Prysmian Group

Sustainability Report 2021

Consolidated disclosure of non-financial information
of the Group pursuant to Legislative Decree 254/2016

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Index

GRI | COMMUNITY MEMBER | 2022

01_2021 @ A GLANCE

The drive to create value for stakeholders underpins our daily activities. This complex challenge builds on a solid ESG identity and requires the commitment of all individuals and business functions. A challenge that is fuelled by the development and achievement of our sustainable ambitions. These are described in this chapter, together with a summary of the main events that occurred in 2021.

CEO's letter

The year 2021 was the year when the global economic and financial system realised it had to step up its commitment to sustainability. Prysmian has been proactive in this regard, launching two initiatives that consolidate its present and future leadership on ESG matters: the Climate Change Ambition and the Social Ambition. These two projects represent our concrete contribution to the targets that the whole planet has set itself: Europe and its Green Deal; the USA and the Biden administration's new plans, and more generally, the United Nations' COP26 commitments. These are our own ambitions, designed to support global ambitions.

With the Climate Change Ambition, the Prysmian Group rolls out a new strategy that adopts science-based targets aligned with the Paris Agreement and commits to a 2035 "Net Zero" target for emissions from its own operations (Scope 1 and 2), and 2050 for value chain emissions (Scope 3). The company will invest 100 million euros in this initiative over the next 10 years.

The Social Ambition formalises a commitment that is no less important than climate, as it includes structural improvements in diversity, equality and inclusion (DE&I), digital inclusion, community empowerment, employee engagement and upskilling. The Group is undergoing a complete transformation as a people company, intent on fostering people's empowerment, without preclusions or cultural barriers that impede the development of human capital.

However, financial investment alone is not enough to achieve this goal. Our climate and social ambitions must be resolutely based on the "sustainability leader" model that we have nurtured over the years and which today allows us to say that we don't do sustainability, we are sustainability. Now and in the future, this model expresses a further ambition: to be a leading technological player in the transition towards the use of renewable energy sources and a decarbonised economy.

These three ambitions–climate, social and technological–accelerate the integration of ESG factors into our infrastructure and governance and above all confirm Prysmian's key role in its value chain. We are currently revising our budgetary indicators in accordance with the Taxonomy Regulation and expect that a big part of Prysmian's business will be in line with the sustainability criteria set out by the European regulator. This strategic positioning is reflected in the group's financial soundness, even in a year as complex as 2021. Last year, the Prysmian Group generated cash flow and boosted production chain resilience to avoid business disruption. The group also continued to distribute value: in 2021, the total economic value generated, namely the wealth created by Prysmian for all stakeholders, amounted to 13,484 million euro.

Furthermore, Prysmian Group reaffirms its engagement towards the Sustainable Development Goals through its adherence to the United Nations Global Compact. Thanks to our range of sustainable products and our highly skilled workforce, we are confident in our ability to deliver a sustainable future for Prysmian Group, the generations to come and our planet.

Valerio Battista
CEO Prysmian Group

Message from the Chair of the Sustainability Committee

In 2021, Prysmian Group's Board of Directors further strengthened its commitment to combining the Company's traditional aims of business profitability and financial soundness with the challenging new goals of improving environmental and social sustainability, as well as ethics and governance.

The Board strongly fostered and fully supported the Company's decision to define a new "Climate Change Ambition" which, together with the "Social Ambition" already introduced, aims to strengthen Prysmian Group's commitment and ESG impact.

The "Climate Change Ambition" stems from the conviction that the climate change challenge is a priority to be addressed with social responsibility and, at the same time, it is also a business opportunity. Cable technology for energy transmission and telecommunications is of utmost importance for the development of the new network infrastructures required to support the energy transition and digitalisation.
Connecting systems and people – including through digitalisation – has also a strong importance in terms of inclusiveness, which is an extremely important value for Prysmian Group and the base on which the Group's "Social Ambition" was developed with a focus on the social aspects of sustainability.

This commitment takes concrete form in the adoption of new and challenging objectives for promoting diversity and inclusion, continuous training and workplace safety. The Company's strong commitment in pursuing these objectives is confirmed by the introduction of specific indicators that contribute to determining the variable remuneration component.

Special emphasis has been placed on gender diversity in order to promote women's recruitment, training and development within the Group, and in STEM positions in particular, over the medium to long term.

It should be highlighted that important work has been done by the Sustainability Committee and the Risk Committee together towards the adoption of a new integrated and dynamic approach to risk management, with the aim of analysing both the physical and direct risks of climate change, but also the indirect risks attributable to the energy transition.

Ongoing dialogue with the Group's stakeholders and constant attention to aligning expectations have helped to raise the interest of ESG shareholders, who currently own almost 50% of the Group's equity.

I would like to express my satisfaction with the Group's 2021 results, especially in light of the challenges posed by the specific context, and aware that there is still a long way to go – a journey that in the future will continue to require us to listen to and continuously engage with all our stakeholders.

The Board is committed to supporting Prysmian Group and its management in this ambitious project.

Maria Letizia Mariani
Chair of the Sustainability Committee

Integrated Sustainability

The 2021 Sustainability Report of Prysmian Group strives to explain how the consolidation of our ESG (Environment, Social, Governance) Identity is, today, the key factor in our leadership and makes us a sustainability champion for the entire value chain.

The structure of the Report seeks to trace a path that can be read outwards, starting from within Prysmian (diagram below). The concept describes a Group committed to the further integration of ESG within its governance and strategies, in order to make an external impact via the development and achievement of its sustainability ambitions.

The first chapter (**page 5**) presents the framework within which the path evolves, focusing on the broadest and most encompassing objective: stakeholder value creation. We also discuss the commitment of the Group to environmental and social matters, as confirmed by the preparation in 2021 of two key documents: Climate Change Ambition and Social Ambition. These describe the ambitions and the targets set by Prysmian, in order to make a concrete contribution to sustainable development.

The real conceptual journey commences in the second chapter (**page 25**), starting from the central core of our sustainability system: our ESG Identity (first ring). Here we explain how critical environmental, social and governance factors are being progressively integrated into our corporate DNA. The third chapter (**page 53**) describes how this identity gathers around itself an innovative decision-making and operational model: our ESG Governance (second ring). By this we mean the mechanisms that connect our sustainability strategies with our operations and align the Company with its stakeholders. The three chapters that follow present the three drivers used by Prysmian to promote sustainability: our ESG Ambitions (the triangle). In particular, the fourth chapter, People, Culture & Organisation (**page 87**), focuses on our Social Ambition in confirmation of the people-centric nature of the Prysmian culture and organisation. The fifth chapter, Sustainable Innovation & Lean Manufacturing (**page 153**), describes our innovation ambition in terms of the technological aspects that make us a benchmark for the measurement of sustainable products. The path through the sixth chapter, Extended Value Chain (**page 153**), leads us to examine the sustainable leadership of Prysmian both up and downstream of the value chain: our ESG Value (external ring). This highlights the role of Prysmian as a champion, capable of sustaining and promoting the creation of sustainable value for both customers and stakeholders.

This document represents the Consolidated Disclosure of Non-Financial Information (NFS) required pursuant to Decree 254/2016.

For reasons other than compliance with the requirements of Decree 254/2016, the NFS 2021 includes additional specific KPIs for the sector in which the Group operates, having regard for the indicators published by the Sustainability Accounting Standards Board (SASB).

Enjoy the reading

Sustainability is what we are

Our ESG **Identity**

Our ESG **Governance**
Committee   Stakeholder   Local ambassador
Board   Shareholder

