7,626
	Emissions from SF6 gas leaks	61,852	117,186	108,610
	Total Scope 1	297,725	341,107	335,755
Scope 2 (2)	Location-based	501,745	512,458	519,589
	Market-based	367,379	365,862	422,675
Total	**Scope 1 and Scope 2 (Location-based) (3)**	**799,470**	**853,565**	**855,344**
	Scope 1 and Scope 2 (Market-based) (4)	**665,104**	**706,969**	**758,430**
Scope 3 (5)		**269,684,778**	**284,562,292**	**291,462,668**

(*) The 2021 GHG emissions were estimated for the Chiplun and Sohar plants, as was done in 2020, whereas for 2020, they were estimated only for Chiplun. The values reported on the Group Scorecard do not contain the estimates for these values.
(**) The Scope 2 tCO2 data for 2021 include the emissions from the purchase of heat in the form of district heating and of steam.
(***) The direct emissions from combustion include the emissions from the shipping fleet.
(1) Scope 1 Emissions comprise the organisation's direct emissions, being those generated by resources under its direct control. The reported Scope 1 emissions refer to combustion processes (using natural gas, LPG, petrol, diesel, fuel oil, marine diesel), leakage of refrigerant gases (HFC, PFC) and leakage of SF6 gas.
(2) Scope 2 Emissions comprise the organisation's indirect emissions, being those deriving from its direct consumption excluding generation activities. These include: purchased electricity, district heating and steam.
(3) Scope 2 Emissions - Location-based method quantifies these emissions with reference to average emission factors for energy generated within well-defined (e.g. local, sub-national or national) geographical boundaries.
(4) Scope 2 Emissions - Market-based method quantifies these emissions with reference to the CO2 emissions of the energy suppliers from which the reporting company purchases, under contract, an electricity package. Markets differ on the contracts available for the purchase of energy or on the claim of specific attributes, but may include: energy guarantees of origin and direct contracts with suppliers (RECs, GOs, I-REC, etc.); supplier-specific emission factors; default emission factors that represent uncontrolled or unclaimed energy and emissions (defined as "residual mix"); average regional, sub-national or national emission factors.
(5) Scope 3 Emissions comprise the indirect emissions generated by the organisation throughout the value chain, via its upstream and downstream processes. These include the emissions deriving from purchased goods and services, the purchase of capital goods, fuel consumption and energy-related activities, upstream transportation and distribution, waste generated by operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, and investments.

In 2022, Prysmian identified 170 suppliers (approximately 60% of the Prysmian Group's total expenditure) deemed significant according to the sustainability criteria defined by the Group and invited them, in collaboration with CDP, to report their emissions, by responding to the CDP Climate Change questionnaire. The number of replies increased slightly compared to 2021 and includes several SME providers who replied to the questionnaire for the first time. Prysmian has noted satisfactorily that a high percentage of suppliers have disclosed their objectives, including involving their supply chain on climate issues.
For more information on the methodology used to calculate the Scope 1, 2 and 3 emissions, please refer to the "Methodology Note" section of the present document, and to the 2022 GHG Statement issued by Prysmian Group. Subsequently, we report the intensity of emissions for each line of business, expressed in tons of CO^2eq per kilometre or product ton.

GHG Emission per km/Ton of product (2022)		Power cables tCO_2 eq/Ton	Telecom cables tCO_2 eq/Km	Optical fibers tCO_2 eq/Km	Rod tCO_2 eq/Ton
Scope 1	Total Scope 1	0.10909	0.00014	0.00083	0.09411
Scope 2	Location-based	0.18327	0.00113	0.00159	0.01361
	Market-based	0.13754	0.00093	0.00086	0.01501
Total	**Scope 1 and Scope 2 (Location-based)**	**0.29236**	**0.00127**	**0.00242**	**0.10772**
	Scope 1 and Scope 2 (Market-based)	**0.24663**	**0.00108**	**0.00169**	**0.10912**

INCIDENCE OF SCOPE 3 EMISSION



Waste products produced

The procedure for reporting waste products is done using a common program (HSEDM) and covers all of the production sites except for Chiplun, India, which does not have access to the program, so the data reported for its plants are estimated.

Environmental data (including the quantities of waste products) are entered monthly and provide a detailed view of how the various consumptions vary over time, as well as the production of waste products.

In order to obtain ever more certain, accurate and reliable data, and to enhance our commitment to this topic at the various levels of the company, in 2022, HSE Corporate, in agreement with senior management, implemented a new procedure, increasing the levels of approval of the environmental data on HSEDM. The flows of data collection and approvals given come from the sites, which communicate their monthly data via the common program, and that information is then checked and confirmed, first by the Plant Manager, are then subjected to review by the Region HSE, and then validated by the Regional CFO. The new procedure applies to the entire Prysmian Group.

In compliance with GRI Standards, in particular with GRI 306-3, the Prysmian Group reports the following information:

- The total weight in tons and the percentage of waste products produced, and their subdivision based on the requirements of the indicator (e.g., hazardousness, type of recovery/disposal, etc.);
- The method of calculation and the assumptions made, the estimation criteria adopted, and the programs used to report the waste products produced.

In order to be able to report based on homogeneous criteria, in compliance with the requirements stipulated in EU legislation, the Corporate HSE department decided to apply to all the operational units the same criteria for the classification of waste products. In that respect, the main waste products derived from production operations have been subdivided into specific families, assigning each one a hazardous/non-hazardous status.
Various intended-use/destination categories are stipulated for each type of waste product:

- Recycling - for which Prysmian has set its group targets (to increase the % of recycling)
- Incinerator
- Landfill
- Other uses/destinations (residual category)

The total for the waste products produced by the Group, reported in the following table, also include those for the company fleet vehicles. The comparative data for 2021 and 2020 were thus subject to a slight modification from what was reported in the 2021 Consolidated Disclosure of Non-financial Information issued, where the information concerning company fleet vehicles was published separately.

Waste products produced by type (kg)	2022 Total	2021 Total	2020 Total
Hazardous products	**14,050,194**	**13,924,252**	**11,153,661**
Hazardous mixture ingredients	607,561	367,379	365,862
Asbestos	1,258,609	1,167,066	137,775
Apparatus containing PCB	5,040	339	11,121
Solvents	220,901	154,637	173,367
Waxes and used grease	173,927	187,043	193,438
Used oils	686,913	657,773	717,190
Copper and aluminium sludge	867,378	1,052,258	1,082,578
Use emulsions	3,395,798	2,876,611	2,592,846
Used inks	38,131	45,042	58,898
Contaminated sawdust	146,717	98,319	99,618
Other hazardous products	6,649,220	7,116,775	5,868,993
Non-hazardous products	**220,355,520**	**199,677,575**	**180,577,201**
Mixed waste	23,682,339	21,956,798	21,442,171
Non-hazardous packing materials	25,492,982	26,159,244	22,199,310
Mixed non-hazardous ingredients	1,875,905	1,156,012	747,758
Sludges	22,982,236	1,799,508	2,411,386
Urban waste	23,099,982	23,184,858	22,783,020
Other non-hazardous waste	26,334,108	27,567,830	26,617,777
Various alkalis	462,900	684,360	-
Cable waste	96,425,069	97,168,965	84,375,779
Totals	**234,405,714**	**213,601,827**	**191,730,862**

The 2020 and 2021 figures include estimates for the Chiplun and Sohar plants. The figures for 2022 include estimates for the Chiplun plant, while the Sohar plant has reported normally since 2022.

Water

Cooling water is recirculated, either totally or partially, at most plants in order to optimise the volume of water drawn. Based on an analysis of 91% of the operating units, the results show that almost all possess recirculation systems, with water recirculation percentages of between 99% and 100% in 44% of cases, between 95% and 99% in 29% of cases, and between 90% and 95% in another 5% of cases, while recirculation percentages of less than 90% were found in 5% of plants. This issue does not apply to the remaining 11% of plants.

At local level, the water-related impact is analysed via the Environmental Analyses carried out as part of the ISO 14001:2015 management systems, and in line with local legislation.

In particular, Prysmian:

A. **Measures the volume of water drawn at its plants**. This data is monitored at both local and Group levels, recorded in the Environmental Management System at corporate level and disclosed in this Sustainability Report, as required by the guidelines for GRI 303 Water. Prysmian assumes that water consumption is the same as the volume of water drawn. When determining the volume of water drawn at plants, all variables are measured either directly (dedicated meter) or indirectly (using a water report). Water consumption is reported by all plants except for Chiplun (India), whose data has been estimated. With regard to the discharge of water, the Group collects data on the quantity of water returned to surface waters in a specific section of the common database (HSEDM), where each plant can input the volumes recorded. The type of measurements performed and their frequency with respect to the volume of water discharged are established locally, partly because industrial discharges are virtually zero in many cases thanks to recirculation systems. Nevertheless, every year this data is monitored and measured locally within the Environmental Management System. Increased effort by the Group to monitor water-related parameters might well result, in future, in a complete calculation of total discharges so that the trends can be analysed better.

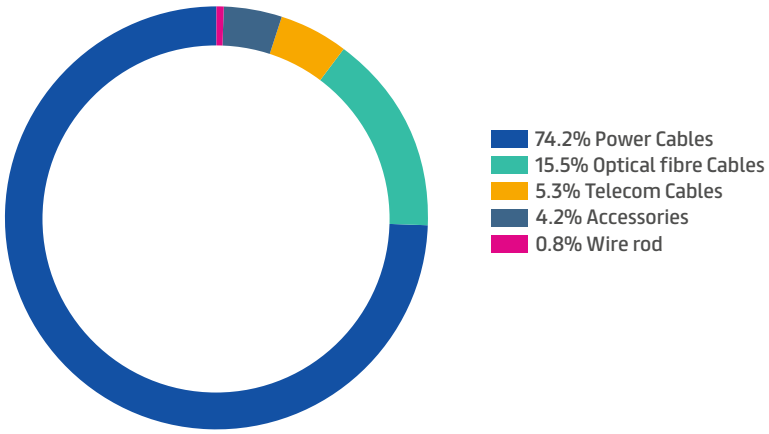
B. **Carries out a water stress analysis**, considering the ratio of water demand to available water up to the year 2040. This analysis uses the web-based "Aqueduct" platform, developed by the World Resources Institute (WRI), as also recommended by "GRI Standard 303 Water" and the Task force on Climate-related Financial Disclosures (TCFD), to evaluate the geographical position of the Group's plants exposed to the risk of reduced water availability. The analysis shows that about 25% of the plants are located in areas where the water stress risk is extremely high (43% including high risk as well), as estimated for the period to 2040 in a high CO^2 emissions scenario.

Prysmian does not measure or monitor at Group level the volume of water discharges by treatment method, given the low significance of this parameter. Treatment units are installed upstream of discharges, if necessary, in order to ensure regulatory compliance, minimise the potential impact on the receiving body of water and avoid incidents of any kind.

Water drawn down (m^3) per source 2022	Water stress areas	Other areas	Total
Well water	1,704,920	2,476,684	4,181,604
Water from the public systems	474,587	2,387,648	2,862,234
Water from other sources - Fresh water	-	717,636	717,636
Total	**2,179,507**	**5,581,968**	**7,761,474**
Water drawn down (m^3) per source 2021	**Water stress areas**	**Other areas**	**Total**
Well water	1,975,482	2,745,141	4,809,692
Water from the public systems	432,853	2,120,525	2,601,554
Water from other sources - Fresh water	-	1,208,089	1,230,884
Total	**2,408,335**	**6,073,755**	**8,642,130**
Water drawn down (m^3) per source 2020	**Water stress areas**	**Other areas**	**Total**
Well water	1,926,023	3,037,448	5,060,794
Water from the public systems	380,077	2,126,881	2,556,114
Water from other sources - Fresh water	-	1,207,236	1,230,907
Total	**2,306,100**	**6,371,565**	**8,847,815**

The volume of water drawn is roughly equal to that consumed.

WATER CONSUMPTION PER PRODUCT LINE



Biodiversity

Where necessary, or as agreed with the local authorities, Prysmian plants take part in conservation, including for example:

- In 2021 the Sorocaba site in Brazil, within which there is a Permanent Preservation Area (about 10 hectares, divided into two lots), launched a project agreed with CETESB (Governmental Environmental body) to plant or sow seeds for about 960 plant organisms as environmental compensation for use of the protected area.
- A similar request was made by the Brazilian municipality of Pocos de Caldas in 2022. The site arranged to plant 220 native plant species in an area of 2,630 sq.m. within the Prysmian site.
- At the site in Washington (U.K.), an area of 36 sq.m. has been dedicated to the preservation of local flora and fauna.

As part of the operations of marine and land facilities, which usually occur in areas of high natural value, there may be a need to provide for measures to protect species identified as being at risk according to national regulations. The following is an example of that:
On June 8, 2022, at the landing point of the Sofia Project in Redcar, the UK, a common ringed plover (Charadrius hiaticula) nest was discovered during a night-time inspection at the centre of the site building complex. The nest originally contained two eggs and a third egg appeared on June 9th. The area was immediately marked off with cones and safety tape, thus creating a 10-meter prohibited access zone managed by the Prysmian project staff.

According to the UK's Wildlife and Countryside Act, the common ringed plover is a protected species, included on that country's red list of Birds of Conservation Concern.

An ornithologist was named to define any potential dangers to the nest and the birds. After a few days, the specialist decided to move the nest a short distance to a safer area (17.5 m from the original site) and to set it on a grill so that the birds would not be subjected to stress. Local authorities (i.e., Natural England), who had been contacted previously after the discovery, did not allow the nest to be moved any further.
During this time, only the preparatory operations were conducted, whereas those involving hammering and stacking (for the installation of piles and forms) were prohibited because of the loud noise and vibrations of the ground.
The prohibited access zone was maintained until the eggs hatched (on July 4, 2022). The adult birds and their hatchlings then abandoned the site to settle in a neighbouring field (where food was available, and the plant life provided protection).

All this actions (limited area, forbidden access, etc.) have been undertaken by Prysmian Group following the provisions of local authorities and specific regulatory constraints.
A special warning note was produced and shared among the employees on how to behave in similar cases and environmental reports on the project, so as to awareness of the environment and of sustainability.
This emblematic example shows how much Prysmian values environmental sustainability and the protection of natural habitats, and how that is a key part of the Group's production strategies.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PEOPLE, THE HUMAN CAPITAL

The history and success of the Prysmian Group is the result of the history of the people who work there and who, through their knowledge and skills, their passion and their commitment, have become the main actors in achieving shared objectives. During 2022, Prysmian continued to pursue objectives in line with its Social Ambition, launched in 2021, to increase the level of Diversity, Equality and Inclusion (DE&I) and digital inclusion within the organisation, employee engagement and upskilling and respect for human rights throughout the value chain. Because the prime driver for value creation is represented by respect and safety of people and the socio-economic development of the communities in which the company operates. For this reason, Prysmian has started several years ago to implement a process for regularly monitoring the assessment of risks and opportunities related to sustainability topics with a strong focus on social issues.

The following sections set out the main information, including the key strategies undertaken to mitigate these risks and seize the opportunities identified.

Prysmian's human capital strategy, launched back in 2015, has focused increasingly on caring for its people and pursuing sustainability objectives. The following external impacts generated by Prysmian have been identified within the "Well-being, engagement and upskilling of human capital" material topic:

- **Positive impacts:**
  - HC well-being, Promoting work-life balance practices within the organization;
  - Upskilling, Strenghtening and upskilling the competences of the personnel and develop talent;
  - Engagement, Adoption of people oriented policies to safeguard people's needs;

- **Negative impacts:**
  - Lack of key people and talent attraction management;
  - Failure to meet employees expectation on well-being, upskilling and engagement.

During 2022, in order to mitigate the negative impacts and increase the positive results already achieved in previous years, Prysmian reinforced a series of initiatives based on the pillars of its Human Capital Strategy, structured as follows:

2022 initiatives, human capital strategy

- Constant improvement and development of the organisational model, consistent with the business' strategies and priorities;
- Strategic planning of resources in order to ensure in order to ensure the compatibility of our human capital with the needs of the business in terms of competencies and skills, not least by investing in its development;
- Development of employer branding: increase knowledge and awareness of the Prysmian brand as an employer and develop the positioning of the brand in the international job market, partly via the strategic recruitment initiatives;
- Creation of a strong talent pipeline that ensures the sustainability of the Prysmian Group's human resources strategy;
- Development of technical, professional and managerial skills via the training initiatives of the Prysmian Academy, which has now been active for ten years;
- Meritocracy as a basic element for the development of human resources to ensure long-term sustainability;
- Development of employee engagement and sense of belonging via a structured approach to measuring the internal climate, in order to align management and initiatives with the priorities perceived by employees by, in particular, a broad share ownership programme designed to make most of them shareholders.

Combining social ambition with environmental objectives is a fundamental element of Prysmian Group's ESG identity, which promotes the transition to a fairer, more diverse, more inclusive and richer working environment, with the aim of having a positive impact on the development of the communities and societies in which it operates. The Group implements remuneration policies for the alignment and consolidation of the long-term interests of employees, management and shareholders, pursuing the priority objective of creating sustainable value over time for all Stakeholders.

The actions and plans developed and implemented in these areas during 2022 were greatly influenced by the Social Ambition 2030, which Prysmian devised and published in July 2021. This ambition focuses particular attention on Diversity & Inclusion, Digital Inclusion, Local Community Involvement, Engagement & Training, and Health & Safety. In this sense, the ambition affirms the fundamental role of the Group in the support, growth and development of its employees and the social contexts concerned.
More information about the Prysmian Group's Social Ambition can be found in the "Climate Change & Social Ambition" section of this document.

Given Prysmian's drive to constantly improve its working environment, in 2022 it launched another engagement survey (Speak Up survey) in collaboration with SDA Bocconi, which supports this work in order to ensure the comparability, confidentiality and consistency of the data obtained. Targeted once again at all employees, including the blue-collar category, overall survey participation was 86% (83% white collar, 87% blue collar). Furthermore, the Engagement Index[34] was 61% and the Leadership Impact Index[35] was 55%. The Leadership Impact Index is also an integral part of the LTI plan vesting in 2022.
The following sections will detail who the people of the Prysmian Group are and the initiatives and plans supporting the Group's strategies.

Box on social ambition 2030

In 2021, Prysmian outlined and communicated its 2030 Social Ambition, i.e. the targets it intends to achieve over the next ten years in terms of social sustainability and sustainability of its people. In fact, Prysmian's 2030 Social Ambition includes objectives in the Diversity & Inclusion, Digitalisation, Local Community Involvement, Engagement & Training and Health & Safety areas.

- Prysmian Group undertakes to work in a partnership with the numerous local communities in which it operates, primarily through its industrial presence, by promoting technical and professional training, social and cultural awareness and growth of its human capital.
- Prysmian promises to develop an inclusive working environment at all its facilities, focused on enhancement and respect of people, based on their diversity in terms of gender, culture, origins, nationality, ethnicity, religion or abilities. It will also foster a global approach to recognition and rewarding of merit and results.
- Prysmian intends to accelerate the creation and development of a skilled and informed workforce, as part of its long-term sustainability strategy, developing an organisation that works to promote gender equality at all levels, with a specific focus on increasing the number of women in the technical and scientific sector.
- Prysmian Group will promote programs to extend inclusion to all its collaborators and partners in digital technologies, overcoming past challenges and working to eliminate any kind of discrimination associated with role or position.
- Prysmian will continue to maintain occupational health and safety as an absolute priority for all its collaborators, through programs based on everyday prevention, as essential prerequisites for the continuity and success of its business.

34 Engagement Index is taken as a result greater than or equal to 5 - on a scale of 1 (low) to 7 (high) - on two questions in a survey measuring employee engagemen
35 Leadership Impact Index is taken as a result greater than or equal to 5 - on a scale of 1 (low) to 7 (high) - on five questions in a survey measuring employee engagement. The indices have been developed in collaboration with SDA Bocconi.

5.1 PRYSMIAN GROUP'S HUMAN CAPITAL

Composition of the human capital

The Prysmian workforce[36] numbered 30,525 FTEs at 31 December 2022, of whom 8,016 desk workers (comprising executives and white-collar employees), and 22,509 non-desk (blue-collar) staff.

2022			
	Male	Female	Total
FTE White collar	5,479	2,537	8,016
FTE Blue collar	19,320	3,190	22,509
EMEA White collar	3,033	1,341	4,374
EMEA Blue collar	10,389	1,415	11,804
APAC White collar	684	427	1,111
APAC Blue collar	2,318	335	2,653
Nord America Impiegati	1,033	441	1,474
Nord America Blue collar	3,850	728	4,577
LATAM White collar	729	328	1,057
LATAM Blue collar	2,763	712	3,475
Total	24,799	5,726	30,525

Starting with the following tables, the number of employees is expressed in Headcount and refers to permanent and fixed-term contracts only.

36 This is the total workforce of Prysmian Group, calculated in FTE, and represents 100% of the Group's total employees, i.e. all subsidiaries or companies subject to the Group's management. The figures for the Group's total workforce and turnover include Oman Aluminium Processing Industries - OAPIL and Associated Cables Pvt. Ltd., which had been excluded in previous years.

EMPLOYEES BY GEOGRAPHICAL AREA AND TYPE OF CONTRACT

The following table shows the number of Prysmian Group employees at 31 December 2022[37], reported by geographical[38] area and type of contract:

	EMEA	APAC	North America	LATAM	Total 2022
Number of employees	15,641	3,741	6,190	4,613	30,185
Number of permanent employees	14,584	3,711	5,998	4,608	28,901
Number of temporary employees	1,057	30	192	5	1.284
Number of full-time employees	15,325	3,738	6,181	4,613	29,857
Number of part-time employees	316	3	9	-	328

	EMEA	APAC	North America	LATAM	Total 2021
Number of employees	15,829	2,875	5,846	4,463	29,013
Number of permanent employees	14,891	2,850	5,723	4,196	27,660
Number of temporary employees	938	25	123	267	1,353

	Total 2022	North America	Total 2020
Number of employees	30,185	29,013	27,745
Number of permanent employees	28,901	27,660	26,721
Number of temporary employees	1,284	1,353	1,024
Number of full-time employees	29,857	28,695	27,540
Number of part-time employees	328	318	205

EMPLOYEES BY GENDER AND TYPE OF CONTRACT

The following table analyses employees by gender and type of contract:

	Male	Female	Total
Number of employees	24,376	5,809	30,185
Number of permanent employees	23,368	5,533	28,901
Number of temporary employees	1,008	276	1,284
Number of full-time employees	24,191	5,666	29,857
Number of part-time employees	185	143	328

37 There may be slight discrepancies when comparing headcount figures for 2020, 2021 and 2022 due to internal contract transformations and deferred departures of non-operational personnel.
38 For details of the countries included in the respective geographical areas, please refer to the map of the Prysmian Group plants shown in the "Prysmian Group: Global leader" section.

	Male	Female	Total 2021
Number of employees	23,757	5,256	29,013
Number of permanent employees	22,812	4,848	27,660
Number of temporary employees	945	408	1,353
Number of full-time employees	23,586	5,109	28,695
Number of part-time employees	171	147	318

EMPLOYEES BY GEOGRAPHICAL AREA AND QUALIFICATION

Prysmian Group no. at 31.12.2022	White Collar + executives	Blue Collar	Total 2022
EMEA	4,543	11,098	15,641
APAC	1,119	2,622	3,741
North America	1,487	4,703	6,190
LATAM	1,070	3,543	4,613
Totale	8,219	21,966	30,185

The table below gives a breakdown of the Prysmian Group's workforce by nationality. Given that the Prysmian Group is present in over 50 countries worldwide and its employees belong to more than 130 different nationalities, the 6 most significant are highlighted below, considering membership percentages above 5%. The analysis covers more than 50% of the Group's total population.