Our ESG **Ambition**
Climate ambition   Innovation ambition
Social ambition

Our ESG **Value**
Client enabler   Supplier improver
Business ambassador
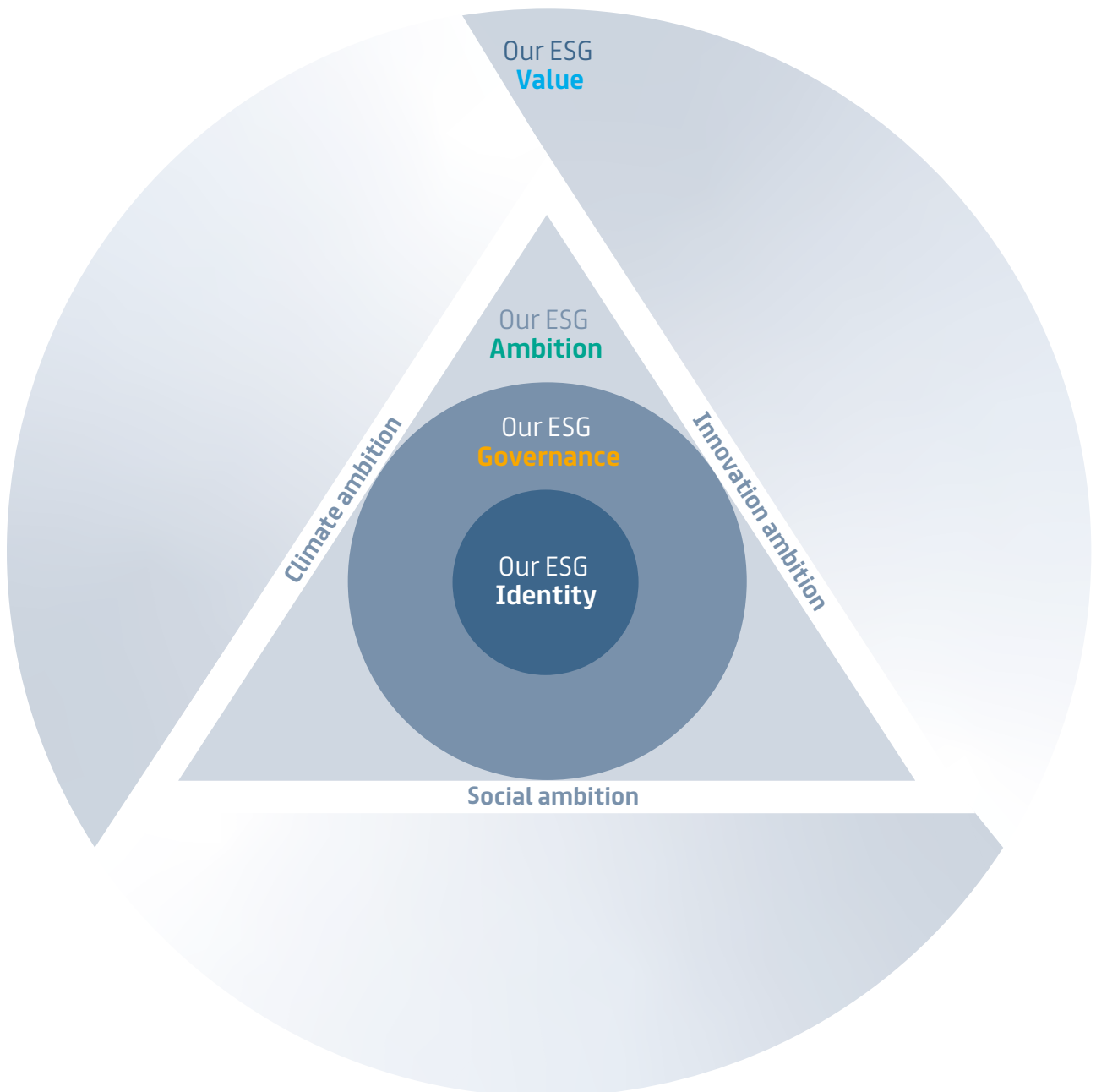
The creation of value for Stakeholders

The creation of value for stakeholders is an essential element of the ESG Identity of Prysmian.

This element is sustained by a series of activities designed to involve stakeholders throughout the entire value chain, with specific actions to promote active listening and sustainable behaviours.

Customers

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 selection

▼

Actions:

• ESG evaluation of suppliers base

• Sustainability audits

• CDP partnership

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 focus

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 adopting an ever more pro-active role in decarbonisation efforts by including ESG KPIs in the appraisal of suppliers. The procurement of raw materials and the performance of activities are subject to rigid sustainability policies that address their environment impact and their respect for human rights and business ethics. Particular attention is dedicated to the engagement and satisfaction of customers and all significant stakeholders, as well as to the impact of our activities on the communities in which we operate. On-time delivery in the Telecom sector is around 91%, while the Energy sector achieves about 93%.

The resilience demonstrated by the business in tackling the effects of the pandemic made it possible to defend the economic and financial strength of the Group, ensuring the creation of economic value for our shareholders.

The Prysmian stock price rose by 13.9% during 2021, closing the year at € 33.11 per share compared with € 29.08 at the end of 2020.

PERFORMANCE OF PRYSMIAN STOCK

TOTAL SHAREHOLDER RETURN

+15.90%
IN 2021

+196.0%
SINCE ITS DATE OF LISTING

Prysmian   FTSE MIB   EURO STOXX 600 INDUSTRIAL
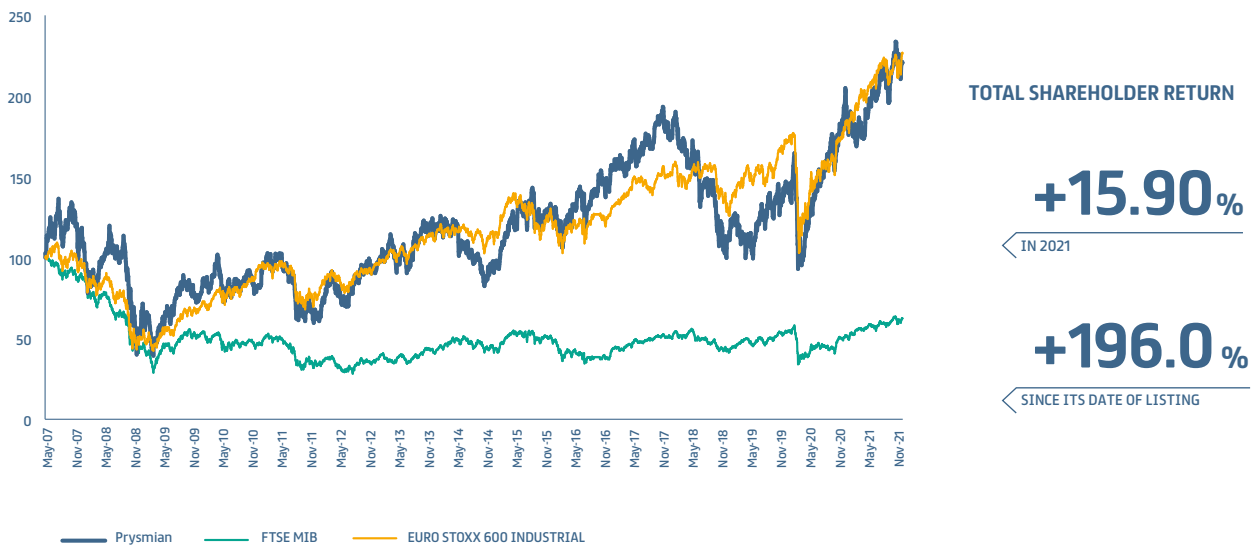
The economic value generated, being the overall wealth created by the Group for all stakeholders, totalled 13,484 million euros in 2021. Much of this value, 13,174 million euro, was redistributed in the form of:

81.49% Spending on Suppliers

11.28% Payment to Staff

5.96% Payment to Lenders

1.26% Payment to the Public Administration

0.02% Contributions to the Community
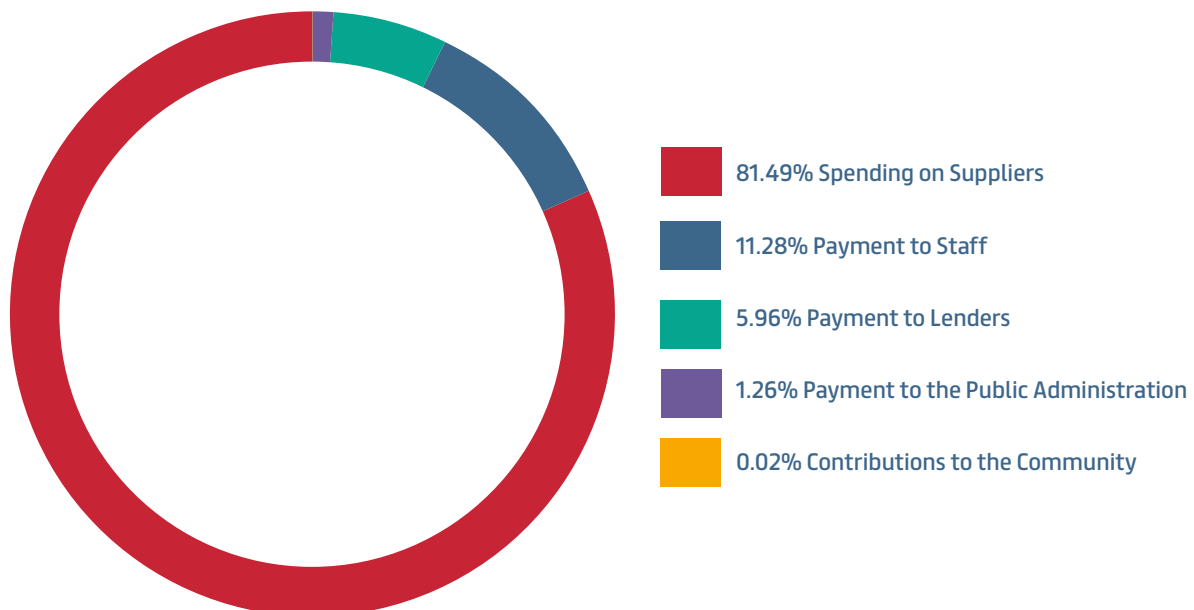
New Group targets:
Climate Change & Social Ambition

We seek to become a global leader in sustainability. This ambition has caused us to establish challenging climate and social objectives that promote the transition towards a low-carbon world and a more equal and inclusive working environment.