		Total 2022
% of employees	USA	18.08%
	Italy	2.36%
	France	8.30%
	Germany	6.81%
	Brazil	5.49%
	Mexico	6.12%
% of employees in executive positions	USA	17.94%
	Italy	1.89%
	France	7.51%
	Germany	6.15%
	Brazil	6.59%
	Mexico	2.75%

PERCENTAGE OF EMPLOYEES BY JOB GRADE, GENDER AND AGE GROUP

The following table analyses the percentage split of employees by job grade, gender and age group:

	≤30			30-50			≥50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Prysmian Group no. at 31.12.2022									
White Collar	56.2%	43.8%	100.0%	66.5%	33.5%	100.0%	74.5%	25.5%	100.0%
Blue Collar	79.6%	20.4%	100.0%	85.5%	14.5%	100.0%	89.5%	10.5%	100.0%
Total	**74.5%**	**25.5%**	**100.0%**	**80.2%**	**19.8%**	**100.0%**	**85.2%**	**14.8%**	**100.0%**
Prysmian Group no. at 31.12.2021									
White Collar	58.7%	41.3%	100.0%	67.2%	32.8%	100.0%	75.9%	24.1%	100.0%
Blue Collar	81.5%	18.5%	100.0%	86.8%	13.2%	100.0%	90.1%	9.9%	100.0%
Total	**76.7%**	**23.3%**	**100.0%**	**81.2%**	**18.8%**	**100.0%**	**86.0%**	**14.0%**	**100.0%**
Prysmian Group no. at 31.12.2020									
White Collar	60.1%	39.9%	100.0%	68.2%	31.8%	100.0%	76.2%	23.8%	100.0%
Blue Collar	83.2%	16.8%	100.0%	87.5%	12.5%	100.0%	90.3%	9.7%	100.0%
Total	**78.1%**	**21.9%**	**100.0%**	**81.9%**	**18.1%**	**100.0%**	**86.1%**	**13.9%**	**100.0%**

EMPLOYEES TURNOVER

The following tables show, with reference to the entire Prysmian Group, the total number of new hired employee and departures during 2022.

TOTAL NEW EMPLOYEE HIRES PRYSMIAN GROUP 2022

	EMEA			APAC			North America			LATAM			Grup		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
BC															
<30	546	157	**703**	143	23	**166**	623	151	**774**	456	321	**777**	1,768	652	**2,420**
31-50	686	171	**857**	221	29	**250**	727	229	**956**	339	277	**616**	1,973	706	**2,679**
>50	103	23	**126**	22	1	**23**	186	63	**249**	19	17	**36**	330	104	**434**
Total	**1,335**	**351**	**1,686**	**386**	**53**	**439**	**1,536**	**443**	**1,979**	**814**	**615**	**1,429**	**4,071**	**1,462**	**5,533**
WC															
<30	147	107	**254**	25	42	**67**	46	29	**75**	35	36	**71**	253	214	**467**
31-50	222	150	**372**	78	49	**127**	79	49	**128**	64	48	**112**	443	296	**739**
>50	31	25	**56**	23	4	**27**	36	16	**52**	3	4	**7**	93	49	**142**
Total	**400**	**282**	**682**	**126**	**95**	**221**	**161**	**94**	**255**	**102**	**88**	**190**	**789**	**559**	**1,348**
BC+WC															
<30	693	264	**957**	168	65	**233**	669	180	**849**	491	357	**848**	2,021	866	**2,887**
31-50	908	321	**1,229**	299	78	**377**	806	278	**1,084**	403	325	**728**	2,416	1,002	**3,418**
>50	134	48	**182**	45	5	**50**	222	79	**301**	22	21	**43**	423	153	**576**
Total	**1,735**	**633**	**2,368**	**512**	**148**	**660**	**1,697**	**537**	**2,234**	**916**	**703**	**1,619**	**4,860**	**2,021**	**6,881**

TOTAL EMPLOYEE DEPARTURES PRYSMIAN GROUP 2022

	EMEA			APAC			North America			LATAM			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
BC															
<30	283	132	**415**	116	13	**129**	464	110	**574**	421	214	**635**	1,284	469	**1,753**
31-50	441	97	**538**	134	19	**153**	574	172	**746**	368	183	**551**	1,517	471	**1,988**
>50	285	34	**319**	26	5	**31**	264	59	**323**	55	14	**69**	630	112	**742**
Totale	**1,009**	**263**	1,272	**276**	**37**	313	**1,302**	**341**	1,643	**844**	**411**	1,255	**3,431**	**1,052**	4,483
WC															
<30	56	34	**90**	18	16	**34**	35	13	**48**	21	14	**35**	130	77	**207**
31-50	246	117	**363**	51	42	**93**	83	42	**125**	80	54	**134**	460	255	**715**
>50	124	39	**163**	22	5	**27**	58	23	**81**	27	6	**33**	231	73	**304**
Totale	**426**	**190**	616	**91**	**63**	154	**176**	**78**	254	**128**	**74**	202	**821**	**405**	1,226
BC+WC															
<30	339	166	**505**	134	29	**163**	499	123	**622**	442	228	**670**	1,414	546	**1,960**
31-50	687	214	**901**	185	61	**246**	657	214	**871**	448	237	**685**	1,977	726	**2,703**
>50	409	73	**482**	48	10	**58**	322	82	**404**	82	20	**102**	861	185	**1,046**
Totale	**1,435**	**453**	1,888	**367**	**100**	467	**1,478**	**419**	1,897	**972**	**485**	1,457	**4,252**	**1,457**	5,709

In 2022, the overall outgoing turnover rate was 18.91% (of which 17.44% men and 25.08% women), while the incoming turnover rate was 22.80% (of which 19.94% men and 34.79% women).

TOTAL NEW EMPLOYEE HIRES PRYSMIAN GROUP 2021

	EMEA			APAC			North America			LATAM			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
BC															
<30	472	177	**649**	128	29	**157**	603	135	**738**	513	182	**695**	1,716	523	**2,239**
31-50	529	148	**677**	234	55	**289**	646	174	**820**	449	129	**578**	1,858	506	**2,364**
>50	93	18	**111**	26	-	**26**	227	55	**282**	22	8	**30**	368	81	**449**
Total	**1,094**	**343**	1,437	**388**	**84**	472	**1,476**	**364**	1,840	**984**	**319**	1,303	**3,942**	**1,110**	5,052
WC															
<30	97	73	**170**	19	30	**49**	38	21	**59**	50	32	**82**	204	156	**360**
31-50	188	105	**293**	83	54	**137**	68	34	**102**	111	44	**155**	450	237	**687**
>50	23	8	**31**	13	1	**14**	46	17	**63**	7	2	**9**	89	28	**117**
Total	**308**	**186**	494	**115**	**85**	200	**152**	**72**	224	**168**	**78**	246	**743**	**421**	1,164
BC+WC															
<30	569	250	**819**	147	59	**206**	641	156	**797**	563	214	**777**	206	679	**362**
31-50	717	253	**970**	317	109	**426**	714	208	**922**	560	173	**733**	452	743	**689**
>50	116	26	**142**	39	1	**40**	273	72	**345**	29	10	**39**	457	109	**566**
Total	**1,402**	**529**	495	**503**	**169**	672	**153**	**436**	226	**1,152**	**397**	247	**747**	**422**	6,216

TOTAL EMPLOYEE DEPARTURES PRYSMIAN GROUP 2021

	EMEA			APAC			North America			LATAM			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
BC															
<30	261	99	**360**	108	17	**125**	378	87	**465**	414	139	**553**	1.161	342	**1.503**
31-50	370	72	**442**	135	32	**167**	500	128	**628**	365	122	**487**	1.370	354	**1.724**
>50	319	37	**356**	17	2	**19**	242	57	**299**	55	12	**67**	633	108	**741**
Total	**950**	**208**	**1.158**	**260**	**51**	**311**	**1.120**	**272**	**1.392**	**834**	**273**	**1.107**	**3.164**	**804**	**3.968**
WC															
<30	64	34	**98**	13	18	**31**	21	8	**29**	15	14	**29**	113	74	**187**
31-50	157	73	**230**	51	34	**85**	70	22	**92**	90	44	**134**	368	173	**541**
>50	101	34	**135**	9	3	**12**	55	24	**79**	24	2	**26**	189	63	**252**
Total	**322**	**141**	**463**	**73**	**55**	**128**	**146**	**54**	**200**	**129**	**60**	**189**	**670**	**310**	**980**
BC+WC															
<30	325	133	**458**	121	35	**156**	399	95	**494**	429	153	**582**	1.274	416	**1.690**
31-50	527	145	**672**	186	66	**252**	570	150	**720**	455	166	**621**	1.738	527	**2.265**
>50	420	71	**491**	26	5	**31**	297	81	**378**	79	14	**93**	822	171	**993**
Total	**1.272**	**349**	**1.621**	**333**	**106**	**439**	**1.266**	**326**	**1.594**	**963**	**333**	**1.296**	**3.834**	**1.114**	**4.948**

TOTAL NEW EMPLOYEE HIRES PRYSMIAN GROUP 2020

	EMEA			APAC			North America			LATAM			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
BC															
<30	219	104	**323**	140	24	**164**	176	28	**204**	453	211	**664**	988	367	**1.355**
31-50	201	73	**274**	114	43	**157**	207	28	**235**	246	122	**368**	768	266	**1.034**
>50	46	4	**50**	2	-	**2**	69	12	**81**	10	6	**16**	127	22	**149**
Total	**466**	**181**	**647**	**256**	**67**	**323**	**452**	**68**	**520**	**709**	**339**	**1.048**	**1.883**	**655**	**2.538**
WC															
<30	92	60	**152**	17	20	**37**	27	10	**37**	28	8	**36**	164	98	**262**
31-50	137	74	**211**	33	14	**47**	37	28	**65**	48	22	**70**	255	138	**393**
>50	18	4	**22**	7	1	**8**	20	6	**26**	2	1	**3**	47	12	**59**
Total	**247**	**138**	**385**	**57**	**35**	**92**	**84**	**44**	**128**	**78**	**31**	**109**	**466**	**248**	**714**
BC+WC															
<30	311	164	**475**	157	44	**201**	203	38	**241**	481	219	**700**	1.152	465	**263**
31-50	338	147	**485**	147	57	**204**	244	56	**300**	294	144	**438**	1.023	404	**394**
>50	64	8	**72**	9	1	**10**	89	18	**107**	12	7	**19**	174	34	**208**
Total	**713**	**319**	**1.032**	**313**	**102**	**415**	**536**	**112**	**648**	**787**	**370**	**110**	**468**	**903**	**717**

TOTAL EMPLOYEE DEPARTURES PRYSMIAN GROUP 2020

	EMEA			APAC			North America			LATAM			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
BC															
<30	188	82	**270**	129	15	**144**	137	17	**154**	343	160	**503**	797	274	**1.071**
31-50	460	62	**522**	167	57	**224**	211	31	**242**	254	120	**374**	1.092	270	**1.362**
>50	262	18	**280**	36	11	**47**	171	32	**203**	38	9	**47**	507	70	**577**
Total	**910**	**162**	1.072	**332**	**83**	**415**	**519**	**80**	**599**	**635**	**289**	**924**	**2.396**	**614**	**3.010**
WC															
<30	54	27	**81**	12	9	**21**	17	7	**24**	18	11	**29**	101	54	**155**
31-50	121	39	**160**	46	47	**93**	37	21	**58**	49	32	**81**	253	139	**392**
>50	86	14	**100**	10	5	**15**	45	22	**67**	21	6	**27**	162	47	**209**
Total	**261**	**80**	**341**	**68**	**61**	**129**	**99**	**50**	**149**	**88**	**49**	**137**	**516**	**240**	**756**
BC+WC															
<30	242	109	**351**	141	24	**165**	154	24	**178**	361	171	**532**	898	328	**156**
31-50	581	101	**682**	213	104	**317**	248	52	**300**	303	152	**455**	254	409	**393**
>50	348	32	**380**	46	16	**62**	216	54	**270**	59	15	**74**	669	117	**786**
Total	**1.171**	**242**	**342**	**400**	**144**	**544**	**618**	**130**	**748**	**723**	**338**	**1.061**	**518**	**854**	**759**

The overall outgoing turnover rate was: in the EMEA area 12.1%; in the APAC area 12.5%; in North America 30.6%; in LATAM 31.6%.

With regard to outgoing turnover rate by age group, the largest movement was among the under thirties (40.5%), followed by those between thirty and fifty (16.6%) and, lastly by those over fifty (11.6%). The rates for overall incoming turnover were: EMEA, 15.1%; APAC, 17.6%; North America, 36.1%; LATAM, 35.1%.

The incoming turnover rates by age group were: 59.6% under thirty; 21.0% between thirty and fifty; 6.4% over fifty. There were 6,881 joiners and 5,709 leavers. See the above tables for more details.

The network of external collaborators

The number of contractors[39] used by the Group in 2022 calculated using the formula: total hours worked by contractors/theoretical annual working hours, assumed to be 1,800, is equal to 4,897.

39 This disclosure requires the organisation to report the number of workers who are not employees and whose work is controlled by the organisation. Control of work implies that the organisation directs the work performed or has control over the means or manner in which the work is performed.

Dialogue with social partners and collective bargaining

Around 63% of Group employees were covered by collective bargaining agreements in 2022.
For employees not covered by collective bargaining agreements negotiated directly by Prysmian and the works council, Prysmian - as the legal employer - applies the working and employment conditions envisaged in the collective bargaining agreements negotiated and agreed at national or industry level (i.e. not directly by Prysmian or by members of the works council, but rather by relevant industry employers' associations and national or industry trade unions). In the absence of a collective agreement applicable to the specific plant/site/place of work, Prysmian applies a dedicated employment policy that is notified to individual employees and accepted by them on formalising their personal employment contracts. The situation clearly varies a great deal but, in all cases, the terms and conditions of employment are always well defined and collectively known and accepted.

The Group continues to focus strongly on the cultivation of constructive social dialogue and continuous improvement, in the firm belief that the contribution made by the social parties represents both a stimulus and essential support for the HR policies adopted. While recognising that workers' representatives and trade union organisations operate independently, in compliance with local legislation and practices, the Group guarantees the involvement and consultation of unions at all levels, from plant to international (European Works Council), in the main processes followed for the collective management of personnel.

Also the year 2022 was characterised, in many of the countries in which the Group operates, by the signing of agreements with workers' representatives and trade unions: any company process or project with an HR impact requiring a trade union consultation generally ended with the finalisation of an agreement or in any case with a statement that an information procedure had been completed. The trade union agreements covered both ordinary renewals of the economic and regulatory part of the expiring collective agreements, and new conditions for working hours and shifts where required by particular market conditions.
It should be noted that, with reference to organisational changes and the related minimum notice period, each Group country complies with the relevant local regulations in this area.

Furthermore, at European level, Prysmian was able to ensure dialogue with the European Works Council (EWC) despite a general reduction in business travel, which required face-to-face meetings to be replaced with remote meetings made possible with the use of a sophisticated video meeting platform supported by "live" interpreters who helped participants understand the dialogue and discussion on the agenda. This was a really important achievement in terms of technological innovation in the field of industrial relations, which has always been very reluctant to break with well-established and traditional operating patterns.

Since March 2019, a new EWC has been established in the Prysmian Group, which became necessary after the acquisition of General Cable in 2018, composed — starting from 2020 — of as many as 29 trade union representatives from all the European countries in which Prysmian Group operates. The executive body (known as the Executive Committee) of the EWC has seven members, elected by the 29 members of the General Committee, from the following countries: Italy (chair), France, Netherlands (secretary to date), Germany, the United Kingdom, Spain and Sweden. In 2022, the Executive Committee met without the participation of the French member as he had resigned due to retirement; new elections of delegates of the same Executive Committee will be held at the beginning of 2023 and this will enable reinstatement of the seventh member and at the same time renewal of the agreement establishing the EWC, which reaches the end of its four-year term in March 2023.

In 2022, collective conflicts within the Group were not very significant at global level, even less than in previous years, thanks to the pursuance of the industrial relations policy described which aims to prevent — through constant constructive dialogue, usually accompanied by effective trade union consultation — any source of dispute that could potentially generate conflict at different levels.

In 2022, Prysmian Group launched an innovative share-based variable remuneration and profit-sharing plan in company shares, aimed potentially at more than 25,000 employees between blue and white collar workers of the Group, in over 35 countries. Approved by a very large majority at the Shareholders' Meeting, the Plan will run over the years 2022, 2023 and 2024 and provides for the allocation of a maximum of 3,000,000 shares.
The main objective of the plan is, in particular, to share with a broad base of employees, mainly blue collar workers, the creation of value that the Group will be able to generate in the coming years; the plan also aims to strengthen the engagement and sense of belonging of the Group's employees, promoting their stable participation in the Company's share capital.

For the Prysmian's management team is key to align the interests of all Stakeholders, from employees to shareholders, around the common goal of creating long-term sustainable value. To achieve this goal, it is therefore essential to involve those who are not recipients of share-based incentive plans usually reserved for managers and executives, such as stock options.

Employees may participate in the plan on a voluntary basis, unless otherwise provided for in any agreements with trade unions, opting to receive payment of a portion of the monetary incentive to which they are entitled or of production bonuses, through a countervalue equal to a number of Shares that will be calculated according to the amount of each individual bonus and the assignment value (the average price of the stock in the 30 trading days prior to the assignment date).
The Company will define a minimum and/or predetermined conversion percentage of the monetary bonus into Shares on an annual and individual basis. The plan also provides for employees to be granted an additional number of Shares, up to a maximum value of 50% of the portion of the monetary bonus covered by Shares, as well as an additional number of Shares after 12 months, provided that the Shares initially received are not sold before the end of this annual period.

With the necessary adjustments, the Plan can also be activated in the absence of pre-existing collective monetary incentives.
In 2022, the local management of several plants and Group affiliates negotiated and agreed with the local works council and trade unions to implement this Plan, where required. The implementation process will continue in each geographical area and the works council will obviously be involved in each phase.
Employee share ownership is of fundamental importance at Prysmian, which is already distinguished by the choice of paying most of the incentives reserved for management, the annual MBO and the three-year Long Term Incentive Plan, in shares. In addition, with the YES Plan launched in 2013, Prysmian employees already have the opportunity to buy Company shares at favourable conditions in two windows a year. Currently, Prysmian employees, including top management, hold about 3% of the Company's capital, a significant percentage in a public company where there are no majority shareholders capable of exercising control.

5.2 DIVERSITY AND EQUAL OPPORTUNITIES

The following table, presenting the risks identified and related mitigation actions, is published pursuant to Legislative Decree 254/2016 (Non-financial Statement).

Risk identified	Material topic 2022
Risks related to personnel management (not having or losing key resources, talent management etc.)	**Greater diversity, inclusion and respect for human rights**
Description of risk Prysmian promotes the creation and development of an experienced and well-trained workforce, supporting them in their diversity, in order to create an ever more inclusive working environment. The Group remains exposed to the risk of not having or losing key resources in strategic operational functions, especially in a new market context characterised by the energy transition and the strong push towards digitalisation, which require new skills. These persons can be identified by their managerial responsibilities and/or the specific know-how needed to implement business strategies. They are difficult to replace in the short term. **Mitigation actions adopted** In order to guarantee business continuity in line with the strategic objectives, the Group has established various programs designed to incentivise continuous training, professional growth and employee engagement, as well as appropriate systems of remuneration. Among these: the global recruiting and development program - Build The Future, Stem It, Sell It and Sum It; the performance and talent management systems - Group Academies and Local Schools, the MyMentorship project, Internal Job Postings and Job Banding; the short- and long-term variable remuneration mechanisms, linked in part to sustainability objectives; non-compete agreements and broad share ownership. In addition, each year the Group organises a global engagement survey, inviting all employees to respond and share their opinions anonymously. This makes it possible to initiate global and local action plans for the continuous improvement of the working environment.	

Prysmian has identified the promotion of diversity and equal opportunities, through the development of an increasingly inclusive organisation, as a strategic objective for the management of human resources. Given this commitment, Prysmian Group has adopted a global "Diversity & Inclusion Policy" that is available on its corporate website , with the development of initiatives to support it. Since 2016, when the "Side by Side" programme was launched, many local and corporate initiatives have been completed. More specifically, the portfolio of activities includes:

1. **Global Diversity Recruitment Policy,** a procedure effective from 2019 and which defines an appropriate selection and recruitment process that applies a standardised methodology to ensure equal opportunity at all stages in the selection process, while also avoiding stereotypes linked to gender or other diversities.

	2022
% of employees with disabilities	1.96%

2. A **Gender Pay Gap Analysis** of the entire population of desk-workers identified areas for improvement and a related action plan, which was progressed during 2022. The results of the analysis carried out, expressing the male/female wages-salary ratio in percentage terms by job grade and geographical area, are shown below:

GROUP GENDER PAY GAP ANALYSIS

2022	EMEA	North America	LATAM	APAC	Total
Executive	7%	3%	3%	21%	7%
Managerial positions	2%	6%	4%	13%	4%
Employees	2%	2%	4%	10%	4%
Total	2%	3%	4%	10%	4%

3. **Health and welfare programs for senior employees, based on local choices**, have been developed. As an example, anyone over 55 at the Milan HQ can now have an annual check-up, rather than every two years.
4. **Actions to improve the balance between private life and work have been implemented, such as flexi-hours and remote working**. Already up and running at some Prysmian Group sites, these actions were extended in an unprecedented manner following the pandemic. In particular, remote work, which was considered a real skill in which we invested between 2020 and 2021 with dedicated training for both employees and managers.
5. Internal and external communications campaigns on **Diversity & Inclusion** matters continued in 2021 and 2022, supported by success stories based on actual cases (by gender, age and culture), in order to raise awareness about these topics among employees and Stakeholders.
6. In 2021, Prysmian launched a **Global Policy**, against all types of harassment in the workplace, including sexual harassment, defamation, bullying and intimidation. The document indicates two procedures, one formal and the other informal, for reporting cases of harassment and requesting official action by the Compliance team.
7. The **Global Maternity Policy**, launched in May 2020, and which grants 12 weeks of maternity leave to all employees in all countries, was confirmed. Local implementations are possible.

PRYSMIAN GROUP'S OBJECTIVES FOR IMPROVING GENDER BALANCE

	Group (actual 2022)	Side by Side Target Group (2022)
Percentage of women in the Total Workforce	19.2%	17%-19%
Percentage of White Collar women hired*	44.9%	40%
Percentage of women in Junior Management positions	26.9%	27%-29%
Percentage of women in Middle Management positions	24.4%	25%-27%
Percentage of women in all Executive positions	15.7%	14%-18%
Percentage of women in Top Management positions	7.1%	10%-12%
Percentage of women in all Management positions	24.3%	25%-27%
Percentage of women in Management positions in Revenue-generating	17.4%	17%-19%
Percentage of women in STEM position**	19.7%	19%-20%

* White Collar women hired with permanent contracts including contract changes from temporary and agency contracts to permanent contracts
** Percentage calculated on the White Collar population only

5.3 ABILITY TO ATTRACT TALENT

Search for talents

The Group's Talent Acquisition function marked its second anniversary in 2022. Its strategies and culture have developed via the constant renewal and strengthening of projects and initiatives in three main areas:

- Attraction and employer branding programs;
- Internal mobility via the Internal Job Posting tool;
- Digital recruiting innovations and candidate experience obtained at Workdays.

For example, interview training sessions have been created for HR and managers, with over 600 hours of training delivered and facilitated by the Talent Acquisition team during the year. Consistent with the Social Ambition objectives, a new recruiting and attraction initiative named "STEM IT" has been launched. The program envisages a training, development and career-support path for new colleagues joining the R&D, Production, Logistics, Project Service and Installation, Quality, IT and HSE areas of Prysmian Group. In addition, female recruits hired through STEM IT participate in a dedicated training initiative known as "Women in STEM IT", which is intended to support their development and leadership within the organisation.

During 2022, the Group continued its commitment to **employer branding** initiatives through campaigns and editorial content for digital channels. In particular, the Group has carried out dedicated initiatives on Instagram, Facebook and LinkedIn to reach targeted audiences, such as new graduates. In addition to increasing its presence on online platforms, Prysmian has also continued to invest in university presentations and presence in universities through company testimonials, talks and shared projects.

PRYSMIAN'S SOCIAL ACTIVITY

	Linkedin	Facebook + Instagram
Campaigns	14	2
Impressions	2,030,888	540,820
Clicks	8,092	5,459
Activity	Sponsored Campaigns (Graduate + Professional Programs)	
	Prysmian People Organic Campaign	

The investment in talent within the Group and the approach to employer branding carried out internally and encouraging persons with potential already employed by the Group are strategic elements for Prysmian, while also aiming at improving the employee experience. For this reason the Internal Job Posting (IJP) tool was launched in 2019, first as a pilot project in the United States before the global roll-out in 2021.
Following the launch of Workday (in March 2021), the experience of colleagues who have taken the opportunity to make a professional change using the Internal Job Posting tool has improved markedly: 136 in 2021 and then 171 in 2022.

Over the past 10 years, Group recruiting programmes have promoted further diversification of the training portfolio, not only as an attraction, but also for the internal management, development and training of colleagues.

The training programmes offered by the Group are illustrated below.

Build the future, graduate program

- 52 new graduates
- almost 40,000 candidates
- 52% female representation
- 11 editions

Objective: to recruit, support and develop new graduates for central roles in areas key to the future of Prysmian Group, especially Operations, R&D and Sales. The Graduate Program comprises various stages, from a careful selection process to the assignment of an important technical or managerial role after three years of international experience. Further growth in recruitment is expected in 2023.

Notably, since 2021 Build the Future has been accompanied by "Empower your community", a program intended to recruit new graduates who, by directly supporting the Group's companies, are primarily engaged in roles linked to digitalisation and sustainability. Five new graduates were recruited as part of the "Empower your community" program in 2022. There will be more than ten recruits in 2023.

Stem it

- 105 professionals
- 65% female recruitment
- First edition in 2022

Objective: to introduce new talents who are diverse in terms of culture and background and who can contribute to the process of cultural change and enhancement taking place in Prysmian Group.
In addition to an approximately two-month training period ("On-Boarding & Training on the Job"), leading to placement in a specific role within a local unit, the program includes the assignment of a corporate mentor and continuous technical training. The STEM IT program has a section dedicated entirely to female leadership, known as "Women in STEM IT".

Sell it

- 42 salespersons hired
- 62% female recruitment

Objective: the growth and development of the sales force. Following the same steps as the "STEM IT" Program, the project starts with a careful selection of candidates. Recruitment through the Sell It program has seen an increase compared to 2021.

Sum it

- 8 professionals
- Thousands of applications
- 75% female recruitment
- Third edition

Objective: launched in 2020, this program is entirely dedicated to professionals working within the industrial and business control function.

For the 3 Prysmian Group programmes, all communication materials and campaign details were also reviewed in order to increase the effectiveness of the recruiting system. The goal is to have structured courses able to achieve high levels of quality and efficiency by eliminating any bias.

FROM TRAINING TO RECRUITMENT

The table below shows the percentages of men and women hired during 2022 through the 4 training programmes. Overall and consistent with the gender balance objectives, the Group's training programs have seen growing recruitment of women over the past three years, as shown in the table below.

	2022	
	% of men hired	% of women hired
Build the future	46.51%	53.49%
Stem It	33.33%	66.67%
Sell It	42.11%	57.89%
Sum It	28.57%	71.43%
Total	38.04%	61.96%

Training and development

The training and development of Prysmian Group's personnel expanded in a structured manner during 2022, with a global increase in training hours per FTE of about 60% (from 18 to 29) compared with the prior year. This trend follows the growth objectives for training linked to Social Ambition 2030, without however losing sight of its impact on needs, or the traceability and validation of the related data, which have equal importance.

Prysmian Group's educational and training programs are structured around the following types of school: Managerial, Professional and Digital.

The **School of Management** focuses on the development of talent (P4[40]), Graduate training (Global Program), cross-country regional programs (Regional Leadership Programs, five editions in 2022) and Women in Leadership (Women Leadership Program, 1 edition in 2022). It presented the first edition of the revised courses for Middle Managers (Journey International Leadership) and Executives (Journey Advanced Leadership) involving 130 persons,

40 In 2017, Prysmian Group introduced a structured two-year program called "Prysmian People Performance Potential" (P4). This program involves evaluating the potential of talents (i.e. those who were high performers in P3 over the previous 2 years), based on 3 indicators: motivation, leadership of change and speed of learning. During 2022, 27% of desk workers underwent P4 evaluation, being the same percentage as those who had a corresponding assessment over the previous two years.

with an additional 130 already identified for the coming year. The new program structure enables participating managers to work on concrete objectives and projects, applying and - to some extent - choosing ad hoc content for their 18-month courses. In addition, the Company has adopted an internal mentoring program (Mymentoring), which has been combined with those indicated above. A total of 49 different courses were followed in 2022.

The **Professional School**, focused instead on the development of technical and functional skills within an international network, as well as on technical careers for "High achievers" (P3[41]) and "Experienced" personnel (Global SUM it, STEM it and SELL it Programs), has also been reformed in collaboration with more than 70 internal trainers and an external training company. While three courses on fundamentals (mentioned earlier) have been delegated to the Regions following related Train-the-Trainer activities, the Professional School has added 8 Advanced courses, raising the total to 23, including courses on negotiation, sustainability and project management certification. The number of participants has increased to 1,104. In addition to all the technical and functional academies, the Professional School also offers an internal Master in Human Resources, now in its second edition, which trained 50 HR colleagues drawn from around the world in 2022. Furthermore, 200 internal HR trainers were certified in a course on Feedback created by the Academy, which was then delivered to more than 3,000 colleagues. As one of the concrete action plans in response to the results of the Speak Up survey, this initiative stands alongside the Stress Management training course in North America, the enhanced mentorship course with intergenerational focus in North Europe, the Soft Skills training courses in China, and the Executive Coaching provided in Latin America.

Following the launch of Workday in 2021, initial investments in global, uniform tracking of training data were made in 2022. Prysmian has also adopted a global procedure for monitoring effectively all steps in internally controlling data collection. This was followed by training for the entire Human Resources community. In addition to the steps and dates for data collection, consolidation and validation, this procedure also sets the seal on the quarterly support that the Corporate Academy has provided and will provide to the Regions and Business Units, with a view to continuously improving data quality via sample checks and data-specific feedback.

Digital, the third and final Corporate Academy School, offers about 30 courses and support the global sharing of technical and functional content for desk workers and non-desk workers. In 2022, the number of courses and participants rose by 30% and 13%, respectively. Once again, an on-line Leadership course for managers and leaders was promoted by the Digital School together with Harvard during 2022, repeating the success and acclaim of the previous two editions.

Prysmian Group has also launched the **Global Sustainability Academy**, which involves all Group employees in the more than 50 countries in which the Group operates. The objective of this initiative — formalised during 2022 — is to spread a culture of sustainability among all employees around the world, as well as to strengthen further the Group's commitment to progressing the employee engagement and upskilling elements of its Climate & Social Ambition. Leading international business schools will participate in the Sustainability Academy's learning programme. Leading international business schools will participate in the learning programme of the Sustainability Academy.

The Global Sustainability Academy was inaugurated in Muscat, Oman, which is the headquarters of Oman Cables and Prysmian's MEAT Region, in January 2023. The structure of the programme, covering the whole of 2023, comprises five modules — Awareness, Knowledge, Impact, Leadership and KPIs — whose contents vary depending on the target participants. All Academy modules will be delivered using a hybrid approach: some will involve physical attendance (such as those in Oman), while others will be available on-line or via podcasts so the entire employed population can be reached.

41 The performance and professional development of Prysmian Group employees are monitored and assessed via the "Prysmian People Performance" (P3) program, with support from an on-line platform. In 2022, the P3 performance process involved 6,793 desk workers, of whom 70% men and 30% women

In quantitative terms, during 2022:

- The content offered by the Local Schools launched in 2021 was enhanced by a "Train the Trainer" programme designed to expand the local training plans by adding:
  - soft skills (30 trainers certified, + 30 sessions delivered in 4 areas: Remote Public Speaking, Influence and Communication Skills, Emotional Intelligence, Stress Management);
  - Professional School courses, as customised locally by the Regions: Manufacturing Fundamentals, HSE Fundamentals and Supply Chain Thanks to this initiative, 6 sessions of Manufacturing Fundamentals, 4 sessions of Supply Chain Fundamentals, 8 sessions of HSE Fundamentals were delivered in 8 regions during 2022.
- On-line content was extended with functional and professional courses, as well as content addressing specific topics, such as Diversity & Inclusion;
- The training experiences of the Regions and Business Units were shared, for their reciprocal enrichment;
- Local training plans were promoted at the Local Schools, communicating awareness of them via centralised newsletters sent, for the first time, to all Prysmian employees reachable by e-mail (hyperlinks to each training plan and all digital courses);
- Weekly meetings were planned and held with Region and Business Unit training managers in order to achieve the targeted hours for high-impact training by applying lean and agile methodologies.

Certain 2022 initiatives stood out for their excellence and success in specific Regions: Technical Schools (Central East Europe), Sales Schools (Latin America) and Leadership Labs per Shopfloor Supervisors (North America), becoming best practices for the subsidiaries as well.

HOURS OF TRAINING DELIVERED

	Men	Women	Total
White collar + Executives	140.424	87.455	227.879
Blue collar	552.235	90.187	642.539
Total	**692.776**	**177.642**	**870.418**

The total average hours of training per employee in 2022 was 29, a sharp increase compared to the previous years 2020 and 2021 where there were 18 average hours of training per employee.

Average hours of local + Academy training - Prysmian Group 2022			
Professional category	Men	Women	Total
Blue Collar	29.36	29.90	29.44
White Collar + Executives	25.32	33.94	28.06
Total	**28.44**	**31.76**	**29.06**

Average hours of local training - Prysmian Group			
2022 Professional category	Men	Women	Total
Blue Collar	29.33	29.82	29.40
White Collar	21.14	27.76	23.24
Total	**27.46**	**28.87**	**27.73**
2021 Professional category			
Blue Collar	17.71	17.78	17.72
White Collar	10.70	12.69	10.88
Total	**15.94**	**15.37**	**15.84**
2020 Professional category			
Blue Collar	19.57	30.54	20.90
White Collar	8.15	7.70	8.02
Total	**16.91**	**19.36**	**17.33**

Average hours of academy training - Prysmian Group 2022				
School	Professional category	Men	Women	Total
Business	Blue Collar	0.00	0.00	0.00
	White Collar	0.99	1.04	1.00
	Total	**0.22**	**0.48**	**0.27**
Professional	Blue Collar	0.00	0.02	0.00
	White Collar	1.41	2.83	1.86
	Total	**0.32**	**1.31**	**0.51**
Digital	Blue Collar	0.04	0.07	0.04
	White Collar	1.79	2.31	1.95
	Total	**0.43**	**1.10**	**0.56**

Performance e talent management

In order to achieve the business objectives and improve the results, each employee must be put in a position to make a daily contribution. This requires the allocation of clear objectives agreed with their own manager and the providing of constant qualitative feedback on the work performed and the results obtained.
For this, the performance of Prysmian Group employees is monitored through the program known as "Prysmian People Performance (P3)". The aims of P3, which is supported by an on-line platform, are:

- align personal objectives with those of the Prysmian Group, producing value for the entire organisation, and creating a single business identity;
- adopt the leadership model behaviour;
- facilitate communication between managers and staff, so that the results achieved can be shared;
- enhance the performance and behaviour based on objective appraisals.

The P3 programme involved 7,531 employees in 2021. The process ended in March 2022.
With regard to P3 for the year 2022, this was launched in february and involved 6,793 desk workers. This process will end in spring 2023 with calibration and final feedback as the last phases. Local Schools and Corporate have proposed training measures for this last phase.
the final data with a gender cross-section are illustrated in the table below.

EMPLOYEES INVOLVED IN THE P3 PROGRAMME

	2022		
	Men	Women	Total
Number of Desk Workers employees included in P3 program	4,729	2,064	6,793
% of Desk Workers employess included in P3 program	70%	30%	100%
Number of Desk Workers with Poor evaluation	169	58	227
Number of Desk Workers with Solid evaluation	3,663	1,617	5,280
Number of Desk Workers with Outstanding evaluation	897	389	1,286

The final evaluation is based on two criteria:
- "Achievements": measurable targets based on specific KPIs linked to the position;
- "Leadership": behavioural guidelines.

The behavioural guidelines are part of the Leadership model indicated below and are divided into six key principles. This indicates how to achieve the objectives summarised by the achievements.

NEW LEADERSHIP MODEL	
	Leadership Principles
We are customed focused	We actively explore and understand the needs of our customers. We give them maximum priority and do everything possible to meet and exceed their expectations.
We think ahead	We consider market trends and strategic objectives in order to anticipate the future. We pursue innovation and continuous improvement.
We value diversity	We welcome diversity and encourage inclusion, recognising their benefits for collaboration and cooperation within the organisation.
We empower people	We encourage a culture of responsibility towards the business. We always provide an example to others in everything we do, guaranteeing integrity and meeting our commitments.
We take action	We simplify as much as possible, in order to facilitate timely and effective decisions. We balance short-term actions with a longer-term vision.
We deliver results	We obtain consistent results, focusing priorities and ensuring efficient and effective delivery.

People Performance Potential (P4)

With a view to establishing a process for the identification of talent and the preparation of succession plans, Prysmian Group introduced a structured two-year tool called "Prysmian People Performance Potential (P4)" in 2017.
The programme presumes an assessment of the potential of talent (i.e. those who have been high performers in P3 in the previous 2 years) based on 3 indicators such as motivation, change leadership and learning agility. At the end of the potential assessment, it is essential to define a development plan aimed at growing the talent itself.
In 2021, 27% of desk workers were given the P4 assessment, the same percentage of those who had the corresponding assessment for two years.

2021 P4 RESULTS

TALENT MANAGEMENT PROCESS - P4 - 2021	Men	Women	Total
% of desk workers included in the performance assessment program	72.1% (1,460)	27.9% (565)	27.0% (2,025)

The next assessment of the Group's potential talents, through the P4 programme, is scheduled for 2023.

Talent

2022 focused on defining paths aimed at developing talent, strengthening succession plans and consolidating internal promotions.
The result was the need to launch an additional external tool to the P4 internal process: this is a psychometric assessment that measures stable potential, skills (logical, numerical and verbal) and motivation involving 291 high potential middle managers (57% men and 43% women). The same tool allowed a total of 194 respective managers to be involved who had the opportunity to participate in ad hoc training on how to manage the P4 feed-forward meetings.

5.4 PEOPLE'S WELLBEING

Remuneration policy and welfare plans

Remuneration Policy

The remuneration policy adopted by Prysmian Group is designed to attract and recognise talent with the skills needed to address the complexity and specialised nature of the business, as well as the international competitive context in which the Group operates. This policy is defined in a way that aligns the long-term interests of employees, management and shareholders, pursuing the priority objective of creating sustainable value over time for all Stakeholders. The remuneration policy is largely founded on the principle of sharing the results achieved, via systems that establish a real and verifiable link between pay and performance, both individually and at Prysmian Group level.

The remuneration policy for expatriate employees and executive directors is determined centrally while, for other personnel, local programs are implemented in accordance with the guidelines on remuneration defined centrally. The remuneration policy for executive directors and managers with strategic responsibilities is determined as the result of a shared and transparent process, during which the Remuneration and Nominations Committee[42] and the Board of Directors both play a central role.

The Committee periodically submits the remuneration policy to the Board of Directors for approval and checks on its application during the year, engaging the shareholders when necessary for their feedback and input. The pay structure for executive directors, managers with strategic responsibilities and executives comprises a fixed component, a short-term variable component and a medium/long-term variable component.

42 Further information about the activities of the Remuneration and Nominations Committee and the vote expressed by the shareholders is available in Section II of the "Report on Remuneration Policy and Compensation Paid" Prysmian-remuneration-report-2022-eng.pdf (Prysmiangroup.com)

The ratio between the total annual remuneration[43] for 2022 (fixed remuneration plus annual variable MBO) of the Chief Executive Officer, compared to the median annual remuneration of Group employees (fixed remuneration plus annual variable, MBO/Sales MBO), overall, worldwide is equal at 71.

The ratio between the percentage increase in total annual compensation (fixed compensation plus annual variable MBO) for the Chief Executive Officer and the median percentage increase in total annual compensation for all employees is equal to 0.90 in 2022.
The remuneration policy has been well received by shareholders. Feedback and suggestions regarding the remuneration policy are regularly solicited from investors and shareholders, and considered when preparing the policy itself, which is periodically submitted to a vote at the annual general meeting.

As part of its transparency on remuneration issues, Prysmian has issued guidelines, in compliance with local laws, that link pay measures at all levels of the organisation and variable remuneration plans to individual performance assessment. The fixed element of remuneration is reviewed annually and, if necessary, updated to remain competitive with market conditions, the position held and personal performance, while always complying with local regulations. This meritocratic approach is based on a global system of organisational position assessment and performance evaluation, which is applied on a consistent basis throughout the Group.

Sustainability is playing an increasingly important role in the remuneration policy of Prysmian. Part of the variable short- and long-term remuneration of all managers, including the executive directors and managers with strategic responsibilities, is linked to achievement of sustainability targets, which are monitored using ESG indicators.

Welfare system

Throughout the Group, the monetary package is supplemented by additional benefits, such as supplementary pension and healthcare policies, personal injury insurance, a company car for those entitled and company canteen or restaurant vouchers. These benefits are adapted to local conditions, having regard for market characteristics and relevant regulations.
This focus on individuals is confirmed by Prysmian's commitment to investing in the development of employee-company relations, via numerous initiatives designed to foster engagement. The Group also enters into agreements with external partners for the supply of products and services at special rates for employees, such as discounts on theatre tickets, gym subscriptions, magazines and products purchased in shops.

In addition, a Global Maternity Policy has been implemented in all countries where the Group is present. The "Diversity and equal opportunity" section of this document contains further information on this topic. These benefits are equally valid for full-time and part-time employees.

This year, Prysmian Group again implemented national initiatives (Italy/Headquarters) that make it possible to:

- obtain a free flu jab, delivered on company premises;
- donate blood in collaboration with Avis;
- obtain a free check-up in collaboration with Niguarda Hospital, for prevention purposes and as part of the attention dedicated to the health of employees in the Milan Bicocca area;
- obtain insurance coverage at special rates with AON;
- participate in the award of 80 scholarships for Upper School pupils and 20 scholarships for the University education of the children of employees. These scholarships were set aside in 2022 and will be awarded in early 2023;
- receive an annual pass for public transport at a discounted price under an agreement with ATM.

Again at Corporate level with a view to tackling the emergency caused by higher energy costs and inflation, Prysmian has launched various initiatives to protect the purchasing power of employees, including:

- Distribution of petrol vouchers worth euro 100 to all employees;
- Distribution of spending vouchers worth Euro 200 and upwards to all employees within certain income brackets..

43 From the calculation of the median salary, temporary workers, workers at the Nantong plant, employees of the Associated Cable company and workers employed on fleets were excluded. To determine the median remuneration, the theoretical remuneration at 31 December 2022 was considered, increased by the variable components such as production bonuses, MBOs, incentives represented by share-based payments. For part-time workers, the theoretical part-time remuneration at 31 December 2022 was considered.

Employee stock ownership plans Be In and Yes

Participation in the creation of sustainable value over time is open to all employees, via several share ownership plans allowing them to become stable shareholders.

The objectives pursued by Prysmian via the **YES Plan**, a discounted share purchase plan for employees, and the BE IN Plan, a plan for the conversion of production bonuses into shares, are to increase the participation, engagement, sense of belonging and business understanding of employees, ensuring that the interests of shareholders, customers and employees converge over time, and reinforcing the internal perception of Prysmian as a single and unique enterprise, truly "One Company", thus building a stable base of employee-shareholders. About 37% of employees are stable shareholders in Prysmian Group, collectively owning about 3% of the share capital.

The **BE IN** Plan was approved at the Shareholders' Meeting held in 2022 and has been implemented in more than 40 plants, giving 16,000 Group employees the opportunity to become shareholders.

ESG incentive systems

Prysmian Group has adopted a management incentive scheme linked to the achievement of objectives for the improvement of the ESG parameters that applies to all managers. The Compensation and Appointments Committee is responsible for assessing the 2022 performance of the Group against these criteria, based on the progress made with respect to the action plans implemented. The main parameters considered make reference to occupational health and safety, the level of gender diversity during the recruitment phase and the reduction of CO2 emissions.

Further details on the ESG incentive systems can be found in the paragraph "ESG indicators in the 2022 MBO Plan" of the document "Report on Remuneration Policy and Compensation Paid".

5.5 RESPECT FOR HUMAN RIGHTS

Human rights due diligence

The following table on identified risks and the related mitigation measures are published pursuant to Italian Legislative Decree No. 254/2016 (Consolidated Non-Financial Information Statement).

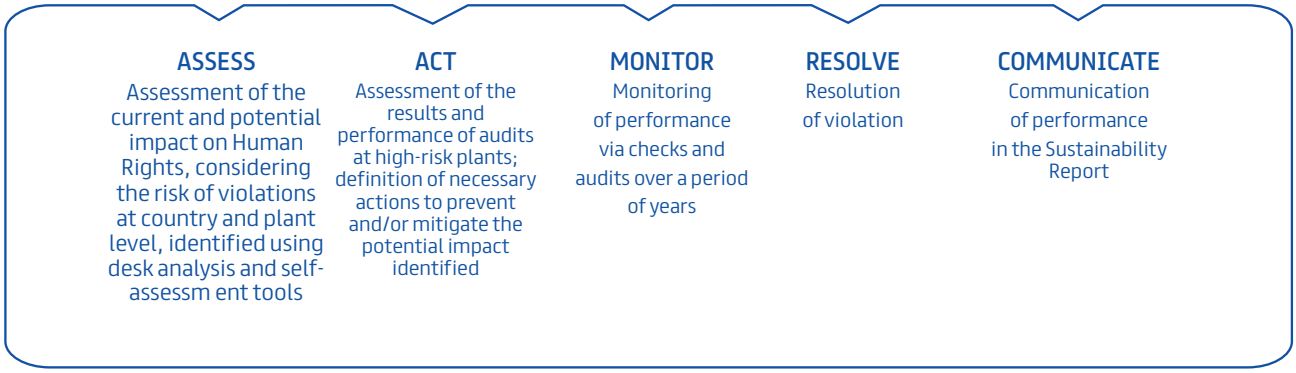
Risk identified	Material topic 2022
Risks related to the social sustainability of the organisational structure and business model	**Greater diversity, inclusion and respect for human right**

Description of risk
Prysmian Group faces daily complexities arising from the management of organisational and business activities carried out by persons with different social and cultural backgrounds. Despite constant commitment, careful supervision and periodic awareness building, with the provision of specific information and training sessions, it is never possible to exclude episodic improper conduct in violation of policies, procedures and the Code of Ethics and, therefore, of current regulations concerning human rights by those who carry out activities on behalf of Prysmian, with consequent possible penalties, significant reputational damage and business impacts.

Mitigation actions adopted
As an international business active in multiple countries and communities, Prysmian Group is passionately committed to respecting and safeguarding the human rights of all employees and all those affected by our activities. The objective is to ensure that the Group is not involved in any way, either directly or indirectly, in activities that violate human rights. In this light, the Prysmian Human Rights Policy was introduced in 2017, inspired by various international standards on human rights (such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact etc.) and applied at all locations and in all Group activities. In addition, a Human Rights Due Diligence process has been in operation since 2018, enabling Prysmian to map the potential Human Rights impact of Group operations.
Applying this Due Diligence process, the assessment of plants that commenced in 2021 (100% of production locations) was completed during 2022.
Following this assessment, various locations found to be at high risk of violating human rights were audited to check if there was any substance to this analysis. Outside of the Group, Prysmian requires suppliers to show rigorous respect for human rights, applying a specific Due Diligence process that assesses the risk at supply chain level. This aspect is described in more detail in the "Responsible and sustainable value chain" section of this document. Various prevention and mitigation actions have been developed and implemented over the years, in order to manage the main human rights issues identified in the Human Rights Policy and prevent any adverse effects for the Stakeholders identified and for vulnerable categories.