Prysmian introduced two new strategic ambitions during 2021 that will guide the actions of the Group over the medium-long term: the Climate Change Ambition and the Social Ambition. Linking the Social Ambition with our environmental objectives is a fundamental element of the ESG identity of Prysmian, alongside the intention of the Group to contribute actively to the energy transition, promote actively the transition towards a more equal, diversified, inclusive and rich working environment, and impact positively the development of the communities and societies in which we are present.

The Climate Change Ambition seeks to position the Group as one of the main technological players in the transition to low-carbon energy. The climate strategy adopts "science-based" targets aligned with the requirements of the Paris Agreement, which calls for net-zero emissions between 2035 and 2040 for those generated by internal activities (Scopes 1 and 2) and by 2050 for those generated by the value chain (Scope 3). In September 2021, Prysmian obtained approval for its targets from the Science-Based Target Initiative (SBTI), which is an organisation founded in 2015 to help businesses establish emission reduction objectives in line with the Paris Agreement objectives.

PRYSMIAN GROUP CLIMATE CHANGE AMBITION

OUR NET ZERO CLIMATE AMBITION
Prysmian Group has set carbon reduction targets aligned
with the Science Based Targets initiative and Net Zero ambition

- **NET ZERO BY 2035** for our Scope 1&2 emissions, and by 2050 for our Scope 3 emissions
- Signed the **BUSINESS AMBITION FOR 1.5C COMMITMENT LETTER**[1]
- **SBTI APPROVAL ON SEPTEMBER 18, 2021**
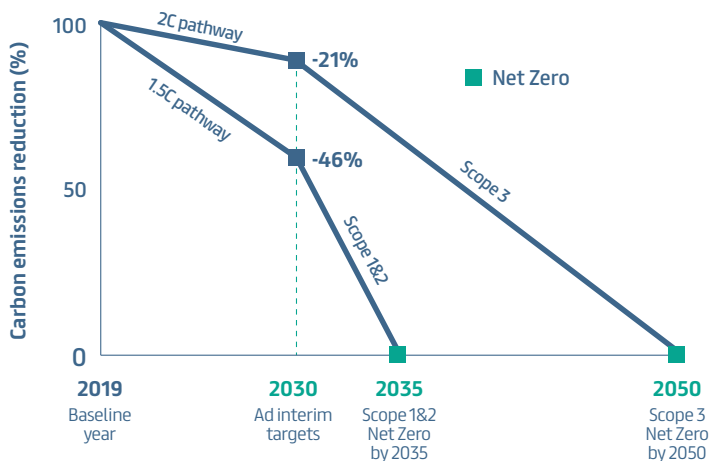
Already working for an earlier delivery on carbon reduction targets

1 **DECARBONISE 80%**
of our Scope 1&2 carbon footprint
- phasing out SF6 emissions
- 100% renewable energy for electricity

2 Approx **100 €M** of Capex
- Over the next ten years
- Across our global operations of over 130 sites

1   The Business Ambition for 1.5°C is a campaign is led by the Science Based Targets initiative in partnership with the UN Global Compact and the We Mean Business coalition.

SOCIAL AMBITION

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 Group promotes programmes designed to enhance the digital inclusion of all employees, eliminating at the same time discrimination based on their role or position. By adopting a pro-active approach, the Group is evolving into an organisation that recognises diversity, inclusion and gender equality at all levels, committed to facilitating the empowerment of a larger number of women, so that they can pursue further their technical and scientific positions within Prysmian.

The new targets 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	UPSKILLING & ENGAGEMENT	EMPOWER LOCAL COMMUNITIES	DIGITAL INCLUSION	RACE/ ETHNICITY INCLUSION
Inclusion & diversity		**50/50** in Recruiting of Desk Workers **≥ 30%** of Women hired in Managerial position	**40 yearly hours** per capita of experienced learning for all employees More than **25%** of employees involved in mobility/growth experience every year			
Digital		**30%** of Women in Senior Leadership roles **25%** of Women in the Total Workforce	**50%** of employees as stable shareholders through share ownership plans (YES) Higher than **80%** response rate to Engagement Survey		Connecting **100%** (over 29,000) of our employees through global platforms, achieving a proper level of adoption	
Local empowerment		**+ 500** women in a fully dedicated STEM program **Zero Pay Gap** Desk Workers	Leadership Impact Index improved to **70-80%**			More than **30%** of Executives from under-represented nationalities / ethnicities/ origins
Engagement & upskilling	Injuries Index towards **0** (employees & contractors)			At least a project per year, with focus on developing countries and vulnerable communities Local projects with donation of optic and electric cables		Local mentoring programs for 500 students coming from minorities-poverty

Highlights: Sustainability KPIs 2021

Some of the targets we achieved in 2021 are particularly significant in testifying to the creation of the value we have shared with our stakeholder system. A brief description of these targets is given below. They will be then analysed in further detail in the relevant sections.

PEOPLE, CULTURE, ORGANIZATION

SUSTAINABLE INNOVATION & LEAN MANUFACTURING

39%
WHITE-COLLAR WOMEN
hired with permanent contracts
vs 34% in 2020

13.5%
WOMEN EXECUTIVES
vs 13% in 2020

around
678,000 t CO_2 eq
GHG EMISSIONS
vs around 736,000 t CO_2 eq in 2020
(Scope 1 e Scope 2 Market Based)

35%
of total **WORKFORCE**
are **SHAREHOLDERS**
(**YES** program)

100%[2]
of **PLANTS**
subjected to **HUMAN RIGHTS**
due diligence

69%[5]
WASTE RECYCLED
as in 2020

around
3%
OF THE SHARE CAPITAL
held by employees as in 2020[1]

60%
EMPLOYEES SATISFIED
vs 65% in 2020

81%
operating units with
WATER RECIRCULATION
percentages over 90%

17.7
TOTAL TRAINING HOURS
per head count

1.55[3]
FREQUENCY RATE
internal and external employees
vs 1.25[4] in 2020

about
900
NEW PRODUCT FAMILIES
developed as in 2020

1 It includes the shares held by the management as per the incentive plans.
2 The analysis, which refers to the 2020 scope, excludes the OAPIL (Sohar) and Chiplun plants.
3 The 2021 data includes Prysmian Group employees, external staff and the Prysmian Group fleet.
4 The 2020 data includes Prysmian Group employees and external staff. It does not include the Prysmian Group fleet.
5 Relates to the fully-consolidated perimeter, excluding the plants in Chiplun (India) and Sohar (Oman).

EXTENDED
VALUE CHAIN

about
89%
product families (cables)
included in **CARBON FOOTPRINT
ANALYSIS** vs 84% in 2020

13,484 mln €
**ECONOMIC VALUE
GENERATED & DISTRIBUTED**
vs 10,099 mln€ in 2020

68%
OF SUPPLIERS[7]
subjected to ESG assessments
vs 63% in 2020

over
48 mln €
saved through the **DESIGN TO COST (DTC)**
programme vs 42 mln€ in 2020

50%
RE-USED DRUMS
vs 48% in 2020

over
6,000
STAKEHOLDERS INVOLVED
in sustainability-related event
vs over 2,000 in 2020

20.9%
OF CABLES
evaluated according
to the criteria **ECO CABLE** vs 1% in 2020

over
93%[6]
ON TIME DELIVERY
vs 94% in 2020
(Prysmian w/o GC)

over
20 mln
USERS REACHED
through websites or social
network channels vs 12 mln in 2020

around
15 mln €
ENVIRONMENTAL INVESTMENTS
for the reduction of GHG emissions
vs 4 mln€ in 2020

+196%
Company's stock with
TOTAL SHAREHOLDER RETURN
vs +155,5% in 2020

6   This percentage refers only to the Product Line "Energy".
7   Calculated on the percentage of spending of the total Group.

GRI Content Index

The standards used refer to the GRI Standards version published in 2016, with the exception of GRI 303: Water, GRI 403: Occupational health and safety updated in 2018, GRI 207: Tax published in 2019 and GRI 306: Waste updated in 2020.