Prysmian Group is committed daily to ensuring respect for and protection of the human rights of all employees and all those involved in its commercial activities and value chain. The objective is to ensure that the Prysmian Group is not involved in any way, either directly or indirectly, in activities that violate human rights.
With this objective in mind, the Group Human Rights Policy was introduced in 2017. This policy is based on various international standards (such as the International Bill of Human Rights, the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact etc.) and applied at all locations and in all Prysmian activities.
In addition, a Human Rights Due Diligence process has been implemented since 2018, enabling Prysmian to map the potential Human Rights impact of Group operations.
A full audit plan has been implemented, with remote and on-site checks at the industrial plants, to identify any possible discrepancies with regard to the human rights recognised at international level.

HUMAN RIGHTS AUDITS



Applying this Due Diligence process, the assessment of all production locations that commenced in 2021 was completed during 2022[44]. Following this assessment, 6 plants found to be at high risk of violating human rights were audited to check if there was any substance to this analysis.
The Prysmian Group also requires suppliers to show rigorous respect for human rights, applying a specific Due Diligence process that assesses the risk at supply chain level. This is described in more detail in the "Sustainable value chain" section of this document.
Furthermore, 11,875 hours[45] of training were delivered in 2022 on the topics of Ethics and Human Rights, with a view to raising and disseminating awareness about them within Prysmian.

5.6 HEALTH AND SAFETY IN THE WORKPLACE

Safety is central to all Prysmian Group activities. Indeed, it is a key, cross-functional element of the organisation, both in terms of corporate value and in terms of the positive and negative impacts generated on all other key factors: Human Capital, Production, Property, Quality, relations with Customers and Suppliers.
This is why, since 2020 Prysmian has pursued a "Zero & Beyond" mission, based on a shared vision and guided by specific values. "Zero and Beyond" is a philosophy that includes safety in every aspect of life and in everything that is done, at home and in the community, as part of our responsibility towards people and the planet. Zero is the ultimate goal in terms of deaths, injuries, events and occupational diseases, while Beyond is the limit to be reached with this philosophy.

Complete information about this programme is shared on the Group website[46] and sponsored by top management. All Group personnel, whether Desk Workers or Non-Desk Workers, at Region and plant level, have been involved to ensure their awareness of the strategy adopted and encourage their participation as promoters. The strategy has been and continues to be disseminated in practice, via workshops, and at the level of visual communication, via banners, logos and the use of "Zero & Beyond" clothing.

44 This analysis, based on the perimeter of the Group in 2021, excluded the plant in Chiplun (India)
45 Training hours refers to all the courses held at Prysmian Group and classified as "Ethics & Human Rights" in 2022
46 https://www.Prysmiangroup.com/en/sustainability/responsibility-towards-people/life-in-our-plants

In addition, the Prysmian HSEE Policy was updated in 2020, signed by CEO Valerio Battista and published on the Corporate website[47]. This policy contains all the principles that Group companies pledge to respect, including:

- The management of their activities using health, safety, environment and energy (HSEE) **management systems** compliant with international standards, with a commitment to make continuous improvements;
- The identification of hazards associated with their activities, the assessment of health risks and their elimination and/or minimisation via appropriate prevention measures, not only via the adoption of collective and individual protection systems, but also by encouraging a culture of safety that influences behaviours;
- The demonstration of a leadership capable of involving all levels with the organisation and all those who work for the Group, ensuring that operational procedures and responsibilities are defined precisely, communicated appropriately and covered by specific training;
- The communication of HSEE information to all internal and external Stakeholders, in accordance with specific procedures and programmes.

As a further guarantee and commitment to the management of occupational health and safety matters, all Group plants will be ISO 45001 certified by 2025.

Prysmian applies established procedures for the **management of injuries**, which are the tip of the iceberg in the system for managing reactive safety. Injuries can have negative impacts in human, financial and technical terms, as well as on the reputation of the organisation. The next section describes the procedure adopted for the in-depth analysis of events, so that their root causes can be identified and eradicated in order to prevent repetitions.

Occupational health and safety management system

The following tables on identified risks and the related mitigation measures are published pursuant to Italian Legislative Decree 254/2016 (Consolidated Non-Financial Information Statement).

Risk identified	Material topic 2022
Health and safety risks	Human capital's well-being, engagement & upskilling
Description of risk The main health and safety risks to which Group personnel and contractors are exposed are linked to the work carried out by them at production locations, on vessels and at construction sites. The Group has always been committed to protecting the integrity, health and welfare of workers in their workplaces. With particular reference to health and safety risks, the Group has adopted a centralised management system based on the identification and evaluation of factors deemed critical at various levels, with respect to the Group, country and operating unit. This approach allows for a complete picture of the risks associated with individual production activities, in order to manage, monitor and minimise the health and safety risks. **Mitigation actions adopted** In order to apply the health and safety standards defined at Group level, Prysmian uses tools and operating procedures for collecting, evaluating, aggregating and reporting data centrally, as well as for implementing and verifying corrective and preventive actions, monitoring significant events (injuries, near misses, non-compliance and reporting), and training not only for the transfer of technical knowledge, but also to impart understanding of the approach taken and the risks run by failing to comply with H&S rules and procedures. Note that 73% of Prysmian Group plants have ISO 45001 certification. In addition, the Group has defined quantitative targets (Sustainability Scorecard) for reducing the frequency and severity indices monitored.	

47 https://www.Prysmiangroup.com/sites/default/files/atoms/files/HSEE%20Policy_2020_signed.pdf

Risk identified	Material topic 2022
Risks related to changes in the legislative environment governing Health, Safety and the Environment.	**Transversal**

Description of risk
The Group's production activities are subject to national and international laws and regulations governing Health, Safety and the Environment. Future legislative and/or regulatory changes, more or less foreseeable, might affect the operations of the Group, its ability to compete in the marketplace and its financial results, unless those changes are identified, anticipated and managed on a timely basis. In particular, the Group has analysed the potential regulatory risk relating to energy efficiency, including the introduction of more stringent reporting requirements and possible changes in local legislation that transposes the "Energy Efficiency Directive" 2012/27/EU (EED), as amended, on energy end-use efficiency.

Mitigation actions adopted
Via the HSE Management System, centralised and coordinated by the Corporate HSE team, the Group constantly monitors any changes and/or developments in the HSE requirements, including:
changes in HSE legislation at local and Group level and related periodic reporting to top management, in order to discuss any actions needed to comply with the regulations;
implementation of initiatives and projects designed to mitigate risks and promote continuous improvement.
With reference to the regulatory risk relating to energy efficiency, several actions have been taken, including:
definition of an Energy Audit Plan at the Group's plants, including sites that are currently not required by law to perform energy audits;
• development of energy efficiency projects at local and global level;
• periodic plant visits to verify their compliance with the rules and standards defined;
• specific training sessions for all Prysmian personnel involved in energy management, including raising awareness about energy saving and emission reduction issues, for which the Group has set reduction targets in accordance with the SBTi (Science-Based Target Initiative) that include a Net-Zero target for Scope 1 and 2 emissions by 2035.

To ensure a systematic and concrete approach to safety, the Group adopts the ISO 45001 "Occupational health and safety management system" for 73% of corporate assets. In particular, the **adoption** of ISO **45001** certification enables the organisation to:

- establish systematic processes that take account of the business context by evaluating risks, opportunities and legal requirements;
- determine the risks associated with its activities, in an attempt to eliminate them or introduce ad hoc controls designed to minimise their gravity;
- establish operational controls;
- increase awareness of the matter by all interested parties at every level within the organisation;
- ensure that workers play an active role when tackling health and safety matters.

Prysmian plans that all plants will hold ISO 45001 certification within 3 years.
The Group has issued a procedure that defines the methodology for identifying, assessing and documenting all workplace health and safety risks, in order to eliminate or reduce them, keep any residual risks under control and comply with legal requirements.

The corporate risk assessment procedure is endorsed and adapted at local level, in compliance with current laws. Accordingly, all systematic risk management activities are carried out at plant level, including the reporting of hazards, risks and unsafe conditions identified by operators; all these activities follow established local management and reporting procedures.
Corporate has issued a procedure for the management of workplace incidents. This procedure, endorsed and applied at local level, requires all incidents – with or without lost days – to be reported and analysed by specified deadlines using Group software. The objective is to share information about the most significant incidents and raise cross-functional awareness at all plants.
In fact, in order to ensure compliance with current regulations, the HR functions at country level, with support from the safety managers, prepare training plans for their personnel and develop specific training course for the various categories of worker, depending on their roles, duties, levels of responsibility and working environment.
At corporate level, the Health and Safety function carries out training based on the Group procedures to be applied locally, as well as training via the HSE Academy.
Regional level to identify possible improvements and structured action plans, as well as strengths and best practices to share with other plants. Each plant and region reviewed is included in a quarterly follow-up process designed to monitor the progress of their work. In addition, the use of tools and methodologies for managing reactive, preventive and pro-active safety activities was consolidated in 2022.
All occupational health and safety projects presented to the Investment Committee were approved. These projects focused on the following areas: forklifts, asbestos, fire detection systems, system for managing the treatment of water and waste. Prysmian also developed an ad hoc risk assessment covering traffic management in which all

plants participated. Having identified various risks, a campaign targeting traffic management has begun at all plants and will continue over the next few years.

Statistical analyses are carried out on all injuries resulting in lost days that occur throughout the Group, in order to identify the work-related risks.
The improvements needed, for which specific action plans have been defined, include:

- management of traffic and forklifts, with the launch of numerous projects – some already completed – drawing on funds set aside by the Group. Actions taken to manage and mitigate the risk include: separation of shared areas, signage, barriers, pedestrian routes, forklift/pedestrian detection devices.
- assessment of the risk of cuts (category with the third largest number of injuries) is in progress, including the preparation of a census of equipment, a systematic re-assessment of the risks associated with the use of cutting tools, and the sharing of best practices with other plants.

The following table shows the Group figures broken down by types of workers involved in the reporting perimeter. The Frequency Rate decreased by 11% compared to 2021, while the Severity Rate increased by 19% due to the prolongation of injuries that occurred last year in 2022. In addition, the table contains data on occupational diseases recorded and recognised during the year. The most frequent diseases concerned the musculoskeletal system and the auditory system.

Prysmian Group 2022	Group (total)	Prysmian employees	Temporary agency workers (*)	Contractors (**)
Severity rate (1)	53.46	54.20	44.12	31.56
Frequency rate (2)	1.40	1.32	2.39	1.02
Hours worked	59,933,731	54,582,051	4,351,680	8,814,534

(1) Severity rate: ratio of days lost due to injury to the number of hours worked, multiplied by a factor of 200,000.
(2) Frequency rate: ratio of injuries with loss of working days in excess of 24 hours to the number of hours worked, multiplied by factor of 200,000. The calculation of injuries only considers those suffered in the workplace and not during travel between home and work, unless transportation was organised by the company.
(*) Temporary agency workers: workers employed by staffing agencies.
(**) Contractors: This disclosure requires the organisation to report the number of workers who are not employees and whose work is controlled by the organisation. Control of work implies that the organisation directs the work performed or has control over the means or manner in which the work is performed.

Prysmian Group 2022	Internal employees	Temporary agency workers	Contractors
Number of deaths	-	-	-
Death rate	-	-	-
No. of reportable injuries	360	52	45
of which with serious consequences	8	-	-
Severity rate (IG)	54.20	44.12	31.56
Frequency rate (IF)	1.32	2.39	1.02
Frequency rate for injuries with serious consequences (IF)	0.03	-	-
Hours worked	54,582,051	4,351,680	8,814,534
Number of occupational disease	35	-	-
Occupational disease rate	0.64	-	-

Prysmian Group 2021	Internal employees	Temporary agency workers
Number of deaths	1	1
Death rate	-	-
No. of reportable injuries	394	49
of which with serious consequences	11	1
Severity rate (IG)	47	50
Frequency rate (IF)	1	2
Frequency rate for injuries with serious consequences (IF)	-	-
Hours worked	52,997,509	4,018,110
Number of occupational disease	58	-
Occupational disease rate	1	-

One of the two fatalities in 2021 was a contractor and not a temporary agency worker.

Prysmian Group 2020	Internal employees	Temporary agency workers
Number of deaths	-	-
Death rate	-	-
No. of reportable injuries	317	5
of which with serious consequences	8	-
Severity rate (IG)	46	11
Frequency rate (IF)	1	-
Frequency rate for injuries with serious consequences (IF)	-	-
Hours worked	49,057,574	2,805,742
Number of occupational disease	9	-
Occupational disease rate	-	-

WORK-RELATED ILL HEALTH

	Prysmian Group 2022	Employees	Temporary agency workers	Contractors
No. occupational diseases	35	35	-	-
Occupational disease rate	0.52	0.64	-	-

WORK-RELATED ILL HEALTH: NUMBER OF OCCUPATIONAL DISEASE DIVIDED BY COUNTRY

2022	EMEA	APAC	North America	LATAM	Total
Respiratory system diseases (COVID-19)	-	-	-	-	-
Hearing system diseases	-	-	15	20	35
Muscoloskeletal system diseases	-	-	-	-	-
Total	-	-	15	20	35
%	0%	0%	43%	57%	100%
Covid-19 Pandemic	-	-	-	-	-
Noise	-	-	15	20	35
Hazard for muscoloskeletal system (ergonomics)	-	-	-	-	-
Total	-	-	15	20	35

The following table shows the occupational diseases registered and recognised in 2022.

Hazards	Associated risk	Actions taken to eliminate the hazard and minimise the risks
Covid-19 pandemic		Implementation of the Prysmian Covid-19 Protocol
Noise	Hearing system damage	Acoustic analysis; training in the use of PPE; update of the list of identified Risk Agents; dosimetric measurement of noise to determine the level of exposure to the risk
Hazard for the musculoskeletal system (ergonomics)	Physical effort; high level of repetition and frequency of a movement affecting one part of the body; ergonomic risk; manual movement of loads; vibration risk	Ergonomic analysis of the plant to minimise physical effort and repetitions

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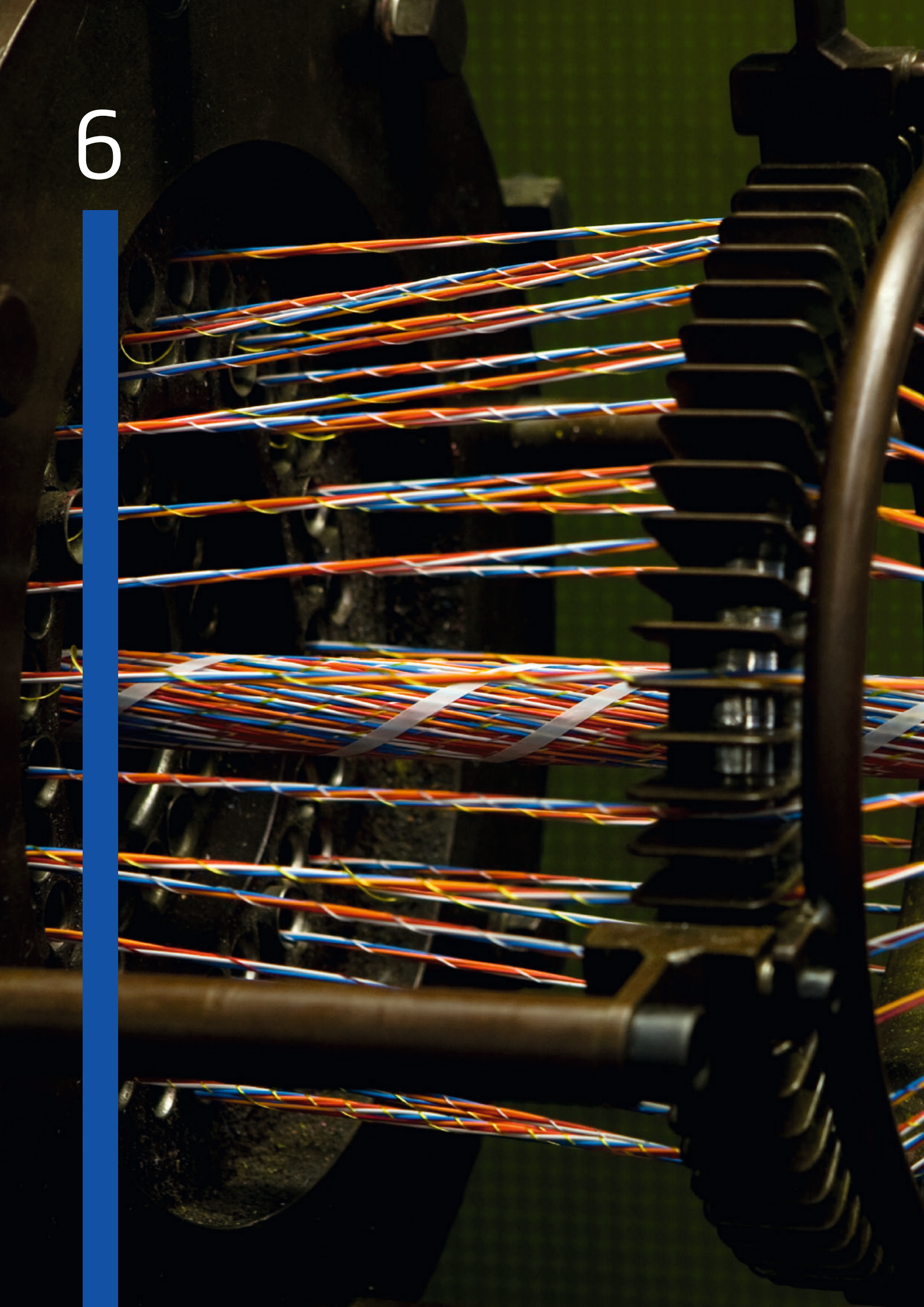


CUSTOMERS AND SUPPLIERS, A SUSTAINABLE VALUE CHAIN

6.1 A CUSTOMER-CENTRIC APPROACH

Customers are central to all our corporate activities, from design to execution and the creation of new products. To achieve a customer-centric approach in all the phases of production, Prysmian uses innovative tools and takes specific actions to monitor and understand customer experience levels.

Understanding customer needs

By working closely with customers, Prysmian is able to develop products that not only satisfy their requirements, but are also designed to ensure greater sustainability and provide solutions that contain specific digital elements (e.g. smart cables).
The characteristics of the downstream part of Prysmian Group's value chain differ, depending on the type of business unit concerned. See the "Group Organisation" section of this document for further details.

Prysmian cables are designed with the customer in mind. In many cases, they are the result of collaboration with customers to develop new products. When customised products are made, customers are invited to our plants and R&D centres in order to participate in the relevant processes. The Group applies the principles of flexibility throughout the supply chain, with a view to accelerating the time to market of new products and responding to customer requirements in the various sectors.

Flexibility to ensure customer satisfaction

Thanks to our global presence, Prysmian is perfectly able to respond to the different customer needs. Its matrix organisational structure allows the Group to serve very different segments and markets: local operating and development facilities are used in local markets, but the Business Units into which the Group is divided are also able to serve global customers by collaborating internationally.

Understanding the needs of our customers

Prysmian carries out on-line surveys to assess the level of customer satisfaction, so that their needs can be met in the most efficient manner. The surveys are used to assess commercial conditions, customer support, brand awareness and the portfolio of products and services, as well as certain aspects of digitalisation and sustainability, identifying the main drivers for each category.

Results of the 2022 on-line surveys:
- Target: 28 countries;
- Survey boundary: Europe – North America – Latin America – OSEA – United Kingdom – Turkey;
- Customer boundary: Main customers - principally in the distribution channel.;
- Areas of investigation: Business Strategy, Innovative Products & Solutions, Supply Chain Activities, Customer Support, Marketing, Digitalisation.

RESPONSE RATE: **37%** OF THE SURVEY BOUNDARY

The customers interviewed were presented with 6 main macro-categories of driver (Commercial strategy, Innovative products and solutions, Supply chain activities, Customer support, Marketing, Digitalisation).
Respondents were asked to rate, with a score from 1 (lowest) to 5 (highest), the importance of each driver and their level of satisfaction with Prysmian's performance:
The supply chain remains a key driver to be addressed by Prysmian Group, given that the results confirm its great importance (score of 4.5/5) for customers, in which we are investing to improve the level of satisfaction (score 3.5 of 5). The problems posed for the global supply chain by the COVID-19 pandemic have added to the pressure on this driver in recent years.

By contrast, Customer Care Support and Product and Solution Innovation both had good satisfaction levels globally. These two drivers achieved positive scores in 2022: respectively 4/5 and 3.8/5.
Prysmian Group invests constantly in its approach to customer relations, with a specific strategy focused on the use of digital technology tools. Current projects on e-Commerce/e-Service platforms are coordinated centrally and implemented at local/regional level.

Customers were also asked to measure their NPS (Net Promoter Score), indicating how likely they are to recommend Prysmian Group to a friend or colleague.
The overall NPS (Net Promoter Score) for 2022 was +32% (vs +33% for 2021), with strong performance in Latam (+51%) and Central-East Europe (+43%). The United Kingdom was worst hit, while OSEA improved getting +19% (from 0% in 2021).

The NPS score is counterbalanced by the CES (Customer Effort Score), a method for measuring the effort needed by a customer to obtain an answer to a question or a solution to a problem/concern: +34% (vs +42% for 2021), with strong performance in Central Europe (+55%) and North Europe (+46%). The United Kingdom, also, showed a positive trend (8% vs -12% in 2021).

Based on the feedbacks received and the results collected, also related to the global geopolitical instability (see the following paragraph), given these results, the **Customer Excellence and Commercial Innovation Team** has arranged a series of meetings in the various areas to discuss them. Countries and regions will prepare and implement specific actions in support of their customers. The expectations of customers and Stakeholders translate into a strategy that leverages tools aimed at improving business processes and the value provided.

Timeliness and Efficiency of the service

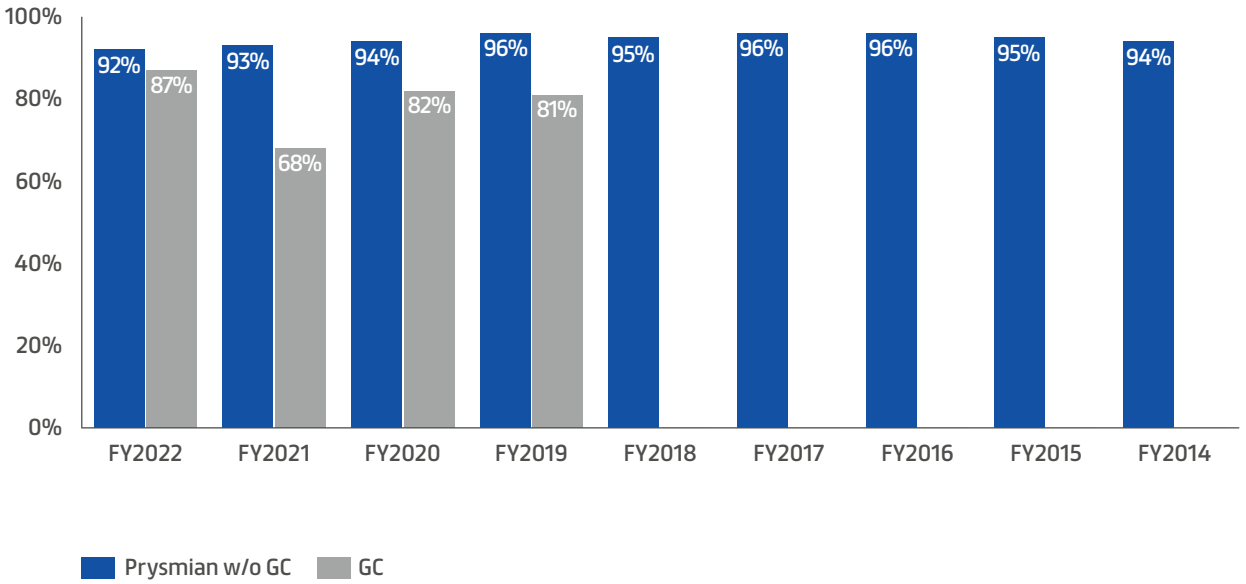
Thanks to its global presence and its matrix organisational structure, Prysmian is able to serve different segments and markets in a timely and effective manner. This type of organisation has helped Prysmian cope with the critical supply chains issues caused by the pandemic and exacerbated by the war in Ukraine, with sharp increases in the prices of some raw materials and with increasing delays and increases in logistics prices. In addition to global geo-political instability, local events such as the closure of the port of Shanghai at the end of the first quarter and the numerous lockdowns in China have also made it difficult to supply raw materials from Southeast Asia.

The combination of these factors has led to a situation of complex instability between strong increases in demand — dictated by the desire to anticipate the looming price increase as much as possible — and uncontrolled requests for postponements from customers who find themselves in difficulty in absorbing price increases.
This instability has caused a profound crisis in the Group's customer care data management area, generating a service performance apparently down compared to previous years.
Despite the difficult environment, Prysmian Group has continued to maintain its strategic customer-centric focus, seeking to support an adequate level of service in terms of reliability of shipments and lead time, from receipt of orders to delivery of products to customers.

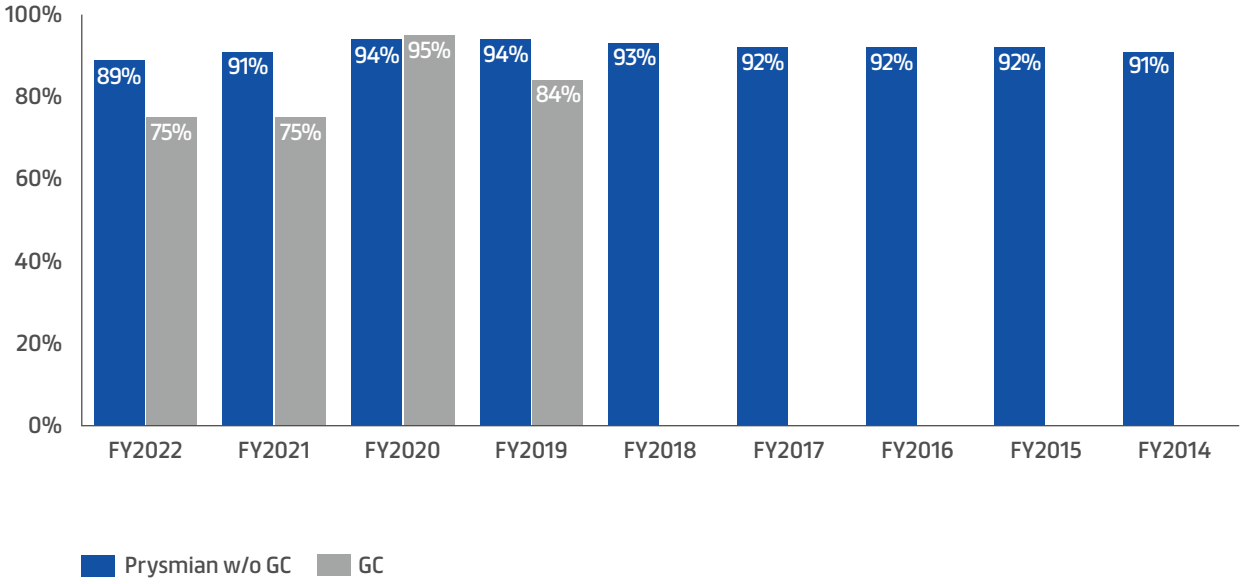
The main purpose of the actions taken by Prysmian's supply chain has been to adapt its plants' operations by mitigating the most critical aspects of the Russia-Ukraine Conflict and trying to identify, in real time, alternative solutions to address the impacts related to the problems of transport price increases. In 2022, the On Time Delivery (OTD) indicator, namely the ability to serve the customer respecting the delivery date promised at the time of order confirmation, reflected the "dedicated" management of the adequate levels of reliability, which however did not always reflect in the reporting process. In fact, to promote a day-by-day customer assistance service, aimed at minimising the impacts of the difficult management of deliveries, the inclusion in the system of changes to customer wishes has sometimes been neglected, thus resulting in the failure to implement the KPI adjustment.
As the graphs below show, there has been a strong commitment in the Telecom area to maintain a good level of service despite the major crisis due to the copper shortage in North America. In the Energy area, on the other hand, the impact of resignations — recorded especially in the UK, Spain and Estonia — together with a fire at the Durango plant in Mexico, with significant delays in the automotive sector, have generated an inevitable deterioration in global performance.

In the Energy business, service performance decreased by only one percentage point compared to the previous year at group level (92%), while in the former GC area[48] Prysmian managed to return to normal pre-pandemic levels, rising from 68% in 2021 to 87% this year.

ON TIME DELIVERY - ENERGY



ON TIME DELIVERY - TELECOM



48 the measurement of the service level of the EHC Escalator business, which adopts an OTD calculation similar to that used for the former GC plants, has been added to the GC performance.

Innovation at the customers' service

Being customer centric means making the production process simple and effective and thus guaranteeing customers fast deliveries. To this end, the Group has developed several cutting-edge systems:

- the **Data Driven Performance**, a data analysis system that uses AI to improve the performance of production processes — currently active at three optical fibre production locations (FOS, Douvrin and Claremont). This system will soon be extended to other plants for the production of cables, including Nordenham and Gron;
- the **PG Connect** project, launched last year and now known as the PG Connect Family, which extends the range of connectivity solutions using augmented reality;
- the **Machine Vision for Safety** project, a visual recognition system capable of identifying risk situations for plant operators.

Prysmian Group: quality processes and solutions

Quality helps organisations to do the right thing by providing a reference framework that supports a culture of excellence. The expectations of customers and Stakeholders translate into a strategy that leverages tools designed to enhance business processes and the value delivered.

In Prysmian Group, Quality helps to form a corporate culture in which doing the right thing is the norm. To support this cultural approach, a vast amount of training has been provided in recent years on the principles of Quality, as well as on the methodologies and tools for solving problems, to both Quality function employees and those in other functions.

The effectiveness of this work is evident from the improvement in our indicators, including a reduction of about 10% in the number of complaints with respect to the prior year. A complaint is defined as any written notification from a customer of a potential product non-conformity that is recognised by Prysmian as such.

Doing the right thing also means making the right decision using the right data. To support this strategic process, Prysmian has worked with its Digital Innovation Lab to build digital solutions that help analyse huge amounts of data, in order to make better decisions.

6.2 SUSTAINABLE VALUE CHAIN

Prysmian's supply chain plays a decisive role in the business and the sustainability strategy of the Group. On the one hand, it strives to keep plant capacity saturated and eliminate production bottlenecks while, on the other, it guarantees a competitive advantage deriving from the careful ESG-based selection of suppliers and constant engagement with them, via the establishment of long-term partnerships.

Risks identified and mitigation actions

Sustainability of suppliers

The following table on identified risks and the related mitigation actions is published pursuant to Legislative Decree 254/2016 (Consolidated Disclosure of Non-financial Information)

Risk identified	Material topic 2022
Risks related to the sustainability of the Group supply chain	Sustainable value chain
Descrizione del rischio The Group's business model, with a global presence in over 50 countries and a high diversification of product applications, is based on a complex supply chain that requires a continuous interface with numerous suppliers of different sizes and cultural backgrounds. Without prior investigation and control, the management of a complex supply chain might result in the Group procuring goods and services from suppliers that do comply with its guidelines and policies, with the risk of supporting suppliers that do not operate in line with international standards. In addition, the Group believes it has a responsibility that goes beyond its organisational boundaries and, therefore, by managing the sustainability of its supply chain (upstream or downstream activities and customers), it is also able to limit any reputational risks that may arise. **Azioni adottate per la mitigazione** In addition to its commitment to the evaluation of counterparties, the Group has adopted guidelines and policies with which suppliers are required to comply (for example, the Code of Ethics and the Code of Business Conduct). There will be an immediate reaction should it emerge that third parties involved in the supply chain have implemented actions not conforming to the principles of environmental and social sustainability, which would expose the Group to potentially significant image and reputational risks. If the issues flagged are not promptly resolved and eliminated, the Group reserves the right to activate a procedure for the termination of existing business activities and temporary, or, in serious cases, definitive exclusion from the Group's supplier list. The assessment of risks related to the sustainability of third parties is a fundamental step in the entire supply chain management process that defines clear rules for i) the introduction of new suppliers, ii) the periodic evaluation of the supply chain, iii) the monitoring and improvement of the supply chain management strategy. In this regard, with a view to enhancing its social and environmental strategies in the supply chain area, the Group has defined a Supply Chain Strategy and related actions that supplement the ESG factors throughout the value chain.	

Prysmian's commitment towards sustainability also extends to the choice of suppliers: their sustainability must be assured from both a social and an environmental standpoint. Prysmian strives to maintain a supply chain that respects all aspects of workers' rights and reflects the high standards applied by the Group to all direct counterparties.

Suppliers partnering for widespread sustainability

From an environmental standpoint, supplier selection is key to reducing the Scope 3 emissions of the Group, so that the entire supply chain can achieve carbon neutrality by 2050. In addition, Prysmian seeks to support those suppliers that use recycled materials in their production processes.

This applies both to metals (especially copper) and to plastics, such as polyethylene. Notably, transportation and logistics also have a non-negligible impact on the Group's emissions. Accordingly, Prysmian continuously monitors and optimises its logistical flows, in order to assure the sustainability of the business in economic and other terms, given the considerable weight and volume of the products handled. In this context, constant efforts are made to reduce CO2 emissions by improving the efficiency of the distribution networks and fleets of the various logistics partners.

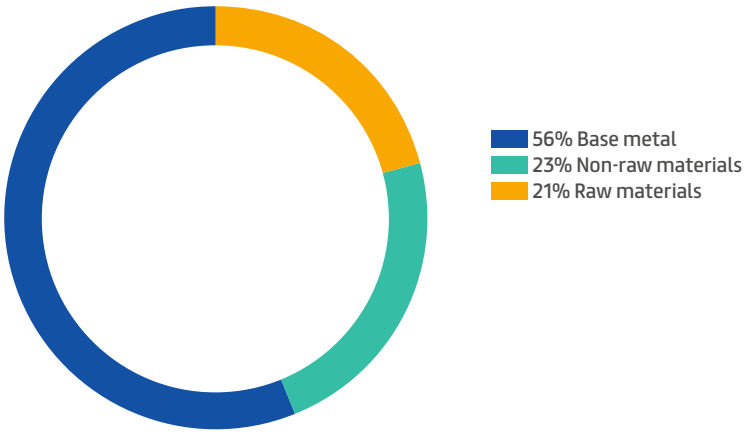
The supply chain aims to deliver excellent service levels, ensuring availability of the products needed by customers, given that the Group absorbs about 2-3% of global copper production and about 7% of the copper used in the electrical and electronics sector.

Responsible raw material procurement

Under Prysmian's policy, raw materials can only be used if they have received technical approval and have been sourced from qualified suppliers. Consistent with the procedures adopted by the Group, the Purchasing area - in collaboration with the Quality and R&D functions - carries out product/process audits to assess the ability of the supplier to manufacture the materials concerned and guarantee the required technical performance and expected quality.

Within the supply chain, the highest expenditure relates to Non-Raw Materials and can be attributed to higher energy, transport and drum costs, as well as the volume of projects carried out by Prysmian's Submarine Cables business.

PERCENTAGE OF SPENDING ON SUPPLIERS



Base metal

Three main raw materials fall under the Base Metals category, namely aluminium, copper and lead, with copper and aluminium representing the majority of the Group's raw material purchases. Prysmian's production process starts from aluminium and copper wire rod for the manufacturing of cable conductors. These metals are purchased from the world's leading mining and smelting companies. The Group only self-produces minor quantities of wire rod (less than 10% of copper and 25% of aluminium's total consumption). Given the highly-fragmented copper market, Prysmian Group is one of the leading economic players in the sector.

The following three aspects are taken into account in the Group's metal sourcing strategy:

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

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

Due to the high electricity consumption required by aluminium production process, Prysmian has included the aluminium carbon footprint as a supplier selection criterion, assigning a considerable portion of the business portfolio to low-carbon aluminium producers. Long-term strategies for the purchase of copper and aluminium lead Prysmian to work with the largest players in the respective sectors with a strong focus on sustainability, thus creating a highly sustainable end-to-end cycle. In the future, the company aims to increase the amount of sustainable initiatives with suppliers. In addition, Prysmian has worked on making trading more sustainable by a 100% transition to paperless management of the trading activities.

Raw materials

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

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

Given the huge variety and low volume of raw materials purchased, Prysmian represents a minor partner for most of the vendors in the supply base. Prysmian commonly uses either commodities fully available from multiple sources or high-performance raw materials that are only manufactured by a limited number of suppliers that are often multi-national companies highly specialized with strong technological know-how and well-focused on the wire & cable market.

Prysmian continuously assesses potential risks such as single sourcing, offer/demand unbalance, and financial risk. These risks are managed by long term supply agreements when the supplier is unique or substitutable only with great difficulties and a long time. In case of financial risk or tight market offer, Prysmian cooperates with the technical functions to identify alternative suppliers to ensure diversification of sourcing options.

According to Prysmian's policy, only raw materials technically approved and sourced from qualified suppliers can be utilized. Following the Group's practice, Purchasing in collaboration with Quality and R&D functions carry out product/process audits aimed to assess the ability of the supplier to manufacture the related materials, as well as to grant the requested technical performances and expected quality.

Audits are performed onsite with a deep assessment of the production lines, production process and full respect of all the quality procedures developed by the supplier. On average the Group performs 7/10 product/process audits per year; in 2021, 20 product audits were performed on raw materials in different regions. In addition, 2 more audits were done in EU and LATAM related respectively to a supplier of NRM and a supplier of BM.

Non-raw materials

The Non-Raw Material category incorporates all the services and goods which are not directly connected to the end products. Excluding installation services, the main Non-Raw Material categories include: transportation, packaging, MRO (maintenance, repairs and operations) and utilities, which combined represent over 50% of the total Non-Raw spend. These four categories are managed in very different ways based on the centralization level required:

- Transportation: strong support from the Headquarter in managing Global or National contracts with worldwide providers which bring expertise in the logistics' aspects, as well as in the management of the invoicing process. The business relationships with these suppliers are long-term partnerships with the aim of reaching: – Top quality efficiency in the Logistics flows – High service level and On-Time Deliveries – Cost Management & price stability to avoid "Spot" market fluctuations Progressive relevance is given also to the capability of transportation & logistics suppliers to measure and communicate the CO2 emission generated "on behalf" of Prysmian Group.

- Packaging: this includes drums and packaging material.
  - Drums: this is the most relevant packaging standard used to transport cables to the final destination, typically managed through national contracts with a strong coordination from the Headquarter. Prysmian Group buys mainly wooden and steel reels, with a minor portion of plastic and plywood drums. Steel reels are returnable and after being repaired they are put back in the cycle, while wooden drums aren't always re-used. One of the most important targets of the Group is to increase the volume of re-used wooden drums. There are also ongoing initiatives to increase purchasing of drum kits rather than assembled drums, with the aim of reducing space required for their transport and, in turn, reducing the carbon footprint of transport operations. With regards to plastic drums, the Group is evaluating alternative materials and pushing as much as possible for using recycled instead of virgin plastic. In 2021, Prysmian started cooperation with a selected supplier of plastic drums, in order to utilise its own plastic scrap to close the loop.
  - Other packaging material: including pallets, wooden battens, end caps, and foams which are used to cover the drum once loaded. This portion of the spend is locally managed with the aim of reducing the cost as much as possible, pushing towards solutions which are more sustainable from an environmental standpoint.

- MRO (Maintenance, Repair and Operations): this category includes a variety of materials/services but mainly spare parts (mechanical and electrical) and PPE. The management of this category is mainly national but, in some cases, plants can find local shops which provide better service and are more competitive than bigger players. The target is to have the PPE portion of this category under a strict national control (to ensure that all the safety requirements are met) and keep the Spare Parts portion centrally managed (national) for the most part, but giving the freedom locally to find the best deals for repairs.

- Utilities: the majority of utilities purchased refer to electricity (85%).

The Group annually assesses the utilities spend to evaluate the possibility of using greener energy & green production (e.g. solar panel investment, and solar parks at selected plants), increasing the efficiency of its plants to consume less energy (e.g. LED lamping initiatives), as well as investing in the purchase of Guarantees of Origin certificates (GoO's).

GOOD AND SERVICES PURCHASED LOCALLY (%)[49]

	2022	2021	2020
EMEA	69.0	60.1	70.8
APAC	84.0	76.3	79.7
North America	100.0	99.3	97.9
LATAM	95.0	80.2	83.0

The Group definition of "local" refers to all those suppliers whose headquarters are in the same country as the Prysmian's companies.
The table presented below shows the values by weight or volume of the materials used, broken down by type, in the Prysmian Group's activities.

MATERIAL USED BY WEIGHT OR VOLUME (KTON)

	2022	2021	2020
Metals	**1,219**	1,189	1,083
Compounds(*)	**365**	374	339
Ingredients	**288**	299	276
Chemical products	**6**	6	6
Other (yarns, tapes and oils)	**26**	25	23
Total	**1,904**	**1,893**	**1,727**

(*) Compounds: in rubber processing, a mixture of polymers and ingredients (talc, kaolin, charcoal, etc.) having various functions (e.g. reinforcing, accelerating, colourants).

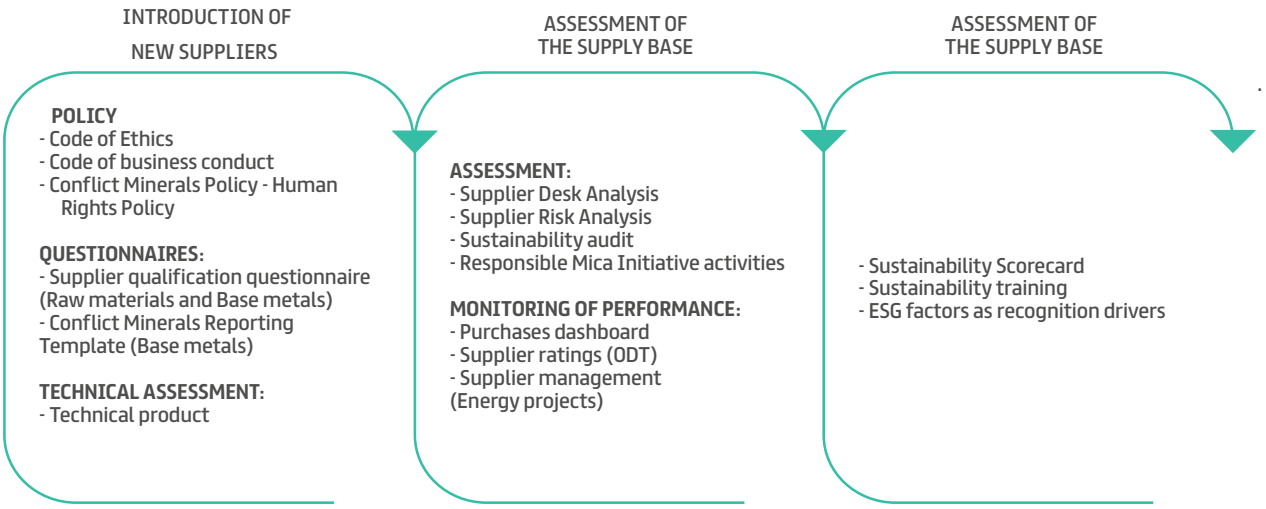
49 The percentage calculation excludes data referring to Italian and corporate suppliers. Figures refer to all the activities of Prysmian Group. The calculation procedure uses the methodology adopted in 2018 for Prysmian and former General Cable plants, with the exception of the former General Cable plants located in North America, for which an exact calculation was applied based on suppliers' geographical position.

The integrated management of commercial relationships

In addition to the Code of Ethics and Human Rights Policy, already described in the "Ethics and Integrity" Chapter, Prysmian applies the following procedures to manage the commercial relations with its supply base:

Supply chain strategy

Following the development of sustainability-related activities within the supply chain, in 2016 Prysmian Group started work to integrate ESG factors more closely within its Supply Chain Strategy, thus highlighting their importance and recognising them as integral to that strategy. This document seeks to summarise the main characteristics of Prysmian's Supply Chain Strategy and the actions taken to integrate ESG factors within it. The document has been available on the corporate website[67] since 2021.



Code of business conduct

With a view to ensuring that ethical, economic, environmental and social standards are met throughout the value chain, Prysmian Group has adopted a Code of business conduct that promotes a responsible and sustainable supply chain. The principles set down in the Code apply to the business transactions and daily activities of the employees of all Group entities and their suppliers, commercial partners, commercial agents, sub-contractors and distributors.
The document covers the following topics:

- business integrity (fair trade, conflicts of interest, gifts and offers of entertainment, corruption, corporate responsibility);
- human rights and workers' rights (under-age working and slavery, occupational health and safety, non-discrimination, freedom of association and collective bargaining);
- environment (principle of precaution, use of raw materials and compliance, energy consumption, greenhouse gases and other emissions, water consumption, production of waste and recycling).

Prysmian's application of the related guidelines is highlighted to suppliers at an early stage in the collaboration.

Conflict minerals policy

Prysmian Group implements a Conflict Minerals Policy, with the aim of guaranteeing a conflict-free supply chain that does not contribute to armed clashes in conflict-affected and high-risk areas.
This is done through the following activities:

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

Partners' quality assurance

As part of the Supply Chain Strategy, in order to further analyse and monitor the related risks, Prysmian Group carries out the following assessment activity with respect to its suppliers:

1. Supplier Desk Analysis:

A total of 500 suppliers were analysed in 2022, covering 77% of total spending by the Group.

The main purpose of developing the supplier desk analysis is to assess the sustainability of major suppliers. The analysis of the business aspects of sustainability considers the relevant social, economic and environmental criteria (ESG) and is performed by a third-party partner of Prysmian Group. The Sustainability Partner analyses the websites of each supplier, plus any other forms of public information, in order to evaluate a list of elements relating to three macro areas:

- Sustainability and management systems;
- Environmental criteria;
- Human Rights and workers' rights.

In 2022, the analysis evaluating suppliers with potential social and environmental impacts involved 500 suppliers, covering an expenditure of 7,784 million euros.
This analysis identified 81 suppliers (16%) with a potential negative environmental impact. Among these, 2 suppliers (2% of the total) have adopted an improvement plan aimed at mitigating the negative impacts identified. In relation to suppliers with a potential negative social impact, Prysmian's analysis identified 79 (16%). Among these, 2 suppliers have adopted an improvement plan (2% of the total) aimed at mitigating the negative impacts identified. The suppliers mentioned above are not, however, the only ones for which an improvement plan has been adopted, but they are the only ones that have been classified as "Red" or "High Risk" in Prysmian's annual Desk Analysis and Risk Analysis, relating to suppliers with a negative social and environmental impact.

2. Risk Analysis:

The supply chain risk analysis is based on assessment and analysis of the data obtained from the desk analysis (therefore considering the same 500 suppliers described in point 1), and uses sustainability scores combined with a list of parameters deemed critical by Prysmian for risk assessment purposes. The combination of these criteria enables Prysmian to identify the various clusters of risk. The following table shows the combination and importance of the critical parameters, including ESG factors, assessed by Prysmian in order to identify any suppliers that may be at risk.

CRITICAL SPEND

3. Sustainability audits:

A programme of sustainability audits has been implemented since 2017. The objective, duly achieved, was to complete 30 audits by the end of 2022. Further details on trends in the audit results, can be found in the "Scorecard 2020-2022" included in the Sustainability Report. These audits were performed with support from an external consultant. The audited suppliers were identified with reference to the scores assigned following the risk analysis. Sustainability always plays a primary role in supplier assessments and the results of these audits are shared with suppliers, in order to induce positive change among under-performers. Follow-up audits are carried out when necessary. The Group's major suppliers are regularly involved in specific activities, such as workshops and collaboration on the development of more sustainable products, in order to generate a medium/long-term impact on the industry. With regard to base metals, many Prysmian suppliers participate in the most important industry initiatives, such as the Copper Mark and the Aluminium Stewardship Initiative (ASI).