GRI ASPECTS	GRI STANDARDS		OMISSIONS	CHAPTER/PAGE
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	102-2	Activities, brands, products and services		The Group Strategy: Leadership in key markets - Page 29
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	102-9	Supply chain		Sustainable supply chain - Page 160
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	102-11	Precautionary principle		Governance and the management of risks and opportunities - Page 58
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	102-13	Membership of associations		Membership - Page 46
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	102-22	Composition of the highest governance body and its committees		Corporate Governance - Page 68
	102-23	Chair of the highest governance body		Corporate Governance - Page 68
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	102-41	Collective bargaining agreements		Responsibility Towards People - Page 88
	102-42	Identifying and selecting stakeholders		Create value with Stakeholder engagement - Page 42
	102-43	Approach to stakeholder engagement		Create value with Stakeholder engagement - Page 42
	102-44	Key topics and concerns raised		Materiality matrix - Page 47

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	102-48	Restatements of information		Methodological Note - Page 197
	102-49	Changes in reporting		Methodological Note - Page 197
	102-50	Reporting period		Methodological Note - Page 197
	102-51	Date of most recent report		Methodological Note - Page 197
	102-52	Reporting cycle		Methodological Note - Page 197
	102-53	Contact point for questions regarding the Report		Methodological Note - Page 197
	102-54	Claims of reporting in accordance with GRI Standards		Methodological Note - Page 197
	102-55	GRI index		GRI Content Index - Page 16
	102-56	External assurance		Independent Auditors' Report - Page 202
201: Economic performance	103-1	Explanation of the material topic and its boundary		Governance and the management of risks and opportunities - Page 58; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Governance and the management of risks and opportunities - Page 58
	103-3	Evaluation of the management approach		Governance and the management of risks and opportunities - Page 58
	201-2	Financial implications and other risks and opportunities due to climate change		Governance and the management of risks and opportunities - Page 58
203: Indirect economic impacts	103-1	Explanation of the material topic and its boundary		Commitment to the Community - Page 109; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Commitment to the Community - Page 109
	103-3	Evaluation of the management approach		Commitment to the Community - Page 109
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204: Procurement practices	103-1	Explanation of the material topic and its boundary		Sustainable supply chain - Page 160; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
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205: Anti-corruption	103-1	Explanation of the material topic and its boundary		Focus on Ethics and Integrity - Page 73; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Focus on Ethics and Integrity - Page 73
	103-3	Evaluation of the management approach		Focus on Ethics and Integrity - Page 73
	205-2	Communication and training about anti-corruption policies and procedures		Focus on Ethics and Integrity - Page 73
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	103-3	Evaluation of the management approach		Focus on Ethics and Integrity - Page 73
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	103-2	The management approach and its components		Tax strategy of the Group - Page 78
	103-3	Evaluation of the management approach		Tax strategy of the Group - Page 78
	207-1	Approach to tax		Tax strategy of the Group - Page 78; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	207-2	Tax governance, control and risk management		Tax strategy of the Group - Page 78
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301: Materials	103-1	Explanation of the material topic and its boundary		Sustainable supply chain - Page 160; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Sustainable supply chain - Page 160
	103-3	Evaluation of the management approach		Challenging targets for 2022 - Page 40
	301-1	Material used by weight or volume		Sustainable supply chain - Page 160
	301-1	Materiali utilizzati per peso o volume		Sustainable supply chain - Page 160
302: Energy	103-1	Explanation of the material topic and its boundary		Our environmental responsibility - Page 136; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Our environmental responsibility - Page 136
	103-3	Evaluation of the management approach		Challenging targets for 2022 - Page 40; Our environmental responsibility - Page 136
	302-1	Energy consumption within the organisation		Environmental performance - Page 142; Annexes - Environment - Page 189
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| GRI ASPECTS | GRI STANDARDS | | OMISSIONS | CHAPTER/PAGE |
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	103-2	The management approach and its components		Our environmental responsibility - Page 136
	103-3	Evaluation of the management approach		Our environmental responsibility - Page 136; Challenging targets for 2022 - Page 40
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	303-2	Management of water discharge-related impacts		Environmental performance - Page 142
	303-3	Water withdrawal		Environmental performance - Page 142
	303-5	Water consumption		Environmental performance - Page 142; Annexes - Environment - Page 189
304: Biodiversity	103-1	Explanation of the material topic and its boundary		Our environmental responsibility - Page 136; Annexes - Description of material topics - Page 200
	103-2	The management approach and its components		Our environmental responsibility - Page 136
	103-3	Evaluation of the management approach		Our environmental responsibility - Page 136
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305: Emissions	103-1	Explanation of the material topic and its boundary		Our environmental responsibility - Page 136; Environmental performance - Page 142; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
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	103-3	Evaluation of the management approach		Challenging targets for 2022 - Page 40; Our environmental responsibility - Page 136; Environmental performance - Page 142
	305-1	Direct (Scope 1) GHG emissions		Environmental performance - Page 142; New targets of the Group: Climate Change & Social Ambition - Page 12; Annexes - Environment - Page 189
	305-2	Energy indirect (Scope 2) GHG emissions		Environmental performance - Page 142; New targets of the Group: Climate Change & Social Ambition - Page 12; Annexes - Environment - Page 189
	305-4	GHG emissions intensity		Environmental performance - Page 142; New targets of the Group: Climate Change & Social Ambition - Page 12; Annexes - Environment - Page 189
306: Waste (2020)	103-1	Explanation of the material topic and its boundary		Our environmental responsibility - Page 136; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Our environmental responsibility - Page 136
	103-3	Evaluation of the management approach		Challenging targets for 2022 - Page 40; Environmental performance - Page 142
	306-1	Production of waste and significant impacts related to waste		Environmental performance - Page 142
	306-2	Management of the significant impacts associated with waste		Environmental performance - Page 142
	306-3	Waste produced		Environmental performance - Page 142; Annexes - Environment - Page 189

GRI ASPECTS	GRI STANDARDS		OMISSIONS	CHAPTER/PAGE
	DISCLOSURE	DESCRIPTION		
307: Environmental compliance	103-1	Explanation of the material topic and its boundary		Focus on Ethics and Integrity - Page 73; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Governance and the management of risks and opportunities - Page 58
	103-3	Evaluation of the management approach		Governance and the management of risks and opportunities - Page 58; Environmental performance - Page 142
	307-1	Non-compliance with environmental laws and regulations		Environmental performance - Page 142
308: Supplier environmental assessment	103-1	Explanation of the material topic and its boundary		Sustainable supply chain - Page 160; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Sustainable supply chain - Page 160
	103-3	Evaluation of the management approach		Challenging targets for 2022 - Page 40; Sustainable supply chain - Page 160
	308-2	Negative environmental impacts in the supply chain and actions taken		Sustainable supply chain - Page 160
401: Employment	103-1	Explanation of the material topic and its boundary		New targets of the Group: Climate Change & Social Ambition - Page 12; Responsibility Towards People - Page 88; The development of talent - Page 96; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Responsibility Towards People - Page 88; The development of talent - Page 96; The wellbeing of our employees - Page 103
	103-3	Evaluation of the management approach		The development of talent - Page 96; The wellbeing of our employees - Page 103
	401-1	New employee hires and employee turnover		Our human capital - Page 90; Annexes - Human resources - Page 182
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		The wellbeing of our employees - Page 103
402: Labour/ Management relations	103-1	Explanation of the material topic and its boundary		Responsibility Towards People - Page 88; Dialogue with social partners and collective bargaining - Page 105; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201; New targets of the Group: Climate Change & Social Ambition - Page 12
	103-2	The management approach and its components		Responsibility Towards People - Page 88; Dialogue with social partners and collective bargaining - Page 105
	103-3	Evaluation of the management approach		Dialogue with social partners and collective bargaining - Page 105
	402-1	Minimum notice periods regarding operational changes		Dialogue with social partners and collective bargaining - Page 105

GRI ASPECTS	GRI STANDARDS		OMISSIONS	CHAPTER/PAGE
	DISCLOSURE	DESCRIPTION		
403: Health and safety (2018)	103-1	Explanation of the material topic and its boundary		Occupational health and safety - Page 106; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201; New targets of the Group: Climate Change & Social Ambition - Page 12
	103-2	The management approach and its components		Occupational health and safety - Page 106
	103-3	Evaluation of the management approach		Occupational health and safety - Page 106
	403-1	Occupational health and safety management system		Occupational health and safety - Page 106; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	403-2	Hazard identification, risk assessment and incident investigation		Occupational health and safety - Page 106
	403-3			Occupational health and safety - Page 106
	403-4	Occupational health services		Occupational health and safety - Page 106
	403-5			Occupational health and safety - Page 106
	403-6	Worker participation, consultation and communication on occupational health and safety		Occupational health and safety - Page 106
	403-7	Worker training on occupational health and safety		Occupational health and safety - Page 106
	403-9	Promotion of worker health		Occupational health and safety - Page 106; Annexes - Health and safety - Page 188
	403-10	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Occupational health and safety - Page 106; Annexes - Health and safety - Page 188
404: Training and education	103-1	Explanation of the material topic and its boundary		New targets of the Group: Climate Change & Social Ambition - Page 12; Responsibility Towards People - Page 88; The development of talent - Page 96; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Responsibility Towards People - Page 88
	103-3	Evaluation of the management approach		The development of talent - Page 96
	404-1	Average hours of training per year per employee		The development of talent - Page 96
405: Diversity and equal opportunity	103-1	Explanation of the material topic and its boundary		New targets of the Group: Climate Change & Social Ambition - Page 12; Responsibility Towards People - Page 88; Diversity and equal opportunities - Page 93; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Diversity and equal opportunities - Page 93
	103-3	Evaluation of the management approach		Challenging targets for 2022 - Page 40; Our human capital - Page 90
	405-1	Diversity of governance bodies and employees		Corporate Governance - Page 68; Our human capital - Page 90; Annexes - Human resources - Page 182