In order to assess the effectiveness of actions relating to the purchase of direct materials, Prysmian pursues the following objectives and targets to support the process:

- performance of sustainability audits, based on the results of the desk analysis and the risk analysis. If the results are satisfactory, the supplier is no longer considered to be high risk. If the audit results are not satisfactory, a follow-up audit is carried out on the basis of an agreed action plan;
- in order to evaluate the progress made, the scope of the desk and risk analyses is constantly being expanded (currently 500 suppliers, up from 150 in 2020), in addition to continuing to perform annual sustainability audits
- in addition to the above, a 100% response rate is required from all base metal suppliers that sell the Group materials containing 3TG (i.e. so-called "conflict minerals", represented by four chemical elements: tin, tantalum, tungsten and gold. Based on their initials, they are often referred to as "3TG"), in order to measure the effectiveness of Prysmian's Conflict Minerals Policy. Their replies are analysed to check the status of all foundries within the supply chain operated by tier one suppliers. This process, combined with participation in the Responsible Mica Initiative, enables Prysmian to translate Group policies into action.

SUSTAINABILITY AUDIT

	2022
Number of sustainability audits carried out based on risks in the supply chain	5

In 2022, 5 sustainability audits were conducted to assess potential social and environmental impacts, involving the suppliers listed below: Vedanta; Shanghai Kaibo Special Materials; Manoel Marchetti Ind and Com LTDA; Basell; Jiangsu Hengtong Precision Metal.

NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

	2022 Numer	2022 Percentage
Evaluated suppliers	500	
Suppliers with a current or potential negative environmental impact	81	98%
Suppliers with a current or potential negative environmental impact, for which an improvement plan has been implemented	2	2%
Suppliers with a current or potential negative environmental impact, whose supply relationship has been suspended as a result of the assessment	-	0.00%

NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

	2022 Numer	2022 Percentage
Evaluated suppliers	500	
Suppliers with a current or potential negative social impact	79	97%
Suppliers with a current or potential negative social impact, for which an improvement plan has been implemented	2	3%
Suppliers with a current or potential negative social impact, whose supply relationship has been suspended as a result of the assessment	-	0.00%

MORE THAN TWO-THIRDS OF SUPPLIERS HAVE BEEN ASSESSED FOR ENVIRONMENTAL IMPACTS.

PERCENTAGE OF SPENDING ON SUPPLIERS DIVIDED BY EVALUATION

	2022 Percentage
Percentage of spending on suppliers assessed for environmental impacts	72%
Percentage of spending on supplier with potential/actual negative impact	3%
Percentage of spending on supplier with potential/actual negative impact which agreed on improvements	0.04%
Percentage of spending on supplier with potential/actual negative impact which relationships were terminated as a result of assessment	0.00%

The ESG evaluation is used to correct the supplier's price quotation, which has a weight of 50 per cent in the offer comparison and is therefore a relevant factor on the final price used to support a business decision.

Involvement of suppliers in the group's ESG topics

In addition to regular audits and assessments, Prysmian involves its suppliers in various activities in order to build awareness about ESG matters. A number of initiatives are presented below:

- the actions regarding ESG factors promoted by Prysmian are made available to all Stakeholders on the corporate website;
- since 2015, the annual "Purchasing Fundamentals" training course includes a broad, in-depth section on the topic of sustainability in purchasing. Each year, 30 buyers (with differing levels of seniority) from Prysmian companies all over the world are invited to attend this training course;
- Prysmian began development of the Vendor Management portal in 2021. This modular, web-based application will improve the efficiency of supplier relationship management and enable the Company to monitor their ESG compliance. This platform, comprising 4 modules, seeks to harmonise and improve the business processes involved;
- a member of the Purchasing department sits on Prysmian Group's Sustainability Steering Committee, given that procurement is an area of interest for the sustainability of operations. Some members of the Purchasing Team who manage and follow-up ESG activities are also directly involved in procurement activities, giving them greater knowledge of the supplier base and a superior ability to manage initiatives with suppliers.

6.3 LOGISTICS AND TRANSPORT

A challenging period

The year 2022 was — as previously illustrated (see section "Timeliness and Efficiency of the service", in this chapter) — an extremely complex year in the field of logistics and transport.

Overall, the scenario in terms of logistics and transport in 2022 was characterised by a progressive increase in stress already in place since the end of 2020, the peak of which can be identified around the second quarter of the year. Some signs of relief in the second half of the year suggest that the situation may persist for a long time even with a gradual easing of pressure.
The experience gained in repeated critical issues in the last two years has allowed skills and processes to be developed — particularly in terms of agility and cross-functional coordination — to tackle the scenarios described with limited impacts on the business and generally to a lesser extent than other players in the industry.

On the other hand, the impact of the scarcity of raw materials (metals and plastics) on the Group's plants was more generalised: although affecting service timeliness, the great coordination work in the various phases of the supply chain, as well as the decision to increase safety stocks, prevented production line shutdowns.

Despite the persistent hugely uncertain scenario, in the second half of the year some of these phenomena started to ease, particularly the availability and cost of transoceanic containers, which allowed to activate a number of important inter-company flows to Europe and the United States of cables produced in countries with low labour costs (Indonesia, Oman), corridors that had been on hold since the previous year for the reasons set out above.

If the conditions exist on the transport side for further easing to take place during 2023, on the raw materials side, supply difficulties are expected to continue, especially in terms of metals.

On the other hand, the difficulties in finding and maintaining the workforce that emerged during the year were only partially mitigated in the second half of the year, an effect that had consequences for plants' production volume, particularly in the United States, and to a lesser extent also in some areas of Europe (Spain, Eastern Europe, the Baltics).

Methods of transportation

The percentage distribution of transport costs, however, was more influenced by the tariff than by the change in volume: in fact, the sharp increase in maritime freight costs in the first half of the year — especially to and from China — pushed up the burden of this type of transport compared to previous years; the activation of inter-company flows from Oman to Europe and from Indonesia to the United States has contributed to this increase in expenditure — both in terms of volume and tariff.

Types of transport by percentage (based on expenditure)						
	FY 2022	**FY 2021**	**FY 2020**	**FY 2019**	**FY 2018**	**FY 2017**
Air	2.8%	3.0%	2.0%	3.0%	3.6%	3.5%
Sea	12.8%	7.5%	8.3%	10.0%	6.9%	7.0%
Ground	84.3%	89.5%	89.7%	87.0%	89.5%	89.5%

One of the possible challenges of being a global leader in the manufacturing sector that purchases metals and raw materials, is the need to monitor constantly the entire procurement base and ensure that all commercial partners of Prysmian apply ethical conduct in their business processes. The real and potential impacts are above all environmental, given the nature of the materials used, and social, as it may be necessary to source certain materials in regions populated by vulnerable communities. Prysmian can count on a broad and diversified procurement base, with mutually advantageous commercial relations. The suppliers of the Group are mainly established leaders in their markets, applying best practices for the management of ESG factors. However, the Group also works with minor players that might benefit from collaboration from a customer like Prysmian, willing to support their business continuity and make recommendations for the improved management of sustainability.

Depending on the raw materials sourced, Prysmian identifies two main risks, being their carbon footprint and their source. Regarding **environmental impacts**, Prysmian Group manages the following long-term partnerships:

A. long-term partnership with the **Carbon Disclosure Project (CDP)** to tackle climate risk and find new low-carbon opportunities. The CDP helps Prysmian to collect and analyse Scope 1 and Scope 2 emission data from suppliers, following which feedback is sent to suppliers and new targets are set for the continuous reduction of adverse environmental effects. In 2022, the Group concentrated on improving the response rate from the suppliers concerned (who represent about 50% of total spending by the Group);
B. **partnership with the Carbon Trust**: the Carbon Trust has helped the Group set its Science-Based Targets. See the "Climate Change & Social Ambition" section of this document for further information.

With regard to the social impacts deriving from the origin of its materials, Prysmian adopts measures to monitor the potential infringements of human rights:

I. Prysmian Group implements a Conflict Minerals Policy, with the aim of guaranteeing a conflict-free supply chain that does not contribute to fuelling armed clashes in conflict zones or high-risk areas;;
II. In order to manufacture certain safety cables and make them fire-resistant, Prysmian contacts producers and distributors to purchase limited quantities of certain types of glass-based tape containing low percentages of mica. This mineral is not used directly in the Group's products and production processes. Mica is mined in geographical areas where several factors contribute to unsustainable working conditions and the use of child labour. Prysmian has been addressing this issue since 2016 by requiring all suppliers to provide appropriate information about their mica sources and certify the absence of child labour. In 2021, Prysmian Group became the first business in the cable industry to join the Responsible Mica Initiative (RMI). Membership of the RMI enables Prysmian to exercise even more effective control over its supply chain.

Drums made of wood and other materials

In line with previous years' trend, Prysmian is committed to choosing drum material based on the size and length of the cable, and to applying logistics flow optimisation criteria with a view to reducing Carbon Footprint, and also on the basis of specific requests made by the customer and/or imposed by regulations in the destination country. The Group is also committed to maximising the re-use of drums and lowering their environmental impact. Over the years, this approach has helped to maintain an extremely careful and environmentally friendly management and, above all, a good re-use rate of drums.

Prysmian Group including ex General Cables				
Re-use of drums	**2022**		**2021**	
	Tons	%	Tons	%
Reused	150,120	50%	140,529	50%
Not reused	152,617	50%	141,390	50%
Total	**302,737**	**100%**	**281,919**	**100%**

Prysmian Group including ex General Cables				
Drums by type of material	**2022**		**2021**	
	Tons	%	Tons	%
Wood	221,445	73%	212,762	50%
Other Material	81,291	27%	69,157	50%
Total	**302,737**	**100%**	**281,919**	**100%**

Although some areas (e.g., the OECD zone) have seen it necessary to return to the one-way model at the expense of the multi-way model (mainly because of persistent transport congestion and the ensuing related economic impacts), the group has tried to offset this partial slowdown by pushing in areas where there still appeared to be room for growth, thus ensuring a stable performance.

One example is the MEAT region, which has made sustainability one of its core principles and has demonstrated its commitment to various topics such as energy efficiency, and against carbon release and tree destruction.
Turkey has made a name for itself with several sustainability projects that started as early as the end of 2021. One of these is the Drumbuster Project: this project aims to avoid the use of larger drums, making drum management more productive and minimising costs, achieving minimisation of tree destruction, carbon release and fuel use (in 2022 it lost a few percentage points compared to the previous year due to certain specific IC flows to Northern Europe, but for 2023 they have defined a target that will push them towards the 30%).

In addition, Oman Cables is also optimising drum management and minimising the carbon cost of our logistics. All types of reels (e.g. steel or wood), conductor types, drum lengths and dimensions have been analysed. During the execution of the project, special drums for aluminium cables were designed and an optimised barrel design with a lower upper free space was achieved. Another project started precisely in November concerns the Canadian plant of the Company recently acquired by Prysmian: Draka EHC

The main objective of the project is to convert the use (and the consequent recycling which is currently almost 100%) of steel reels into wooden reels; this conversion would not only result in a significant reduction in costs, but also an indisputable benefit in terms of reducing emissions caused by the long transport routes required for supply purposes and facilitating re-use enormously.

Also thanks to these additional efforts, reel re-use has been improving over the last three years.
Therefore, despite the obvious difficulties resulting from the Russia-Ukraine conflict and the huge repercussions in economic terms, the re-use level for Prysmian Group reels has continued to grow progressively, rising from 46% in 2019 to **50% in 2021, and then stabilising in 2022 on a Group re-use rate of 50%.**

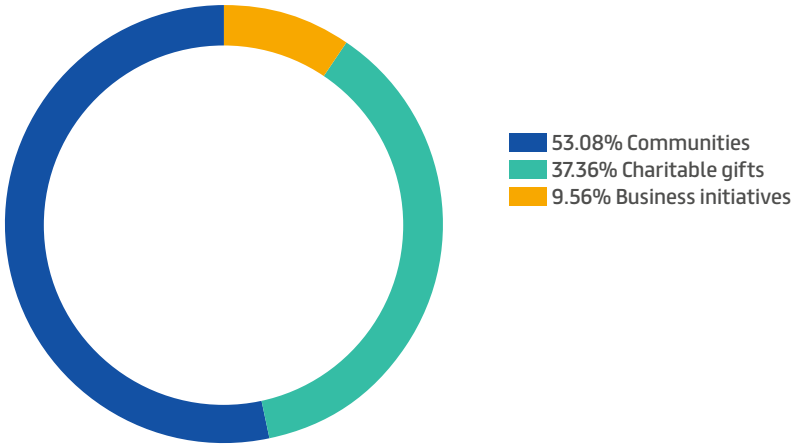
6.4 THE POSITIVE IMPACT ON COMMUNITIES

Creating value for Stakeholders means directly involving people, not just employees, but also the communities and territories in which the business operates and interacts, consistent with our Values, Mission and Vision.
One of the drivers of the sustainability strategy that has characterised the Prysmian Group over the years is "Local Community Involvement", thus contributing via various initiatives to the socio-economic development of the territories in which we operate.

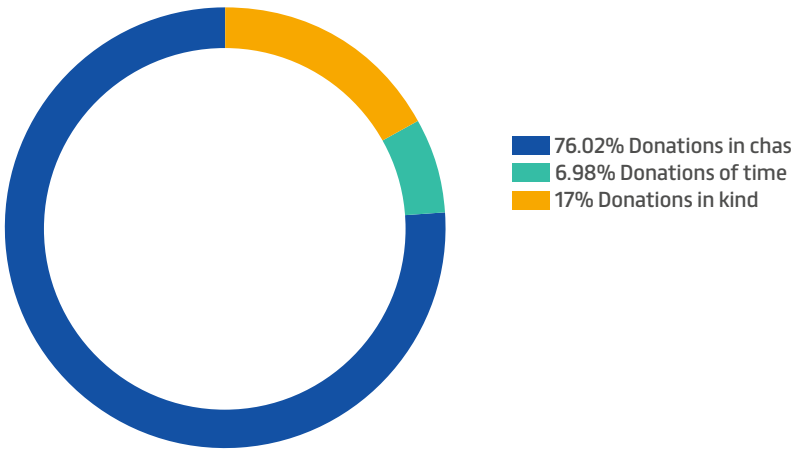
Donations

In 2019, the Group adopted a Donations policy, revised and updated in June 2022, to identify all activities that can contribute to satisfying the needs of the community or communities, in line with the Vision, Mission, Values, Code of Ethics and Policies put in place by the Group. This policy defines the main types of contributions that can be made, the guiding principles and operating methods, as well as the monitoring and communication of these activities.
In 2022, around Euro 1,700,000 was donated to local communities in cash, in kind and in the form of time.

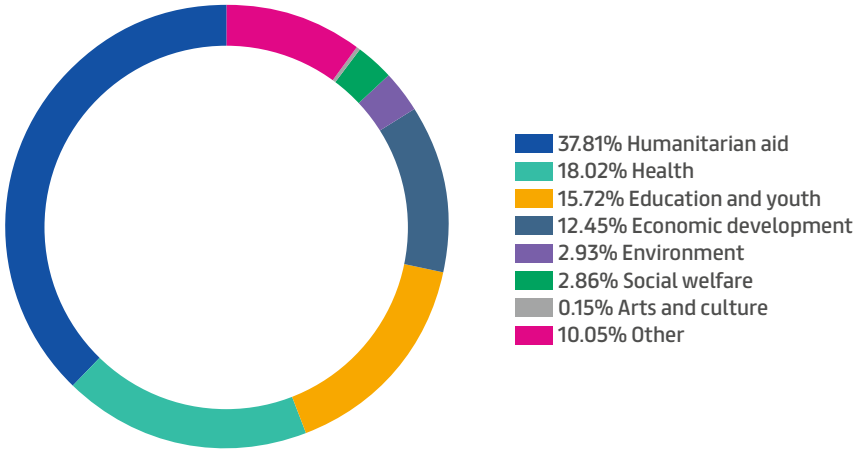
TYPE OF INITIATIVE



TYPE OF ASSISTANCE



RECIPIENTS OF INITIATIVES



Group initiatives

In relation to the "Impact on local communities" material topic, the following impacts generated by the Prysmian Group have been identified:

- Positive economic impacts: impacts on local communities through employment and local procurement, taxes, or other payments to local governments, as well as through community development programs and investments in infrastructure or public services;
- Negative impact: Land clearance and changes of land use to accomodate Prysmian operations.

Donations

In 2019, the Group adopted a Donations policy, revised and updated in June 2022, to identify all activities that can contribute to satisfying the needs of the community or communities, in line with the Vision, Mission, Values, Code of Ethics and Policies put in place by the Group. This policy defines the main types of contributions that can be made, the guiding principles and operating methods, as well as the monitoring and communication of these activities.
In 2022, around Euro 1,700,000 was donated to local communities in cash, in kind and in the form of time.
Among the main initiatives supported and carried out by Prysmian globally to contribute to the development of local communities and seek to mitigate any adverse effects from Group operations, the most significant were:

- **support for Ukrainian refugees** by donating Euro 500,000 to 5 philanthropic organisations and promoting a fundraising campaign among employees. The Group decided to make this donation directly to some of the major local and international NGOs, namely: Save the Children, the Salesian Young Volunteers of Krakow, Soleterre, the Sovereign Order of Malta and Progetto Quadrifoglio. Together with "Rise Against Hunger", a non-profit organisation, we also promoted a campaign to raise funds among employees that was well supported;

- initiative together with CREDA, an Italian non-profit organisation dedicated to preservation of the environment, as part of which Prysmian employees — equipped with pick-up sticks and gloves — collected waste from the gardens of "Il Mulino delle Energie", in the vicinity of this old water mill complex in Monza Park. In addition to this voluntary work, a donation was made for each participant;

- Prysmian donated Euro 125,000 to Soleterre, a non-profit foundation dedicated to the recognition and protection of the Right to Health in the broadest sense, for the treatment of paediatric cancer patients. This donation was for the purchase of an ultrasound scanner, now in operation at the San Matteo Hospital in Pavia, and to enable children in need of cancer treatment and their mothers to stay at the hospital. Specifically, donation of this new Esaote MyLabOmega portable ultrasound scanner to the Paediatric Oncohaematology ward completes a process of upgrading its multidisciplinary diagnostics in a highly complex area. The new tool improves diagnostic sensitivity and reliability, while greatly facilitating bedside consultations by avoiding the need to move sick children and related inconvenience;

- Prysmian has provided 20,000 euro in support of projects promoted by **"Save the Children"** to tackle educational and material poverty in Italy. This donation by Prysmian will support the "Punti Luce" project that assists girls, boys and adolescents, aged between 6 and 16/17, who live in poverty, whose families are in difficulties or who are the victims of educational poverty, by giving them access to learning opportunities that would otherwise be unavailable and helping them to develop their skills and talents to the fullest extent;

- **"Women in Manufacturing"** (SHE STEMS): this initiative helps unemployed women in Oman, aged between 18 and 30, who have completed their secondary education. Three courses are available: Operator of industrial machines, Electrical installation and Mechanical maintenance. Initially, 20 women will be selected for the "Operator of industrial machines" course and offered a full-immersion training programme. On completion of the training, the participants will receive an attendance certificate approved by the Ministry of Higher Education and the Ministry of Employment. The objective is to help the women to create an opportunity for future employment in the manufacturing sector, including the possibility of recruitment by Oman Cables Industry following the normal selection process.

- **Energizing your future:** The project takes place in Bogotá-Colombia, where the Group has both a factory and offices, and aims to support every year 15 students between 17 and 23 years old coming from problematic background. The candidates are selected either from a list of families victim of the civil war, in collaboration with governmental office for the compensation of the war victims, or from the children with single mothers. Prysmian sponsors to the candidates the fees for a two year and a half school at the Central Technical Institute of Bogotá, after which the students will have access to technical roles in Industrial Maintenance & Electronics, Manufacturing Processes and Technical Drawing, and could be easily employed within Prysmian factories or elsewhere. At the completion of the course, the students have also the option to continue studying for another year and gain the Technologist title. An additional 2 years after the Technologist title will grant a full Engineering degree. The full cost of education for one student is approx. 4,500 € and the company expects to spend approx. 200k € for the full education of 45 graduates for five years.

METHODOLOGICAL NOTE

This document represents the Sustainability Report (hereinafter also "Report") prepared by Prysmian S.p.A. The reporting boundary of the Sustainability Report includes the parent company (Prysmian Spa) and the fully consolidated companies (hereinafter "Prysmian" or "the Prysmian Group"). The objective of the Report is to ensure the understanding of the organisational model, the activities, the main risks and performance indicators of the Group with regard to environmental, social, personnel-related aspects, respect for human rights, the fight against active and passive orruption that are relevant taking into account the activities and characteristics of the company during the 2022 financial year (1 January - 31 December).

Moreover, the Sustainability Report 2022 includes additional specific KPIs for the sector in which the Group operates. The Report covers – to the extent necessary to ensure the understanding of the business activity, its performance, its results and the impact produced by it – environmental, social, employee matters, respect for human rights and anti-corruption and bribery matters that are significant considering the Group's activities and characteristics, as illustrated in the materiality matrix contained in the related section of this document.

The data and information provided refer to all companies belonging to the Prysmian Group as at 31 December 2021, consolidated on a line-by-line basis. The perimeter of the data will be clearly indicated in the text, in the tables and in the section "Notes on the data and information".
This Report has been prepared adopting the "In accordance with" option of the "GRI Sustainability Reporting Standards" published in 2016 by the "GRI — Global Reporting Initiative" and subsequently updated. The document was prepared taking into account the sustainability issues considered significant for the Group, submitted as part of the materiality matrix (see the section "Materiality Matrix"). As required by the Reporting Standard, this document includes the "GRI Content Index" containing details of the reported indicators.
The process of collecting the data and information necessary for the drafting of the Sustainability Report involved various functions of the Group companies and was set up to ensure reporting in line with the GRI principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and reliability. In particular, data collection was carried out through a digital platform which enables to centralise information and activate a virtuous circle of analysis and management of these indicators.

The Report is currently set to be published annually.

The Board of Directors of Prysmian S.p.A. approved this document on 9 March 2023.

This document has been subjected to a limited examination, as envisaged in the International Standard on Assurance Engagements (ISAE 3000 Revised), by EY S.p.A. The audit was performed according to the procedures indicated in the "Independent Auditors' Report", included in this document.

With regard to the materiality analysis performed by the Group, only the component of such analysis relating to financial materiality was not subjected to a limited examination by EY S.p.A.

The quantitative indicators which do not refer to any general or topic-specific disclosure of the GRI Standards, reported at the pages indicated in the Content Index, are not subjected to a limited examination by EY S.p.A.
It should be noted that Prysmian Group has also published the 2022 TCFD Report and the 2022 SASB Report. The correlation tables between the content published pursuant to the GRI Standards and the contents of these Reports have been included in the 2022 Non-Financial Declaration.

To submit comments, requests, opinions and ideas for improving the activities of Prysmian and on the information contained in this document, please contact:

SUSTAINABILITY DEPARTMENT
sustainability@prysmiangroup.com

Notes on the data and information

In general, for all data analysed by geographical area, the North America, Latin America, EMEA (Europe, Middle East and Africa) and APAC regions were taken into account. For details of the countries included in the geographical regions, please refer to the map of the Group's plants shown in the "Prysmian Group: Global Leader" section.

Workforce data

For 2022, the total data for the Group at 31/12/2022 is considered.
The total Group employment and turnover data includes Oman Aluminium Processing Industries – OAPIL and Associated Cables Pvt. Ltd., which were excluded in prior years.
The compensation and gender pay gap data only excludes Associated Cables Pvt. Ltd..

Environmental data

The environmental data presented in the document is derived from a reporting system that, with respect to the stated reporting boundary, does not include offices and distribution centres as they have a reduced environmental impact compared with the Group's production activities. The following points have to be noted:

- Chiplun plant (India): the data included in the reporting boundary are the result of these linear data for the years 2020 and 2021, while they are estimated on the basis of actual production in 2022;
- • Sohar plant (Oman): the data, included in the reporting boundary, for the years 2020 and 2021 were estimated on a linear basis, while in 2022 they are actual.

These sites are included in the figures reported in this document, except when expressly indicated otherwise. Environmental data is not yet reported in relation to the installation of underground cables (the environmental aspects and methods of management differ greatly from those of the operating units), except the CO2e emissions coming from those installation performed by contractors, which are estimated thanks to a spent-based methodology and included in the purchased goods and services category of the Group's Scope 3 emissions. Note also that environmental performance indicators may contain estimates, if final data is not yet available at the time of preparing the Sustainability Report. Lastly, the environmental data of the Montereau plant are included in Energy business.