GRI ASPECTS	GRI STANDARDS		OMISSIONS	CHAPTER/PAGE
	DISCLOSURE	DESCRIPTION		
412: Human rights assessment	103-1	Explanation of the material topic and its boundary		Integrated management of sustainability risks and opportunities - Page 58; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201; New targets of the Group: Climate Change & Social Ambition - Page 12
	103-2	The management approach and its components		Integrated management of sustainability risks and opportunities - Page 58
	103-3	Evaluation of the management approach		Integrated management of sustainability risks and opportunities - Page 58
	412-1	Operations that have been subject to human rights reviews or impact assessments		Integrated management of sustainability risks and opportunities - Page 58
414: Supplier social assessment	103-1	Explanation of the material topic and its boundary		Responsible and sustainable value chain - Page 165; Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201; New targets of the Group: Climate Change & Social Ambition - Page 12
	103-2	The management approach and its components		Responsible and sustainable value chain - Page 165
	103-3	Evaluation of the management approach		Challenging targets for 2022 - Page 40
	414-2	Negative social impacts in the supply chain and actions taken		Responsible and sustainable value chain - Page 165
418: Customer privacy	103-1	Explanation of the material topic and its Boundary		Protecting our data - Page 83 Focus on Ethics and Integrity - Page 73
	103-2	The management approach and its components		Protecting our data - Page 83
	103-3	Evaluation of the management approach		Protecting our data - Page 83
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Protecting our data - Page 83

MATERIAL ISSUES NOT COVERED BY GRI ASPECTS

GRI ASPECTS	GRI STANDARDS		OMISSIONS	CHAPTER/PAGE
	DISCLOSURE	DESCRIPTION		
Customer centricity	103-1	Explanation of the material topic and its boundary		Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Our customer-centric approach - Page 154
	103-3	Evaluation of the management approach		Our customer-centric approach - Page 154
Technological development and Eco-design innovation	103-1	Explanation of the material topic and its boundary		Annexes - Description of material topics - Page 200; Analysis of the topic boundary of material aspects for the Prysmian Group - Page 201
	103-2	The management approach and its components		Sustainable Innovation - Page 114; Our environmental responsibility - Page 136
	103-3	Evaluation of the management approach		Sustainable Innovation - Page 114; Our environmental responsibility - Page 136; Challenging targets for 2022 - Page 40

SASB Index

For reasons other than compliance with the requirements of Decree 254/2016, NFS 2021 includes additional specific KPIs for the sector in which Prysmian Group operates, having regard for the indicators published by the Sustainability Accounting Standards Board (SASB).

SECTOR	RESOURCE TRANSFORMATION ELECTRICAL & ELECTRONIC EQUIPMENT		
GENERAL ISSUE CATEGORY	DISCLOSURE	DESCRIPTION	CHAPTER / PAGE
Energy management	RT-EE-130a.1.	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Environmental performance - Page 142 Annexes - Environment - Page 189
Hazardous waste management	RT-EE-150a.1.	Amount of hazardous waste generated, percentage recycled	Environmental performance - Page 142 Annexes - Environment - Page 189
Product safety	RT-EE-250a.1.	Number of recalls issued, total units recalled	Management of complaints - Page 157
Product lifecycle management	RT-EE-410a.3.	Revenue from renewable energy-related and energy efficiency related products	Prysmian Group for the energy transition - Page 30
Materials sourcing	RT-EE-440a.1.	Description of the management of risks associated with the use of critical materials	Governance and the management of risks and opportunities - Page 58 Sustainable supply chain - Page 160
Business ethics	RT-EE-510a.1.	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Focus on Ethics and Integrity - Page 73
Business ethics	RT-EE-510a.2.	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Focus on Ethics and Integrity - Page 73
Business ethics	RT-EE-510a.3.	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Focus on Ethics and Integrity - Page 73

SECTOR	RESOURCE TRANSFORMATION ELECTRICAL & ELECTRONIC EQUIPMENT		
GENERAL ISSUE CATEGORY	DISCLOSURE	DESCRIPTION	CHAPTER / PAGE
Workforce health and safety	IF-EN-320a.1.	1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Occupational health and safety - Page 106; Annexes - Health and safety - Page 188
Business ethics	IF-EE-510a.3.	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	Focus on Ethics and Integrity - Page 73
Business ethics	IF-EE-510a.2.	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	Focus on Ethics and Integrity - Page 73

02_ESG IDENTITY

Sustainability is what we are. Presenting the sustainability of Prysmian Group means presenting that which Prysmian has decided to be and to become as a sustainable entity. This chapter covers the foundations of our ESG identity and how its consolidation, via the ambition to become an enabler of the energy transition and the ambition to create a more equal and inclusive working environment for our staff, is now the key factor in our leadership. From our ESG pillars to our industrial positioning, which places us at the centre of the low-carbon future, digitalisation and electrification; from our values to the systems that measure them; through to the strategies for agreeing this ESG Identity with our stakeholders.
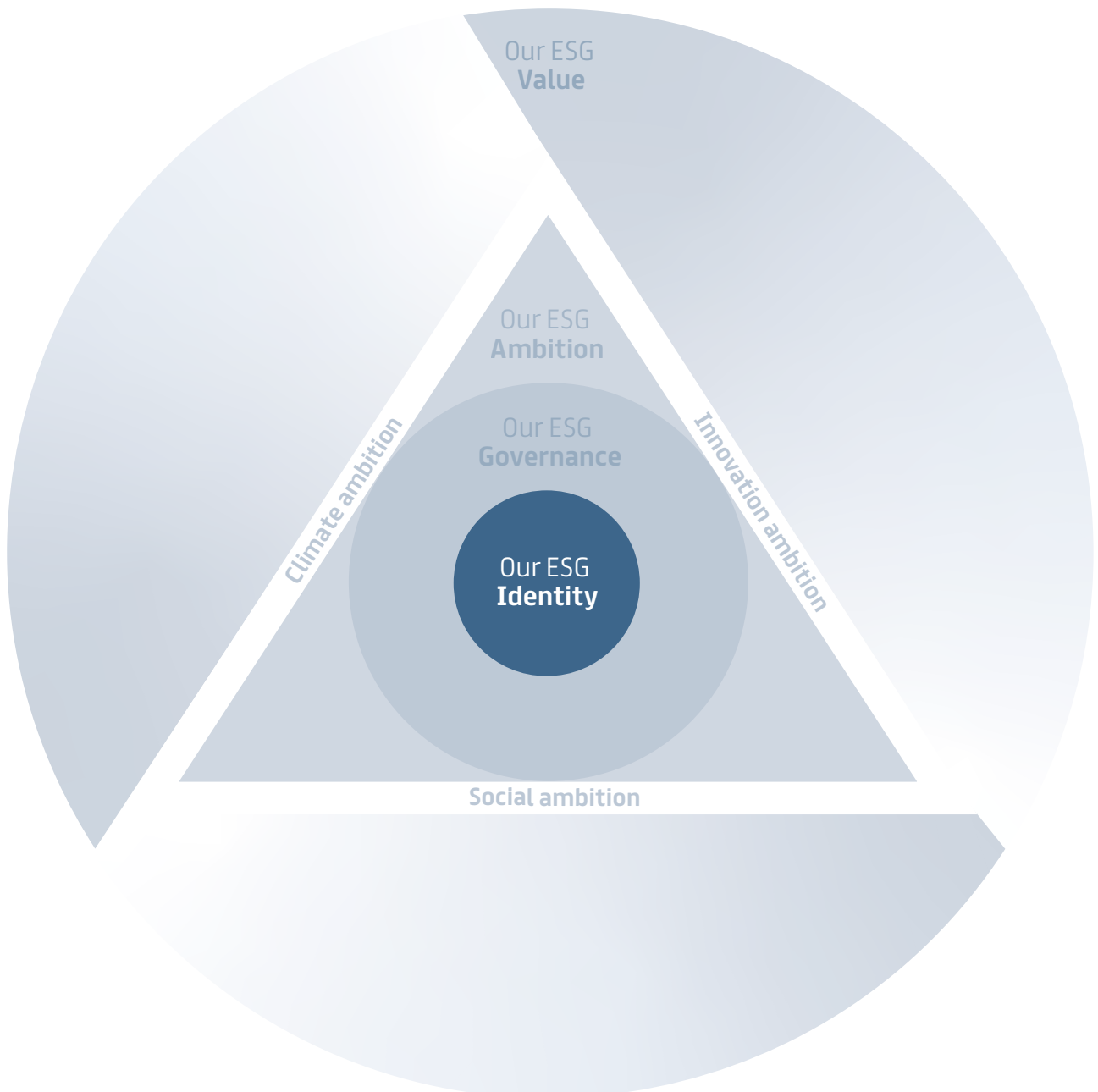
A truly global Group

We are present in more than 50 countries around the world, with 108 plants and over 29,000 employees. Our business model is diversified by portfolio and geographical area. In 2021, Prysmian Group finalised the acquisition of EHC Global, a leading manufacturer of strategic components and integrated solutions for the vertical transportation industry, with plants and R&D research centres in China, Canada and Germany.