CALCULATION OF GHG EMISSIONS

Greenhouse gases analysed

The GHG emissions included in this document comprise CO2, HFC, PFC and SF6. Unless otherwise non specified, CH4 and N20 are included in all the emission factors (for instance for all the combustion related activities), as the unit of measure is CO2eq. Direct emissions of CH4 and N20 have been assessed and are not material to the overall emissions. GHG emissions are expressed in CO2e, the standard unit of measurement for the global warming potential (GWP) of greenhouse gases, calculated as the warming power of a unit of gas with respect to that of carbon dioxide. The GWP values used to calculate the CO2e are taken from the Fourth Assessment Report (AR4) of the Intergovernmental Panel on Climate Change (IPCC) and cover a period of 100 years. With regard to refrigerant gases, the GWP values associated with them were considered. In all cases, an oxidation factor of 1 is presumed.

Sources of Scope 1, Scope 2 and Scope 3 emissions

Scope 1 GHG emissions derive from sources owned or controlled by the Group, including:

- natural gas;
- LPG;
- petrol;
- diesel;
- fuel oil;
- marine diesel;
- refrigerant gas leaks;
- SF6 gas leaks.

Scope 2 GHG emissions derive from purchased energy that was produced outside of the Group, but consumed by it, including:

- electricity generated from renewable sources and obtained as a result of purchasing Guarantee of Origin (GO) certificates;
- electricity produced from fossil fuels;
- remote heating;
- steam.

The Scope 3 GHG emissions considered in this document relate to the following sources, identified with reference to the GHG Protocol guidelines:

- goods and services acquired;
- operating assets;
- fuels and energy-related activities;
- upstream transportation and distribution;
- waste generated by activities;
- work-related travel;
- travel between home and work by employees;
- upstream leasing activities;
- downstream transportation and distribution;
- utilisation of products sold;
- end-of-life treatment of products sold;
- capital investment.

Note that Scope 3 categories excluded from the above list were omitted because they are not significant. More information can be found in the "GHG Statement" prepared by the Group.

Emission factors

Sources of emission factors for the Scope 1 calculation:

- 2020:
  - Fuels: Defra 2020;
  - F-GAS: GHG Protocol.
- 2021:
  - Fuels: Defra 2021;
  - F-GAS: GHG Protocol.
- 2022:
  - Fuels: Defra 2022;
  - F-GAS: GHG Protocol.

Sources of emission factors for the Scope 2 calculation:

- 2020:
  - Location-based: Terna 2018;
  - Market-based: AIB 2019 (for European countries) and Center for Resource Solutions (for the USA and Canada), using the "2020 Green-e Energy Residual Mix Emissions Rates" as source where available, otherwise Terna 2018.
- 2021:
  - Location-based: Terna 2019;
  - Market-based: AIB 2020 (for European countries) and Center for Resource Solutions (for the USA and Canada), using the "2021 Green-e Energy Residual Mix Emissions Rates" as source where available, otherwise Terna 2019.
- 2022:
  - Location-based: Terna 2019;
  - Market-based: AIB 2021 (for European countries) and Center for Resource Solutions (for the USA and Canada), using the "2022 Green-e Energy Residual Mix Emissions Rates" as source where available, otherwise Terna 2019.

Calculation of Scope 3 GHG emissions

Category 1: Goods and services acquired

The emissions related to purchases comprise two categories::
- category 1.a – relating to products, including all goods and services acquired that are directly linked to production of the product;
- category 1.b – not relating to products, including all other goods and services acquired that are not directly linked to the production process, but are needed for the functioning of the organisation. Installation activities are included in this category.

The methodology used to calculate these emissions is described below:
- category 1.a – the calculation considers the data for metals acquired and the bills of materials for components. It uses specific emission factors for each of the metals, depending on the form of the metal acquired, the location of the supplier of each metal, the recycled content of each metal and the recycled input rate. For other raw materials, the emission factors are taken from the Ecoinvent database, applying the EU guidelines on the product environmental footprint ("EU-PEF"). The emission factors presume that the majority of the metals used will be recycled at the end of the product's life cycle;
- category 1.b – for each category of expenditure, a specific emission factor is taken from the EEIO database[71], either as raw data or calculated as the average of other emission factors. In this case, the emission factors do not make any assumptions about recycling, as this is not an established market practice.

The exclusions for each of the above categories are presented below:
- for category 1.a – metals: data for the following countries is excluded: Côte d'Ivoire, Tunisia, India, the OAPIL plant in Oman and the previous perimeter of EHC, Omnisens and Eksa;
- for category 1.a – composites and other metals and category 1.b: only data for the previous perimeter of Omnisens is excluded;
- for category 1.b – emissions unrelated to products: data for the OAPIL plant in Oman, the Chiplun plant in India and the previous perimeter of EHC and Omnisens is excluded.

Category 2: Operating assets

The calculation methodology is based on the investments made by Prysmian, estimating the portion relating to each of the following 8 categories: buildings, utilities, purchased machinery, customised machinery, refurbished machinery, control systems, production engineering and vessels. Emission factors are calculated for each of these 8 expenditure categories, averaging the relevant EEIO emission factors. Assumptions are then made about the portion of investment in each expenditure category associated with the procurement of a material or service. Lastly, the emissions are calculated by multiplying the expenditure on each category by a combined average of the emission factor for the material and that for the service.

Category 3: Fuels and energy-related activities (not included in Scopes 1 or 2)

The emissions are calculated by multiplying the quantities of fuel, electricity and thermal energy by the relevant upstream emission factors. The 2022 conversion factors issued by the International Energy Agency (IEA)[72], BEIS (UK Department for Business, Energy and Industrial Strategy) and DEFRA (UK Department for Environment, Food and Rural Affairs)[73] are used to calculate the upstream emissions of purchased fuels, electricity and thermal energy, including transport and distribution (T&D) losses.

71 Source of emission factors: Open Input Output (2011), Sustainability Consortium, University of Arkansas. Please consider that EEIO factors are yearly adjusted for global inflation, average global improvements in CO2e/GDP, and switch to service sector of global economy.
72 Source of emission factors: IEA (2022), "Emission Factors".
73 Source of emission factors: DEFRA (2022), "UK Government GHG Conversion Factors for Company Reporting"

Category 4: Upstream transportation and distribution

Two methods of calculation are used for this category, one for inbound logistics and one for outbound.

- The inbound transport data was not available and so an estimate was used. The data sources used for the estimate include product quantitative information relating to goods and services acquired (category 1.a) and EEIO emission factors.
- The outbound logistics calculation is based on the distance travelled, the weight carried and the method of transport. Given that the Prysmian data includes thousands of individual journeys, making it difficult to extract the distances for each leg, the distance is estimated by grouping the journeys for each country and assuming that all journeys go from one capital city to another. In the case of journeys within the same country, it is assumed that they go from the capital to the second-largest city.In addition, since no data was provided on the method of transport, it was estimated that all journeys of less than 3,000 km were made by road, while all those of more than 3,000 km were made 10% by road and 90% by sea (journeys by air for logistical purposes are minimal).

  The emissions for each journey are then calculated by firstly determining the "tonnes-km" (multiplying the total distance travelled by the weight transported) and then multiplying it by the applicable BEIS/DEFRA emission factor. The emissions for outbound logistics not performed by the Group or outsourced are included in category 9.

With reference category 4, data related to the following business or locations are excluded: Belgium, Ivory Coast, Russia, Automotive B.U. (limited to Tunisia and North America), Projects (Powerlink, NSW and Arco Felice plant), OAPIL (Oman), Chiplun (India), EHC (North America Elevator), MMS business (US, Brazil) and other minor streams in among China logistic centers and European semifinished products.

Category 5: Waste generated by activities

Waste data for the calculation of emissions is provided by each production site, while the waste data of offices is estimated with reference to sector averages.Waste data includes a subdivision by the location of final processing. The data is expressed in kg and subsequently combined with the BEIS/DEFRA emission factors for the processing of waste. Given that the waste data of offices was not available, a sector average was used for the calculation.

The kg of waste per m2 was determined using the average kg of waste per employee and the average density of employees per m2, given the surface area occupied by Prysmian. The result was weighted considering the average of the waste sent to landfills vs that recycled by an office.

Category 6: Work-related travel

The methodology used to calculate these emissions is described below:

- the cost of work-related travel was recorded for each reporting year, distinguishing between air and rail travel, car rental and overnight stays.
- Emissions were calculated by multiplying the cost by the related EEIO emission factors for each category of travel.

Category 7: Travel between home and work by employees

The emissions were calculated using the HGH Protocol's "Quantis- Scope 3 Evaluator", considering the total employees of the Group. This tool provides the tonnes of CO2e for travel between home and work by employees. The value obtained is then uplifted by 5% to take account of any missing entities or methods of travel.

Category 8: Upstream leasing activities

The calculation for this emissions category considers the electricity consumption values available and the surface area occupied by Prysmian. Subsequently, the IEA emission factors for each country are applied to the related kWh. An average of the kWh/m^2 is calculated if the kWh data is missing or was not provided.

Category 9: Downstream transportation and distribution

This category includes the emissions generated by product transportation and distribution activities that are not controlled or paid for by the reporting entity. Specifically, the perimeter of category 9 includes ex-works (EXW) deliveries and other Incoterms types.

The emissions calculation is based on the distance travelled, the weight carried and the method of transport. Since no data was provided on the method of transport, it was estimated that all journeys of less than 3,000 km were made by road, while all those of more than 3,000 km were made 10% by road and 90% by sea (journeys by air for logistical purposes are minimal). The emissions for each journey are then calculated by firstly determining the "tonnes-km" (multiplying the total distance travelled by the weight transported) and then multiplying it by the applicable BEIS/DEFRA emission factor.

With reference category 9, data related to the following business or locations are excluded: Belgium, Ivory Coast, Russia, Automotive B.U. (limited to Tunisia and North America), Projects (Powerlink, NSW and Arco Felice plant), OAPIL (Oman), Chiplun (India), EHC (North America Elevator), MMS business (US, Brazil) and other minor streams in among China logistic centers and European semifinished products.

Category 11: Utilisation of products sold

A model was developed for the calculation of emissions that determines the annual cable losses, by type of cable and by country, from 2022 until end of life (between 2045 and 2062, depending on the cable). These annual losses are then multiplied by the emission factor for electricity in the country concerned, being the emission factor for the generation of the national grids and for the Well To Tank (WTT) generation provided by the IEA. The emission factor for a country is different for each year from now until 2062, in order to take account of the expected changes in the CO2 intensity of the grids. Grid decarbonisation forecasts are calculated for each country in which Prysmian cable losses exceed 5% of the total losses and for those in which the forecast data is easily obtained. Regional proxies are used for countries in which the losses are less than or equal to 5% and whose forecasts are difficult to obtain: for example, EU data is used for Belgium and data for the Asia Pacific area is used for New Zealand.

Category 12: End-of-life treatment of products sold

The methodology used to calculate these emissions is described below. In particular the following assumptions are made:

- the quantity of cables produced is the same as the quantity of cables sold to customers;
- the "power cables" and the "wire rod" are produced by the Energy and the Projects divisions and represent 88% of the sales, while the "telecom cables" and the "optical fibre" are included in the "Telecom" division and represent the remaining 12%;
- 90% of the cables are recycled at their end of life, while the remaining 10% are transferred to landfills;
- the "power cables" comprise 90% metals and 10% plastic, while the "wire rod" are 100% metal.

The emissions of the "power cables" and the "wire rod" are calculated, as they are the only categories for which metric data expressed in tonnes of product, rather than km, are available. This is because the BEIS/DEFRA emission factors are expressed in kgCO2e/tonne. The calculation involves multiplying the weight of the metals and plastic by the related BEIS emission factors, both for the quantity recycled and for that transferred to landfills. The value obtained is then uplifted by 12% to take account of the "telecom cables" and the "optical fibre".

Category 15: Capital investment

The emissions are calculated using the following equation:
- CO_2e = SUM (USD invested per sector x emission factor for the sector (kgCO2e/million USD)).

Different emission factors are used depending on the sector in which subsidiaries operate and, therefore, each investment is compared with the sector concerned. The most investments are assigned to the "industrial" category, others to "materials" and yet others – where information is not available from the subsidiary – to an average "global" emission factor.

Note that some categories are excluded – treated as zero emissions – as they are not significant for Prysmian. These categories are listed below.
- **Category 10:** this category is excluded because Prysmian sells finished products to end users, without intermediary products that might be processed further or transformed into other products.
- **Category 13:** Prysmian does not lease assets to third parties and, accordingly, this category is excluded.
- **Category 14:** Prysmian does not have franchisees and, accordingly, this category is excluded from the Scope 3 inventory.

Health and safety data

Health and safety data (IF, IG) does not include: for 2020 and 2021, the companies Associated Cables Pvt. Ltd. (Chiplun plant) and Oman Aluminium Processing Industries LLC (Sohar plant); for 2022, the company Associated Cables Pvt. Ltd. (Chiplun plant).

Data on occupational diseases does not include: for 2020, Associated Cables Pvt. Ltd. (Chiplun plant), Oman Aluminium Processing Industries LLC (Sohar plant) and Oman Cables Industry (Muscat plant); for 2021, Associated Cables Pvt. Ltd. (Chiplun plant) and Oman Aluminium Processing Industries LLC (Sohar plant); for 2022, Associated Cables Pvt. Ltd. (Chiplun plant).

The injury rates are calculated as follows:
- Injury rate (IF): (total number of injuries with loss of work/hours worked) *200,000;
- The injury rate (IF) calculation includes fatalities;
- Severity rate (IG): (number of days lost/hours worked) * 200,000;
- Occupational disease rate: cases of occupational disease (officially notified/hours worked)* 1,000,000;
- Absentee rate: total hours of absence/hours to be worked;

Fatality rate: (number of fatalities/hours worked) * 200,000
- The injury, severity, fatality and occupational disease rates were calculated using, on the denominator, the hours worked by employees and external collaborators (including temporary agency workers and contractors). This calculation applies to 2021 and 2022, while for 2020 the hours worked were determined as a proportion of the FTEs.

ANNEXES AND ATTACHMENTS

CORRELATION TABLE PURSUANT TO MATERIAL TOPICS AND GRI STANDARDS

Material topics for Prysmian Group	GRI Standard	Chapter/Page
Governance, ethics and integrity	GRI 3-3 GRI 2-23	Sustainable Governance – Page 73 Sustainable and agile production – Page 139 People, the human capital – Page 155 Customers and suppliers, a sustainable value chain – Page 185
-	GRI 2-1 GRI 2-2 GRI 2-3 GRI 2-4 GRI 2-5 GRI 2-6 GRI 2-9 GRI 2-10 GRI 2-11 GRI 2-12 GRI 2-13 GRI 2-14 GRI 2-15 GRI 2-16 GRI 2-17 GRI 2-18 GRI 2-19 GRI 2-20 GRI 2-21 GRI 2-22 GRI 2-24 GRI 2-25 GRI 2-26 GRI 2-27 GRI 2-28 GRI 2-29 GRI 2-30 GRI 3-1 GRI 3-2	Methodological note - Page 204 Building a sustainable future - Page 7 Sustainability highlights – Page 12 Sustainable governance – Page 73 External reference: "Report on Corporate Governance and the Ownership Structure" 2022 Strategy and business model – Page 30 External reference: "Report on remuneration policy and compensation paid" 2022 The sustainable development strategy - Page 48 Sustainable and agile production – Page 139 People, the human capital – Page 177 People, the human capital – Page 155 Customers and suppliers, a sustainable value chain – Page 185
Human capital's well-being, engagement and upskilling	GRI 3-3 GRI 401-1 GRI 401-2 GRI 402-1 GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-9 GRI 403-10 GRI 404-1 GRI 404-3	People, the human capital – Page 157 People, the human capital – Page 171 People, the human capital – Page 177
–	GRI 2-7 GRI 2-8	Building a sustainable future - Page 7 People, the human capital – Page 155
Greater diversity, inclusion and respect for human rights	GRI 3-3 GRI 405-1	People, the human capital – Page 155
Governance, ethics and integrity	GRI 3-3 GRI 205-2 GRI 205-3	Sustainable Governance – Page 73

Material topics for Prysmian Group	GRI Standard	Chapter/Page
Biodiversity and impacts on nature	GRI 3-3 GRI 304-3	Sustainable and agile production – Page 139
Decarbonisation towards net-zero and digitalisation	GRI 3-3 GRI 302-1 GRI 302-3 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	Sustainable and agile production – Page 139
Sustainable innovation for products, applications and processes	GRI 3-3	Designing a sustainable future through innovation - Page 120
Sustainable value chain	GRI 3-3 GRI 308-2	Customers and suppliers, a sustainable value chain – Page 185
Efficient, sustainable and circular operations	GRI 3-3 GRI 301-1 GRI 302-1 GRI 302-3 GRI 303-1 GRI 303-2 GRI 303-3 GRI 303-5 GRI 306-1 GRI 306-2 GRI 306-3	Customers and suppliers, a sustainable value chain – Page 185 Customers and suppliers, a sustainable value chain – Page 193 Sustainable and agile production – Page 139 Sustainable and agile production – Page 146 Sustainable and agile production – Page 148 Sustainable and agile production – Page 154 Sustainable and agile production – Page 152
Cyber security and data protection	GRI 3-3 GRI 418-1	Cybersecurity: protect sensitive and strategic data - Page 112
Sustainable value chain	GRI 3-3 GRI 414-2	Customers and suppliers, a sustainable value chain – Page 185
Governance, ethics and integrity	GRI 3-3 GRI 206-1 GRI 207-1 GRI 207-2 GRI 207-3 GRI 207-4	Sustainable Governance – Page 103
Impacts on local communities	GRI 3-3 GRI 203-1	Customers and suppliers, a sustainable value chain – Page 201
Sustainable value chain	GRI 3-3 GRI 201-2 GRI 203-1 GRI 204-1	Sustainable Governance – Page 92 Customers and suppliers, a sustainable value chain – Page 185 Customers and suppliers, a sustainable value chain – Page 201

GRI CONTENT INDEX

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
Organisation and reporting procedures	2-1	Organisational details		Methodological Note - Page 204 Building a sustainable future - Page 7
	2-2	Entities included in the organisation's sustainability reporting		Methodological Note - Page 204
	2-3	Reporting period, frequency and contact point		Methodological Note - Page 204
	2-4	Restatements of information compared with last report		Methodological Note - Page 204
	2-5	External assurance		Independent auditors' report - Page 226
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	2-10	Nomination and selection of the highest governance body		External reference: "Report on Corporate Governance and Ownership" 2022 Pages 13-16
	2-11	Chair of the highest governance body		Building a sustainable future - Page 24 External reference: "Report on Corporate Governance and Ownership" 2022 Pages 32-36
	2-12	Role of the highest governance body in overseeing the management of impacts		External reference: "Report on Corporate Governance and Ownership" 2022 Pages 29-33
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	2-14	Role of the highest governance body in sustainability reporting		External reference: "Report on Corporate Governance and Ownership" 2022 - Pages 47-49
	2-15	Conflicts of interest		Sustainable Governance - Page 100
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	2-17	Collective knowledge of the highest governance body		External reference: "Report on Corporate Governance and Ownership" 2022 Page 34
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	2-19	Remuneration policies		People, the human capital - Page 175 External reference: "Report on Corporate Governance and Ownership" 2022 Pages 52-56
	2-20	Process to determine remuneration		External reference: "Report on remuneration policy and compensation paid" 2022 Pages 27-29
	2-21	Annual total compensation ratio		People, the human capital – Page 175

74 https://www.prysmiangroup.com/sites/default/files/02_Report%20on%20Corporate%20Governance%202022.pdf
75 https://www.prysmiangroup.com/sites/default/files/Prysmian%20Remuneration%20Report%202022%20ENG_compressed_compressed.pdf

GRI Aspects	GRI Standards		Omissions	Chapter/Page
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	201-2	Financial implications and other risks and opportunities due to climate change		Sustainable Governance - Page 92
203: Indirect economic impacts	3-3	Management of material topics		Customers and suppliers, a sustainable value chain – Page 201
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204: Procurement practices	3-3	Management of material topics		Customers and suppliers, a sustainable value chain – Page 185
	204-1	Proportion of spending on local suppliers		Customers and suppliers, a sustainable value chain – Page 190
205: Anti-corruption	3-3	Management of material topics		Sustainable Governance - Page 73
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301: Materials	3-3	Management of material topics		Customers and suppliers, a sustainable value chain – Page 185
	301-1	Materials used by weight or volume		Customers and suppliers, a sustainable value chain – Page 193
302: Energy	3-3	Management of material topics		Sustainable and agile production - Page 139
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303: Water and effluents (2018)	3-3	Management of material topics		Sustainable and agile production - Page 139
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304: Biodiversity	3-3	Management of material topics		Sustainable and agile production - Page 139
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305: Emissions	3-3	Management of material topics		Sustainable and agile production - Page 139
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306: Waste (2020)	3-3	Management of material topics		Sustainable and agile production - Page 139
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403: Occupational health and safety (2018)	3-3	Management of material topics		People, the human capital – Page 179
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	403-2	Hazard identification, risk assessment and incident investigation		People, the human capital – Page 179
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404: Training and education	3-3	Management of material topics		People, the human capital – Page 169
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GRI Aspects	GRI Standards		Omissions	Chapter/Page
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414: Supplier social assessment	3-3	Management of material topics		Customers and suppliers, a sustainable value chain – Page 185
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DETAILS OF COMPANIES AND BRANCHES FY2021

Prysmian Group legal entities considered for Taxes 2021

In 2021 Prysmian is active in over 50 countries with more than 170 companies and 40 branches. Please refer to the following table containing the list of entities considered in the reporting boundary.