NORTH AMERICA

24 plants

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

U.S.A.
Rocky Mountain
Du Quoin
Lincoln
Indianapolis
Jackson
Manchester
Marion
Marshall
Paragould
Sedalia

Williamsport
Willimantic
Lawrenceburg
Abbeville
Bridgewater
Claremont
Lexington
North Dighton
Schuylkill Haven

LATIN AMERICA

13 plants

Argentina
La Rosa

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

Chile
Santiago

Colombia
Bogotá

Costa Rica
Heredia

Mexico
Durango
Tetla
Piedras Negras
Nogales

KEY

■ Energy
■ Telecom
■ Shared

+50 countries

108 plants

26 R&D centers

about
29,000 employees

4 cable-laying ships

EUROPE

49 plants

Czech Republic
Velké Mezirící

Estonia
Keila

Finland
Pikkala
Oulu

Italy
Battipaglia
Giovinazzo
Livorno
Merlino
Pignataro M.
Quattordio
Arco Felice

Norway
Drammen

U.K.
Washington
Wrexham
Bishopstoke
Aberdare

France
Calais
Billy - Berclau - Douvrin
Sainte Geneviève
Amfreville
Paron
Pont de Cheruy - Charvieu
Cornimont - Xoulces
Gron
Pont de Cheruy - Chavanoz
Montreau

Portugal
Morelena

Romania
Milcov
Slatina

Russia
Rybinsk

Slovakia
Presov

Germany
Wuppertal
Berlin
Nurnberg
Nordenham
Neustadt
Schwerin
Baesweiler

Hungary
Kistelek
Balassagyarmat

Spain
Abrera
Santa Perpetua
Vilanova
Santander

Sweden
Nassjo

The Netherlands
Eindhoven
Nieuw Berger
Delft
Emmen

MEAT

7 plants
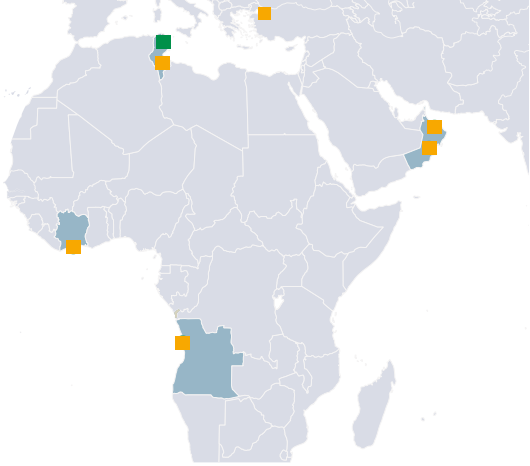
Angola
Luanda

Ivory Coast
Abidjian

Oman
Sohar
Muscat

Tunisia
Grombalia
Menzel Bouzelfa

Turkey
Mudanya

APAC

15 plants
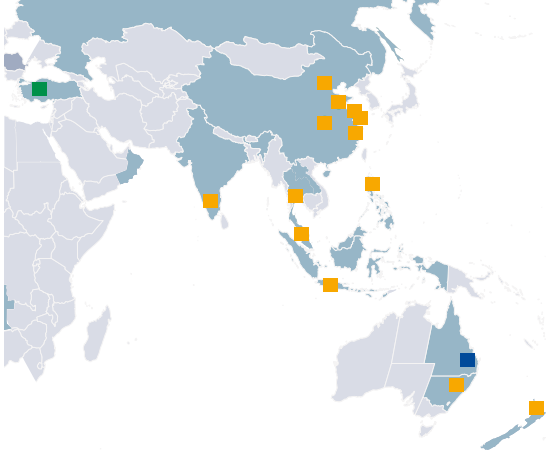
Australia
Liverpool
Dee Why

China
Zhongyao
Haixun
Yixing
Tianjin
Suzhou
Shangai 1
Shangai 2

India
Chiplun

Indonesia
Cikampek

Malaysia
Melaka

New Zealand
New Lynn

Philippines
Cebu

Thailand
Rayong

The diversified portfolio of activities is a strength for the Prysmian Group, as the only global 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.Historically, the Energy area has delivered the most stable results, while the Projects and Telecom areas have been marked by greater dynamism.

Acquisitions have always fit in with the strategy of maintaining balance: General Cable enabled the Group to diversify geographically, with strong exposure to the North American market, which is structured differently with more consolidated dynamics

Additionally, while the positioning of the Prysmian Group as a cable manufacturer remains central, part of our activities makes us a network solution provider, drawing on the ability to integrate ever more closely the various components - engineering, installation, network monitoring and after-sales services - to provide value-added services that ensure recurring revenue streams and build long-term partnerships with customers.

Alongside this, the Group is also able to identify and develop value-added market niches - such as solutions for the elevator industry, cables for multimedia applications, monitoring solutions developed by PrysmianElectronics - while releasing the synergies needed to be cost-effective and offer end-to-end solutions integrated with advanced digital equipment.

BUSINESS AREAS

The Group is organised in a matrix structure by reference market and business unit, identifying three macro-areas of activity.

Energy

Projects

Telecom

Comprising business segments that offer a complete and innovative portfolio of products designed to satisfy the many needs of the markets served. This macro-area is organised as follows:
• Energy & Infrastructure, which includes Trade & Installers, Power Distribution and Overhead Transmission Lines;
• Industrial & Network Components, which includes Oil & Gas, Elevators, Automotive, Network Components, Specialties & OEM (serving in turn the following sectors: Cranes, Mining, Railways, Rolling Stock, Marine and Renewables - cables for the solar energy industry and for the operation and connection of wind turbines) and Electronics (Asset Monitoring Solutions).

Comprising high-tech and high value-added businesses focused on the design, production and customisation of HV and EHV cabling systems for terrestrial and submarine applications. The Group develops pioneering "turnkey" submarine cable systems for installation at depths of up to 3,000 metres, assisted by its cable-laying fleet comprising the Giulio Verne, the Cable Enterprise, the Ulisse and the Leonardo da Vinci (operational from July 2021). Prysmian Group also offers advanced services for terrestrial and submarine interconnections between various countries and between offshore wind farms and the mainland, used for both the generation and distribution of electricity.

Comprising businesses devoted to making the cabling systems and connectivity products used in TLC networks. The product portfolio includes optical fibre, optical cables, connectivity components and accessories, OPGW (Optical Ground Wire) and copper cables. The Group is also among the leaders in the production of optical fibre - the essential component of all types of optical cables. A wide range of optical fibres is designed and made using proprietary technology to cater to the broadest possible spectrum of customer applications: single-mode, multimode and specialty fibres. 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 **ENERGY** business area generated 9,557 million euros in 2021, representing **75% of the total revenues** of the Group.

The **PROJECTS** business area generated 1,594 million euros in 2021, representing **13% of the total revenues** of the Group.

The **TELECOM** business area generated 1,585 million euros in 2021, representing **12% of the total revenues** of the Group.

Values, Mission, Vision

The ESG Identity of a leading group must be supported by Values, Mission and Vision that guide operations, translate into products made and fuel the ambitions for our role in tomorrow's world.

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.

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.

The Group Strategy: Leadership in key markets

Network infrastructures play a role of strategic importance in the great challenges posed by the energy transition and digitalisation. In detail, cable technology is a key component of infrastructure networks for power transmission and telecommunications. The crucial challenges set by the US Build Back Better Plan introduced by the Biden Administration and the European Union's Green Deal also attach great importance to infrastructural development, and thus open up significant opportunities for Prysmian Group. The Group's strategy is thus strongly focused on three main drivers:

- **Energy transition: from fossil fuels to renewable resources for a low-carbon future**
- **Digitalisation of the world: channelling and transporting the explosion of big data**
- **Electrification of society: enabling the application of electrical power throughout the world**

Supply chain efficiency and flexibility, customer proximity, technological innovation, and ongoing knowledge and skill development are the pillars of Prysmian's strategy aimed at grasping these growth opportunities. In addition, there are also other transversal factors such as the Group's financial solidity and its ability to generate resources to support investment in businesses with the greatest technological content and added value, as well as the continuous improvement of product and production process sustainability.

PRYSMIAN GROUP'S COMMUNICATION PURPOSE

Today, not only do we provide our customers with superior cable solutions based on state-of-the-art technology: we also offer excellence in execution, a legacy built on performance and innovation, and a commitment to delivering sustainable growth and profit. And everything we do is centred around a shared purpose. At Prysmian Group, our purpose unites every individual within our business, ensuring we move towards a shared vision: a future where we solve the challenges posed by the energy transition, ubiquitous digitalisation, and global electrification. Our purpose gives Prysmian Group's shareholders, stakeholders and customers alike an understanding of our company's mission. It allows them to share in the impact we have on the world around us, and demonstrates the value this creates for them, and for everyone, as we meet the world's challenges and contribute to a better future for everyone.

Prysmian Group for the energy transition

Our vision and our ambition lead us into a world of cleaner energy that is more intelligent and efficient. Our technology enables us to play a key role in accelerating the energy transition, digitalisation and electrification. Here we explain why and how we seek to be a game changer for tomorrow's world.

Climate change is the main global challenge faced by humanity. 40%[1] of the world's CO_2 emissions are generated by energy production processes and a profound decarbonisation of the system is necessary. The collective response has been a call for the expansion and integration of renewables. The European Union was one of the first economies to make a formal commitment by establishing objectives for 2030, seeking to become carbon neutral by 2050 and highlighting the priority need for an integrated energy market that is both digitalised and interconnected with renewable sources.