Country	Region	Legal Entity	Activity
Panama	AMERICAS	Alambres y Cables de Panama, S.A.	Dormant
Panama	AMERICAS	Alcap Comercial S.A.	Dormant
India	EMEA	Associated Cables Pvt. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
Tunisia	EMEA	Auto Cables Tunisie S.A.	Manufacturing or Production; Sales, Marketing or Distribution
United Kingdom	EMEA	Cable Makers Properties & Services Ltd.	Other (organizzazione professionale)
Singapore	APAC	Cable Supply and Consulting Company Private Limited	Holding shares or other equity instruments
Ecuador	AMERICAS	Cables Electricos Ecuatorianos C.A. CABLEC	Sales, Marketing or Distribution
Panama	AMERICAS	Cahosa S.A.	Holding shares or other equity instruments
Chile	AMERICAS	Cobre Cerrillos S.A.	Manufacturing or Production; Sales, Marketing or Distribution
United Kingdom	EMEA	Comergy Ltd.	Dormant
El Salvador	AMERICAS	Conducen Phelps Dodge Centroamerica-El Salvador, S.A. de C.V.	Dormant
Puerto Rico	AMERICAS	Conducen SRL - Branch Puerto RiCO	Dormant
Costa Rica	AMERICAS	Conducen, S.R.L.	Manufacturing or Production; Sales, Marketing or Distribution
United States	AMERICAS	Diversified Contractors, Inc.	Dormant
Malaysia	APAC	Draka (Malaysia) Sdn Bhd	Dormant
Belgium	EMEA	Draka Belgium N.V.	Sales, Marketing or Distribution
China	APAC	Draka Cables (Hong Kong) Limited	Dormant
Singapore	AMERICAS	Draka Cableteq Asia Pacific Holding Pte Ltd.	Holding shares or other equity instruments
Netherlands	EMEA	Draka Comteq B.V.	Holding shares or other equity instruments; Managing intellectual property
Germany	EMEA	Draka Comteq Berlin GmbH & Co. KG	Manufacturing or Production; Sales, Marketing or Distribution
Brazil	AMERICAS	Draka Comteq Cabos Brasil S.A.	Manufacturing or Production; Sales, Marketing or Distribution
Netherlands	EMEA	Draka Comteq Fibre B.V.	Research and Development; Manufacturing or Production Sales, Marketing or Distribution
France	EMEA	Draka Comteq France S.A.S.	Research and Development; Holding / managing intellectual property; Manufacturing or Production; Sales, Marketing or Distribution
Germany	EMEA	Draka Comteq Germany GmbH & Co. KG	Manufacturing or Production Sales; Marketing or Distribution
Germany	EMEA	Draka Comteq Germany Verwaltungs GmbH	Dormant
Singapore	APAC	Draka Comteq Singapore Pte Ltd.	Dormant
United Kingdom	EMEA	Draka Comteq UK Ltd.	Manufacturing or Production Sales; Marketing or Distribution
Germany	EMEA	Draka Deutschland Erste Beteiligungs GmbH	Holding shares or other equity instruments
Germany	EMEA	Draka Deutschland GmbH	Holding shares or other equity instruments
Germany	EMEA	Draka Deutschland Verwaltungs GmbH	Dormant
Germany	EMEA	Draka Deutschland Zweite Beteiligungs GmbH	Holding shares or other equity instruments
United Kingdom	EMEA	Draka Distribution Aberdeen Ltd.	Dormant
Mexico	AMERICAS	Draka Durango S. de R.L. de C.V.	Manufacturing or Production
Canada	AMERICAS	Draka Elevator Products Incorporated	Sales, Marketing or Distribution

Country	Region	Legal Entity	Activity
United States	AMERICAS	Draka Elevator Products, Inc.	Manufacturing or Production; Sales, Marketing or Distribution
France	EMEA	Draka Fileca S.A.S.	Manufacturing or Production; Sales, Marketing or Distribution
France	EMEA	Draka France S.A.S.	Holding shares or other equity instruments
Netherlands	EMEA	Draka Holding B.V.	Administrative, Management or Support Services; Holding shares or other equity instruments
Spain	EMEA	Draka Holding, S.L. (Sociedad Unipersonal)	Holding shares or other equity instruments
Poland	EMEA	Draka Kabely s.r.o. – Branch Poland	
Czech Republic	EMEA	Draka Kabely, s.r.o.	Manufacturing or Production Sales; Marketing or Distribution
Malaysia	APAC	Draka Marketing and Services Sdn Bhd	Dormant
Mexico	AMERICAS	Draka Mexico Holdings S.A. de C.V.	Holding shares or other equity instruments
Singapore	APAC	Draka NK Cables (Asia) Pte Ltd.	Dormant
Singapore	APAC	Draka Offshore Asia Pacific Pte Ltd.	Dormant
France	EMEA	Draka Paricable S.A.S.	Sales, Marketing or Distribution
Philippines	APAC	Draka Philippines Inc.	Manufacturing or Production; Sales, Marketing or Distribution
Germany	EMEA	Draka Service GmbH	Provision of technical services
China	APAC	Draka Shanghai Optical Fibre Cable Co. Ltd.	Dormant
United States	AMERICAS	Draka Transport USA, LLC	Manufacturing or Production; Sales, Marketing or Distribution
United Kingdom	EMEA	Draka UK Group Ltd.	Dormant
United Kingdom	EMEA	Draka UK Ltd.	Dormant
Honduras	AMERICAS	Electroconductores de Honduras, S.A. de C.V.	Dormant
Tunisia	EMEA	Eurelectric Tunisie S.A.	Manufacturing or Production
Italy	EMEA	Fibre Ottiche Sud - F.O.S. S.r.l.	Manufacturing or Production
United States	AMERICAS	GC Global Holdings, Inc.	Holding shares or other equity instruments
Spain	EMEA	GC Latin America Holdings, S.L.	Holding shares or other equity instruments
Mauritius	EMEA	GC Specialty & Automotive	Dormant
Botswana	EMEA	General Cable Botswana (Pty) Ltd.	Dormant
Brazil	AMERICAS	General Cable Brasil Indústria e Comércio de Condutores Elétricos Ltda	Manufacturing or Production; Sales, Marketing or Distribution
United States	AMERICAS	General Cable Canada Holdings LLC	Holding shares or other equity instruments
Dominican Republic	AMERICAS	General Cable Caribbean, S.R.L	Dormant
Portugal	EMEA	General Cable Celcat, Energia e Telecomunicaçoes SA	Manufacturing or Production; Sales, Marketing or Distribution
Canada	AMERICAS	General Cable Company Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
Angola	EMEA	General Cable Condel, Cabos de Energia e Telecomunicaçoes SA	Manufacturing or Production; Sales, Marketing or Distribution
United States	AMERICAS	General Cable Corporation	Administrative, Management or Support Services; Holding shares or other equity instruments
Mexico	AMERICAS	General Cable de Mexico, S.A de C.V.	Manufacturing or Production; Sales, Marketing or Distribution
Spain	EMEA	General Cable Holdings (Spain), S.L.	Holding shares or other equity instruments
United Kingdom	EMEA	General Cable Holdings (UK) Limited	Holding shares or other equity instruments
Netherlands	EMEA	General Cable Holdings Netherlands C.V.	Holding shares or other equity instruments
New Zealand	APAC	General Cable Holdings New Zealand	Dormant
United States	AMERICAS	General Cable Industries, Inc.	Research and Development; Manufacturing or Production; Sales, Marketing or Distribution; Holding shares or other equity instruments
United States	AMERICAS	General Cable Industries LLC	Manufacturing or Production Sales, Marketing or Distribution

Country	Region	Legal Entity	Activity
Portugal	EMEA	General Cable Investments, SGPS, Sociedade Unipessoal, S.A.	Holding shares or other equity instruments
Italy	EMEA	General Cable Italia S.r.l.	Dormant
New Zealand	APAC	General Cable New Zealand Limited	Dormant
Norway	EMEA	General Cable Nordic A/S	Dormant
United States	AMERICAS	General Cable Overseas Holdings, LLC	Holding shares or other equity instruments
Peru	AMERICAS	General Cable Peru S.A.C.	Sales, Marketing or Distribution
South Africa	EMEA	General Cable Phoenix South Africa Pty. Ltd.	Dormant
United Kingdom	EMEA	General Cable Services Europe Limited	Dormant
United States	AMERICAS	General Cable Technologies Corporation	Holding / managing intellectual property
Mauritius	EMEA	General Cable Trading	Dormant
Trinidad and Tobago	AMERICAS	General Cable Trinidad Limited	Dormant
Mexico	AMERICAS	General de Cable de Mexico del Norte, S.A. de C.V.	Manufacturing or Production
United States	AMERICAS	GK Technologies, Incorporated	Holding shares or other equity instruments
Spain	EMEA	Grupo General Cable Sistemas, S.L.	Manufacturing or Production Sales, Marketing or Distribution Holding shares or other equity instruments
Germany	EMEA	Höhn GmbH	Other activities (Real Estate)
India	EMEA	Jaguar Communication Consultancy Services Private Ltd.	Dormant
Germany	EMEA	Kaiser Kabel GmbH	Other activities (Real Estate)
Russia	EMEA	Limited Liability Company Prysmian RUS	Sales, Marketing or Distribution; Administrative, Management or Support Services
Russia	EMEA	Limited Liability Company "Rybinskelektrokabel"	Manufacturing or Production; Sales, Marketing or Distribution
Thailand	APAC	MCI-Draka Cable Co. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
China	APAC	Nantong Haixun Draka Elevator Products Co. LTD	Manufacturing or Production; Sales, Marketing or Distribution
China	APAC	Nantong Zhongyao Draka Elevator Products Co. LTD	Manufacturing or Production; Sales, Marketing or Distribution
South Africa	EMEA	National Cables (Pty) Ltd.	Dormant
Mexico	AMERICAS	NK Mexico Holdings S.A. de C.V.	Dormant
Germany	EMEA	NKF Holding (Deutschland) GmbH i.L	Dormant
Netherlands	EMEA	NKF Vastgoed I B.V.	Holding (Real Estate)
Netherlands	EMEA	NKF Vastgoed III B.V.	Holding (Real Estate)
United States	AMERICAS	Norddeutshce Seekabelwerke GmbH – Branch US	Provision of services to unrelated parties
Germany	EMEA	Norddeutsche Seekabelwerke GmbH	Manufacturing or Production; Sales, Marketing or Distribution
United Kingdom	EMEA	NSW Technology Limited	Dormant
Oman	EMEA	Oman Aluminium Processing Industries (SPC)	Manufacturing or Production
Oman	EMEA	Oman Cables Industry (SAOG)	Manufacturing or Production Sales, Marketing or Distribution
France	EMEA	P.O.R. S.A.S.	Other activities (società per scopi speciali)
Mexico	AMERICAS	PDIC Mexico, S.A. de C.V.	Dormant
United States	AMERICAS	Phelps Dodge Enfield Corporation	Holding shares or other equity instruments
United States	AMERICAS	Phelps Dodge International Corporation	Dormant
United States	AMERICAS	Phelps Dodge National Cables Corporation	Holding shares or other equity instruments
China	APAC	Phelps Dodge Yantai Cable Company, Ltd.	Dormant
Cayman Islands	AMERICAS	Phelps Dodge Yantai China Holdings, Inc.	Holding shares or other equity instruments
Mexico	AMERICAS	Prestolite de Mexico, S.A. de C.V.	Manufacturing or Production
China	APAC	Prestolite Wire (Shanghai) Company, Ltd	Dormant
Colombia	AMERICAS	Productora de Cables Procables S.A.S.	Manufacturing or Production; Sales, Marketing or Distribution
Guatemala	AMERICAS	Proveedora de Cables y Alambres PDCA Guatemala, S.A.	Dormant

Country	Region	Legal Entity	Activity
France	EMEA	Prysmian (French) Holdings S.A.S.	Holding shares or other equity instruments
Australia	APAC	Prysmian Australia Pty Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
China	APAC	Prysmian Cable (Shanghai) Co. Ltd.	Sales, Marketing or Distribution; Administrative, Management or Support Services
China	APAC	Prysmian Cable (Shanghai) Trading Co Ltd - Suzhou Branch	Manufacturing or Production; Sales, Marketing or Distribution
Singapore	APAC	Prysmian Cable Systems Pte Ltd.	Dormant
United Kingdom	EMEA	Prysmian Cables & Systems Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
United Kingdom	EMEA	Prysmian Cables (2000) Ltd.	Dormant
United States	AMERICAS	Prysmian Cables and Systems (US) Inc.	Holding shares or other equity instruments
Canada	AMERICAS	Prysmian Cables and Systems Canada Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
United States	AMERICAS	Prysmian Cables and Systems USA, LLC	Manufacturing or Production; Sales, Marketing or Distribution; Administrative, Management or Support Services
Singapore	APAC	Prysmian Cables Asia-Pacific Pte Ltd.	Dormant
Chile	AMERICAS	Prysmian Cables Chile SpA	Dormant
United Arab Emirates	EMEA	Prysmian Cables et Systèmes France SAS - Branch Abu Dhabi	Dormant
Algeria	EMEA	Prysmian Cables et Systèmes France SAS – Branch Algeria	Dormant
Lebanon	EMEA	Prysmian Cables et Systèmes France SAS - Branch Libano	Provision of services to unrelated parties
Morocco	EMEA	Prysmian Cables et Systèmes France SAS - Branch Marocco	Dormant
Tahiti	APAC	Prysmian Cables et Systèmes France SAS – Branch Tahiti	Provision of services to unrelated parties
Tunisia	EMEA	Prysmian Cables et Systèmes France SAS - Branch Tunisia	Provision of services to unrelated parties
France	EMEA	Prysmian Cables et Systèmes France S.A.S.	Manufacturing or Production; Sales, Marketing or Distribution
Portugal	EMEA	Prysmian Cables Spain S.A - Branch Portugal	Dormant
Spain	EMEA	Prysmian Cables Spain, S.A. (Sociedad Unipersonal)	Manufacturing or Production; Sales, Marketing or Distribution
Mexico	AMERICAS	Prysmian Cables y Sistemas de Mexico S. de R. L. de C. V.	Manufacturing or Production; Sales, Marketing or Distribution
Mexico	AMERICAS	Prysmian Cables y Sistemas S.A. - Branch Mexico	Dormant
Romania	EMEA	Prysmian Cabluri Si Sisteme S.A.	Manufacturing or Production; Sales, Marketing or Distribution
Brazil	AMERICAS	Prysmian Cabos e Sistemas do Brasil S.A.	Manufacturing or Production; Sales, Marketing or Distribution
Malta	EMEA	Prysmian Cavi e Sistemi Italia S.r.l. - Branch Malta	Dormant
Italy	EMEA	Prysmian Cavi e Sistemi Italia S.r.l.	Manufacturing or Production; Sales, Marketing or Distribution
United Arab Emirates	EMEA	Prysmian Cavi e Sistemi S.r.l. - Branch AbuDhabi	Provision of services to unrelated parties
Morocco	EMEA	Prysmian Cavi e Sistemi S.r.l. – Branch Marocco	Dormant
Qatar	EMEA	Prysmian Cavi e Sistemi S.r.l. – Branch Qatar	Provision of services to unrelated parties
Italy	EMEA	Prysmian Cavi e Sistemi S.r.l.	Administrative, Management or Support Services; Holding shares or other equity instruments
United Kingdom	EMEA	Prysmian Construction Company Ltd.	Dormant
United States	AMERICAS	Prysmian Construction Services Inc.	Other services (Società di Payroll)
Argentina	AMERICAS	Prysmian Consultora Conductores e Instalaciones SAIC	Holding shares or other equity instruments
Italy	EMEA	Prysmian Electronics S.r.l.	Manufacturing or Production
Argentina	AMERICAS	Prysmian Energia Cables y Sistemas de Argentina S.A.	Manufacturing or Production; Sales, Marketing or Distribution

Country	Region	Legal Entity	Activity
Estonia	EMEA	Prysmian Group Baltics AS	Manufacturing or Production; Sales, Marketing or Distribution
Denmark	EMEA	Prysmian Group Denmark A/S	Sales, Marketing or Distribution
Finland	EMEA	Prysmian Group Finland OY	Manufacturing or Production; Sales, Marketing or Distribution
Norway	EMEA	Prysmian Group Norge AS	Manufacturing or Production; Sales, Marketing or Distribution
Sweden	EMEA	Prysmian Group North Europe AB	Holding shares or other equity instruments
Sweden	EMEA	Prysmian Group Sverige AB	Manufacturing or Production; Sales, Marketing or Distribution
China	APAC	Prysmian Hong Kong Holding Ltd.	Sales, Marketing or Distribution; Provision of services to unrelated parties; Holding shares or other equity instruments
Germany	EMEA	Prysmian Kabel und Systeme GmbH	Manufacturing or Production; Sales, Marketing or Distribution
Slovakia	EMEA	Prysmian Kablo s.r.o.	Manufacturing or Production; Sales, Marketing or Distribution
Czech Republic	EMEA	Prysmian Kablo SRO - Branch Czech Republic	Sales, Marketing or Distribution
Hungary	EMEA	Prysmian MKM Magyar Kabel Muvek Kft.	Manufacturing or Production; Sales, Marketing or Distribution
Netherlands	EMEA	Prysmian Netherlands B.V.	Manufacturing or Production; Sales, Marketing or Distribution
Netherlands	EMEA	Prysmian Netherlands Holding B.V.	Holding shares or other equity instruments
New Zealand	APAC	Prysmian New Zealand Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
Austria	EMEA	Prysmian OEKW GmbH	Sales, Marketing or Distribution
United Kingdom	EMEA	Prysmian Pension Scheme Trustee Ltd.	Other
Saudi Arabia	EMEA	Prysmian PowerLink - Branch Arabia Saudita	Provision of services to unrelated parties
Bahrain	EMEA	Prysmian PowerLink - Branch Baharain	Provision of services to unrelated parties
China	APAC	Prysmian PowerLink - Branch China	Provision of services to unrelated parties
Denmark	EMEA	Prysmian PowerLink - Branch Denmark	Provision of services to unrelated parties
United Arab Emirates	EMEA	Prysmian PowerLink - Branch Emirati Arabi (Abu Dhabi)	Provision of services to unrelated parties
Philippines	APAC	Prysmian PowerLink - Branch Filippine	Provision of services to unrelated parties
Finland	EMEA	Prysmian PowerLink - Branch Finland	Provision of services to unrelated parties
France	EMEA	Prysmian PowerLink - Branch Francia	Provision of services to unrelated parties
Germany	EMEA	Prysmian PowerLink - Branch Germania	Provision of services to unrelated parties
Greece	EMEA	Prysmian PowerLink - Branch Grecia	Provision of services to unrelated parties
Ireland	EMEA	Prysmian PowerLink - Branch Irlanda	Dormant
Montenegro	EMEA	Prysmian PowerLink - Branch Montenegro	Provision of services to unrelated parties
Netherlands	EMEA	Prysmian PowerLink - Branch Netherlands	Provision of services to unrelated parties
Norway	EMEA	Prysmian PowerLink - Branch Norway	Provision of services to unrelated parties
Qatar	EMEA	Prysmian PowerLink - Branch Qatar	Provision of services to unrelated parties
Singapore	APAC	Prysmian PowerLink - Branch Singapore	Provision of services to unrelated parties
Spain	EMEA	Prysmian PowerLink - Branch Spagna	Provision of services to unrelated parties
Turkey	EMEA	Prysmian PowerLink - Branch Turchia	Dormant
United Kingdom	EMEA	Prysmian PowerLink - Branch Uk	Provision of services to unrelated parties

Country	Region	Legal Entity	Activity
Italy	EMEA	Prysmian PowerLink S.r.l.	Manufacturing or Production; Sales, Marketing or Distribution Provision of services to unrelated parties
Saudi Arabia	EMEA	Prysmian Powerlink Saudi LLC	Dormant
Greece	EMEA	Prysmian PowerLink Services Ltd. - Branch Grecia	Other
United Kingdom	EMEA	Prysmian PowerLink Services Ltd.	Provision of technical services
Ireland	EMEA	Prysmian Re Company Designated Activity Company	Insurance
Italy	EMEA	Prysmian S.p.a.	Research and Development; Holding / managing intellectual property; Purchasing or Procurement; Administrative, Management or Support Services; Holding shares or other equity instruments
South Africa	EMEA	Prysmian Spain SA EPC - Branch South Africa	Sales, Marketing or Distribution; Provision of services to unrelated parties
China	APAC	Prysmian Technology Jiangsu Co. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
China	APAC	Prysmian Tianjin Cables Co. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
Italy	EMEA	Prysmian Treasury S.r.l.	Internal Group Finance
United Kingdom	EMEA	Prysmian UK Group Ltd.	Holding shares or other equity instruments
Germany	EMEA	Prysmian Unterstuetzungseinrichtung Lynen GmbH	Other (fondo pensione)
China	APAC	Prysmian Wuxi Cable Co. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
Indonesia	APAC	PT.Prysmian Cables Indonesia	Manufacturing or Production; Sales, Marketing or Distribution
Mexico	AMERICAS	Servicios Latinoamericanos GC, S.A. de C.V.	Administrative, Management or Support Services
Cote d'Ivoire	EMEA	SICABLE - Société Ivoirienne de Cables S.A.	Manufacturing or Production; Sales, Marketing or Distribution
United Arab Emirates	EMEA	Silec Cable SAS – Branch Abu Dhabi	Provision of services to unrelated parties
Algeria	EMEA	Silec Cable SAS – Branch Algeria	Dormant
Belgium	EMEA	Silec Cable SAS – Branch Belgium	Provision of services to unrelated parties
Mexico	AMERICAS	Silec Cable SAS – Branch Mexico	Dormant
Tunisia	EMEA	Silec Cable SAS – Branch Tunisia	Provision of services to unrelated parties
Colombia	AMERICAS	SILEC Cable, S.A.S. - Branch Colombia	Dormant
Portugal	EMEA	SILEC Cable, S.A.S. - Branch Portugal	Dormant
France	EMEA	Silec Cable, S. A. S.	Manufacturing or Production; Sales, Marketing or Distribution
Malaysia	APAC	Sindutch Cable Manufacturer Sdn Bhd	Manufacturing or Production; Sales, Marketing or Distribution
Singapore	APAC	Singapore Cables Manufacturers Pte Ltd.	Sales, Marketing or Distribution; Administrative, Management or Support Services
China	APAC	Suzhou Draka Cable Co. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution; Administrative, Management or Support Services
Turkey	EMEA	Tasfiye Halinde Draka Comteq Kablo Limited Sirketi	Dormant
Turkey	EMEA	Turk Prysmian Kablo Ve Sistemleri A.S.	Research and Development; Manufacturing or Production; Sales, Marketing or Distribution
Turkey	EMEA	Turk Prysmian –Prysmian Powerlink Adi Ortakligi	Dormant
Turkey	EMEA	Turk Prysmian –Prysmian Powerlink Adi Ortakligi II	Dormant
Cayman Islands	AMERICAS	YA Holdings, Ltd.	Holding shares or other equity instruments
United Kingdom	EMEA	Prysmian Telecom Cables and Systems UK Ltd.	Dormant

Country	Region	Legal Entity	Activity
Netherlands	EMEA	Donne Draad B.V.	Sales, Marketing or Distribution
Netherlands	EMEA	Draka Kabel B.V.	Dormant
Thailand	APAC	General Cable Asia Pacific & Middle East Co., Ltd.	Dormant

INDEPENDENT AUDITORS' REPORT

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Independent auditors' report on the "Sustainability Report 2022" (Translation from the original Italian text)

To the Board of Directors of
Prysmian S.p.A.

We have been appointed to perform a limited assurance engagement on the "Sustainability Report 2022" (hereinafter "Sustainability Report") of Prysmian S.p.A. and its subsidiaries (hereinafter the "Group" or "Prysmian Group") for the year ended on 31st December 2022.

Responsibilities of Directors on the Sustainability Report

The Directors of Prysmian S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of Prysmian S.p.A. regarding the sustainability performance, as well as for the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been performed in accordance with the principle "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

EY S.p.A.
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Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with Company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the reasons for the co-presence of the DNF (Non Financial Declaration required under Articles 3 and 4 of Legislative Decree 254/2016) and the Sustainability Report and of the profiles that differentiate the two documents;
2. analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the methods of analysis and understanding of the reference context, the identification, assessment and prioritization of actual and potential impacts and the internal validation of the process outcome;
3. comparison of economic and financial data and information included in the paragraph "1.2 Being Prysmian" of the Sustainability Report with those included in the Prysmian Group's consolidated financial statements;
4. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report.

   In particular, we have conducted interviews and discussions with the management of Prysmian S.p.A. and with the personnel of Draka Kabely, s.r.o., Draka Comteq Germany GmbH & Co. KG, Prysmian Cables y Sistemas de Mexico S. de R.L. de C.V., Draka Durango S. de R.L. de C.V., Prysmian Australia Pty Ltd., Draka Comteq Fibre B.V. and Prysmian Cables & Systems Ltd. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the Sustainability Report.

   Furthermore, for significant information, considering the Group's activities and characteristics:

   - at Group level
     a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
     b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
   - for Draka Kabely, s.r.o. (Velke Mezirici plant), Draka Comteq Germany GmbH & Co. KG (Nuremberg plant), Prysmian Cables y Sistemas de Mexico S. de R.L. de C.V. (Durango – Telecom plant), Draka Durango S. de R.L. de C.V. (Durango – Energy plant), Prysmian Australia Pty Ltd. (Liverpool plant), Draka Comteq Fibre B.V. (Eindhoven plant) and Prysmian Cables & Systems Ltd. (Aberdare plant), that we have selected based on their activity, relevance to the consolidated performance indicators and location, we have carried out site

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visits and remote interviews during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainabilty Report of the Prysmian Group for the year ended on 31st December 2022 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, with reference to the GRI Standards selection as described in the paragraph "Methodological note" of the Sustainability Report.

Our conclusions on the Sustainability Report of the Prysmian Group do not refer to the information included in the paragraph "European Taxonomy" of the Sustainability Report itself, that are required by Article 8 of European Regulation 2020/852.

Other information

The comparative information presented in the Sustainability Report for the year ended on 31st December 2021 and on 31st December 2020 have not been examined.

Milan, 17 March 2023

EY S.p.A.
Signed by: Massimo Meloni, Auditor

This report has been translated into the English language solely for the convenience of international readers.

Prysmian Group

Linking the sustainable future