The ambition of Prysmian Group is to be a game changer in this scenario, acting as an enabler in accelerating the energy transition while, at the same time, creating business value. In fact, over the past decade it has become more economic to invest in new sources of wind or solar energy than to build new carbon-consuming plants. However, a solid and interconnected grid is essential for a complete transition to renewables, so that energy can be constantly transmitted everywhere from one place to another: from where it is produced (including offshore wind farms) to where it is consumed (communities and inhabited centres).

Power grids are the skeleton of an energy system dominated by renewables and, therefore, must be extended and strengthened in response to a net-zero world founded largely on renewable electricity, the demand for which is sure to increase with the progressive decarbonisation currently in progress. In addition to the existing distribution of renewable electricity to homes and businesses, the electrification of building heating systems, the transportation sector and industrial processes will require considerable expansion of the existing grid. For example, according to the IEA outlook, the electrification of air transportation could by itself double the demand for electricity.

Prysmian supports the development of greener and more intelligent power grids, with innovative technologies that cover long distances and the ocean depths while assuring high performance, reliability and sustainability:

- **OFFSHORE WIND SOLUTIONS** bring power from sea to shore;
- **SUBMARINE CABLE SYSTEMS** go deeper and further;
- **LAND INTERCONNECTORS** bring power to where it's needed most.

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1   Global energy-related CO_2 emissions by sector, International Energy Agency (IEA), march 2021.

PRYSMIAN GROUP FOR DIGITALISATION

The Prysmian Group seeks to be the go-to technology player, facilitating the production and transmission of cleaner, more intelligent, more efficient and more competitive energy.

Just as cables for power grids are an essential element of the energy transition, optical fibre will enable the digitalisation of society as an essential step in the development of a low-carbon economy and a new growth model.

The Group has established 3 main objectives for its role as an enabler of digitalisation:

FROM PURE CABLE SUPPLIER TO A #SOLUTIONPROVIDER
By scaling at full speed to accelerate value delivery

LEVERAGING #DATAEXPLOITATION TO IMPROVE PRODUCT AND SERVICE QUALITY
By designing value roadmap and measuring its impact

INVESTING IN DIGITAL TECHNOLOGY AND CULTURE TO SUPPORT A #NEWLEADERSHIP
By re-positioning our company as a digital player in the market

▼

▼

▼

DIGITAL PRODUCT
Sustain growth creating & integrating software solutions at scale

DO MORE WITH LESS
Optimize business performance through digital solutions and automation

DIGITAL PLANKTON
Building next generation skills nurturing customers and people digital needs

THE ROLE OF CABLES

With a view to facilitating the ever more efficient development of sustainable and integrated grids, Prysmian Group strives constantly to improve the performance of its terrestrial and submarine HV cables. The five main research objectives of Prysmian Group:

1. Make cables that can be installed at ever greater depths and in any marine environment, even reaching a depth of 3,000 metres, partly as a result of lighter reinforcements.
2. Link countries that are far apart or cable the floating wind farms located far offshore, in windy areas that provide a constant flow of electricity, using ever longer interconnections.
3. Increase the intrinsic reliability of cables, limiting their dispersion, and equipping them with sensors capable of monitoring the system.
4. Increase cable productivity, contributing to a significant reduction in system installation costs. Higher performance and more reliable cables help to optimise installation costs. .
5. Ensure ever greater levels of flexibility in the use of optical fibres without degrading the signal quality. The 5G challenge requires the market to make an infrastructure effort almost without historical precedent.

European taxonomy

1. Introduction to the European Taxonomy

The European Taxonomy, introduced by Regulation (EU) 852/2020 and in force from 1 January 2022 (also Taxonomy), is a system of classification used to identify 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) 852/2020 (also Regulation) has established six objectives for the identification of economic activities that are environmentally sustainable:

- mitigation of climate change,
- adaptation to climate change,
- sustainable use and protection of water and marine resources,
- transition to a circular economy,
- prevention and control of pollution,
- protection and restoration of biodiversity and ecosystems.

The delegated acts for the **climate change adaptation and mitigation**, objectives were published during 2021. These contain the criteria for the definition of *eligible* and *aligned* activities pursuant to the European Taxonomy. With reference to the above distinction, the Commission has established two deadlines for *disclosure* by non-financial undertakings
During 2022, with reference to FY 2021, undertakings required to publish a Non-Financial Statement pursuant to Decree 254/2016 must disclose the proportion of their activities that are eligible, in terms of turnover, capex and opex, together with the related supporting qualitative information. The above information can be found in this chapter. An activity is deemed eligible pursuant to the Taxonomy if it falls within the definitions of the activities presented in the delegated acts for the climate change objectives (*mitigation and adaptation*).

Commencing from 2022, the reporting requirement envisages verification of how well those *aligned* activities are Taxonomy aligned in terms of turnover, capex and opex. An economic activity is considered to be Taxonomy *aligned* if it:

- makes a substantial contribution to the achievement of one or more of the environmental objectives,
- does no significant harm to any of the environmental objectives,
- is carried out in compliance with the minimum safeguards,
- complies with the technical screening criteria established by the European Commission

2. Prysmian Group activities that contribute to achievement of the EU objectives

The ESG identity of the Group is underpinned by solid leadership in the power and telecom cable systems industry. As such, Prysmian is placed front and centre in the transition to a low-carbon economy, which sustains our vision of the future and our medium/long-term objectives, the progressive achievement of which will contribute to the fight against climate change (see also the "New Group objectives: Climate Change & Social Ambition **page 12**).

The Group is organised into three segments of economic activity: *projects, energy business and telecom business* (see "Business areas" **page 28**). Each segment has been analysed to identify its Taxonomy-eligible activities, as described in the Methodology section of this chapter. Given our ambition to become a key technological player in the transition towards the use of renewable energy sources and a low-carbon economy, the 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.

3. Main results

Consistent with the regulatory requirements, the following section presents the proportions of 2021 Group turnover, capex and opex associated with Taxonomy-*eligible* economic activities for the first two environmental objectives (mitigation of climate change and adaptation to climate change), in compliance with art. 8 of the Taxonomy Regulation and art. 10 (2) of art. 8 of the delegated Act.
Prysmian has also decided to calculate and report voluntarily the eligible proportion of the adjusted EBITDA, which is considered the most representative indicator of the contribution made to the energy transition by the activities and business of the Group.

TAXONOMY ELIGIBLE AND NON-ELIGIBLE ACTIVITIES IN TERMS OF TURNOVER, CAPEX AND OPEX			
	Total (in millions of euro)	Taxonomy-eligible activities (%)	Taxonomy non-eligible activities (%)
Turnover	12,736	46.55%	53.46%
CapEx	283	63.69%	36.31%
OpEx	359	50.97%	49.03%
Adjusted EBITDA	976	58.98%	41.02%

* The figure for operating expenses (OpEx) refers to the list proposed by the Taxonomy specified in point 1.1.3.1 of the delegated Act on Article 8 (Annex I), which comprises: non-capitalised direct R&D costs, property renovation costs, short-term rentals, maintenance and repairs, and all other direct expenses incurred on the routine maintenance of property, plant and equipment by the business or by third parties to whom the work needed to ensure the continuous and effective functioning of those assets has been outsourced.

Process for determining *eligibility*

The activities of the Prysmian Group (as represented by the three macro areas: projects, energy, telecom) were analysed to determine which of them could be deemed Taxonomy *eligible*, i.e. included among the activities described in the attachments (Annexes I and II) to the Regulation delegated acts, regardless of whether or not they satisfy the technical screening criteria, do no significant harm (DNSH) to any of the environmental objectives, or comply with the minimum safeguards, as established in the delegated acts (these checks on Taxonomy alignment will start next year).
The economic activities of the Prysmian Group were identified with reference to the Group's classification system, thus ensuring that the results cover all economic activities carried out by the Group.This analysis identified the following categories of Taxonomy-eligible economic activities: :

TAXONOMY-ELIGIBLE ACTIVITIES				
Activity	Description	NACE codes	Mitigation of climate change	Adaptation to climate change
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 this annex (see Annex I and II of the Delegated Act on Climate Change)	C22, C25, C26, C27 and 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 and D35.13	✓	✓

The categories selected may be associated with the following activities carried out by the Prysmian Group.

Activity 3.1

The Group manufactures a wide range of cables and accessories used in the generation of wind and solar energy.

Activity 3.6

With reference to activity 3.6 Manufacture of other low carbon technologies, the definition proposed in the Taxonomy leaves ample scope for interpretation, including all those technologies excluded from other categories of manufacturing activity (from 3.1 to 3.5) that are aimed at reducing GHG emissions. For this reason, although the references made to the NACE codes associated with the activities must be understood as indicative and should not prevail over the specific definition of the activity provided in the description (as indicated in point 6 of the delegated Act), the Group decided to compare the codes proposed in the Taxonomy with the economic activities carried out, in order to identify more precisely the economic activities eligible for category 3.6 and select those that might seek to reduce emissions in other sectors of the economy. This category includes the activities carried out by Prysmian in order to manufacture cables and accessories for the telecom sector (optical fibre and copper). These contribute actively to the transition to a carbon-neutral future, supporting the digitalisation process and providing infrastructure with environmental impacts that are potentially lower than the alternative technologies available on the market.The analysis also included the manufactured cables used in the railway sector, given the contribution made by the technology to the reduction of emissions in the sector. Lastly, although the volumes are not particularly significant in terms of turnover, manufacture of the Pry-cam technology has been included as it aims to monitor and enhance the efficiency of energy consumption.

Activity 4.9

Prysmian designs, produces and installs underground and submarine cables and systems for the transmission and distribution of electricity.

Non-eligible activities and future developments

The activities not identified as Taxonomy *eligible* - and which therefore comprise the Taxonomy non-eligible % - are currently not included among the sectors and activities included in the EU Taxonomy; however, they could be included in the activities envisaged in the additional four environmental objectives identified in the Regulation that are currently being standardised.

Assignment of turnover, capex and opex to a single environmental objective

In compliance with the Taxonomy requirement to avoid *double counting*, the activities identified as **eligible** will be assigned to just one environmental objective, either mitigation of climate change or adaptation to climate change, in the analysis needed to calculate the alignment KPIs.

INDICATORS AND ACCOUNTING POLICY

For 2021, the indicators (*eligible turnover, eligible capex, eligible opex*) must be disclosed in relation to the eligible and non-eligible economic activities (art. 10 (2) of art. 8 of the delegated Act). These indicators have been calculated with reference to the regulatory requirements and instructions provided by the European Commission.

ELIGIBLE TURNOVER

The percentage of turnover was calculated as the net sales deriving from products and services associated with the *eligible* economic activities (numerator), divided by the consolidated total net sales (denominator).Further details on the accounting policies for consolidated net sales can be found in the 2021 Annual Report.

The indicator was calculated using the revenues from sales derivable from the income statement of the Prysmian Group.The numerator comprises the turnover of the Taxonomy-eligible activities: activity 3.1 Manufacture of renewable energy technologies and activity 3.6: Manufacture of other low carbon technologies.
In addition, to avoid *double counting* for the reported indicator, note that the Taxonomy-eligible turnover is generated from the individual economic activities carried out by the Group, selected as the maximum possible level of detail.

ELIGIBLE CAPEX

The capex percentage presented was calculated as ratio of the capex associated with the *eligible* activity to the total capex of the Group, as specified in points 1.1.2.1 and 1.1.2.2 of the delegated Act on art. 8 (Annex I).
Consistent with the regulatory requirements, the denominator includes the 2021 increases in property, plant and equipment and intangible assets, as determined before depreciation, amortisation and any remeasurements, including those deriving from revaluations and write-downs, for the year concerned, and before any changes in fair value. Further details on the Group accounting policies for investments can be found in the 2021 Annual Report.
The numerator comprises the portion of investment relating to the eligible activities of the Group belonging to the category in Section 1.2.1 (a), of Annex I to Art. 8 of the delegated Act: *Capex relating to goods or processes that have been associated with eligible economic activities.*
The caption selected from among the Group's investments fall into the following categories:

- Investment in research and development
- Investment for the development and renovation of tangible assets
- Investment for the development of intangible assets (e.g. Patents, software …)

Recruitments
The accounting classification of the investments of the Prysmian Group is different to that used to identify eligibility. For this reason, the analysis included reconciliation with the Group's classification system, in order to identify the proportions of investments related exclusively to the *eligible* activities. This made it possible to avoid the risk of *double counting*.
The investments classified as *Information Technology* belong to a category that covers all Group activities; accordingly, it was necessary to identify just that portion relating to the eligible economic activities. This is calculated using the eligible percentage of turnover (46.55%).

ELIGIBLE OPEX

The opex percentage was calculated as the ratio of the opex associated with the *eligible* activity to the total operating expenses of the Group, as specified in points 1.1.3.1 and 1.1.3.2 of the delegated Act on art. 8 (Annex I).
By contrast with the capex and consistent with the requirements of the Regulation, the denominator includes direct, non-capitalised R&D costs (account caption: *Total Fixed R&D*), maintenance and repairs (account caption: *Maintenance*), all other direct expenses incurred on the routine maintenance of property (account caption: *Cleaning Services*), short-term rentals (account caption: *Total renting and leasing*), and personnel training costs (account caption: *Training courses*).
The numerator comprises solely the proportion relating to Taxonomy-eligible economic activities. The cost captions considered when calculating the indicator, included in the above categories, were extracted from the Group's income statement.

Recruitments
The accounting classification of the opex of the Prysmian Group is different to that used to identify the Taxonomy-eligible activities. In order to ensure process consistency and avoid the risk of double counting, the various systems used to classify the activities were reconciled, in order to identify that proportion of costs related to the *eligible* activity. In addition, for those cost items for which it was not possible to identify just that part relating to *eligible* activities, the portion was calculated using the eligible turnover percentage (46.55%).

ELIGIBLE ADJUSTED EBITDA

Although not required by the Regulation, the Group has also decided to report the percentage of *eligible* adjusted EBITDA, calculated as the ratio between the adjusted EBITDA of the individual Taxonomy-eligible activities and the total adjusted EBITDA of the Group, taken from the Group's income statement.

Sustainability is in our DNA

We are a public company focused on generating value for our stakeholders and our people. This distinguishing element means that we have always sought to integrate the various environmental, social and governance factors within our DNA, developing ambitious objectives that position us as a sustainability champion.

**Positioning as
SUSTAINABILITY CHAMPION**

SOCIAL AMBITION
- D&I programs
- Women in STEM
- Measurement of impacts on communities
- Health and Safety as a top priority
- Gender Equality

CLIMATE CHANGE AMBITION
- **Net zero target**
- **Science Based Target Initiatives**
- New climate strategy (in line with COP26),
  endorsing the Business Ambition
  (1.5°C) with "net zero" target:
  – by 2035 Scope 1 and 2
  – by 2050 Scope 3

ENERGY TRANSITION & DIGITALIZATION
- **Role of cables**
  in enabling energy transition
- **Role of fibres & innovative solutions**
  in the digitalisation and decarbonisation
  of economy

Implementing a sustainability strategy means building today the conditions for the resilience of the entire industrial value chain of tomorrow. In view of this commitment, which characterises our DNA as a public company, we have defined an ambitious and measurable strategic sustainability plan that is consistent with international standards and creates value for all our stakeholders.

Public Company

Prysmian Group is, in primis, a public company included in the FTSE MIB index of the Milan stock exchange: a company with a broad shareholder base for which it is fundamental to align the interests of the Group with those of all stakeholders. This special nature requires an ability to develop open and transparent dialogue with our shareholders, employees, customers and suppliers, with the institutions and with the communities in which we work.

Prysmian Group has always invested in the values of stakeholder capitalism, striving to comply with the highest international standards of governance. For example, 75% of Board members are independent and 42% are women. Corporate integrity is expressed using a series of instruments and policies disseminated throughout the entire organisation, including the Code of Ethics, the anti-corruption policy, privacy and data protection, and the helpline programme.

People Company

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.

Out of around 29,000 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.

SDGs - Sustainable Development Goals

Here we discuss the priorities of our ESG strategy and the actions that we intend to take, as well as how our commitment translates into a concrete contribution towards the sustainability goals of the United Nations.

In 2017, Prysmian published its own Sustainability Policy, which defines the vision and reference values for the various areas of Business Integrity, Governance, Product, Social and Environmental Responsibility. The policy aims to provide sustainability guidelines for all Group companies and operations, based on the strategic priorities identified in the business plan to which Prysmian is committed as part of a medium to long-term vision.

The ESG strategy of Prysmian Group consists of three priorities that were defined in 2016, taking into consideration the main global and industry trends, the 17 Sustainable Development Goals for 2030 (SDGs) defined by the United Nations, requests from major International Sustainability Indexes (Dow Jones Sustainability Index, FTSE4GOOD, CDP, Bloomberg ESG, etc.) and the needs and expectations of our stakeholders.

THE THREE PRIORITIES		
SUSTAINABLE AND INNOVATIVE SOLUTIONS FOR THE BUSINESS	RESPONSIBLE USE OF ENERGY AND WATER RESOURCES	DEVELOPMENT OF PEOPLE AND COMMUNITIES
Facilitate the deployment of accessible energy and innovation in telecommunications and infrastructure	Pursue the responsible consumption of natural resources and sustainable supplies	Contribute to the development of people and local communities

ACTION

1. Develop innovative products and solutions that support improvement of the sustainability of telecommunication and energy infrastructures.

2. Boost the sale of high quality, reliable and "green" products and services.

3. Contribute to the universal dissemination of energy and telecommunications via reliable and accessible infrastructure.

4. Facilitate access to clean energy, via the development of solutions for the producers of renewable energy and support for the research into sustainable technologies.

5. Facilitate access to clean energy, via the development of solutions for the producers of renewable energy and support for the research into sustainable technologies.

6. Promote sustainable business practices between our suppliers and business partners.

7. Participate in and contribute to the socio-economic development of the communities in which the Group operates, via the adoption of an appropriate Corporate Citizenship and Philanthropy policy.

8. Promote ethical conduct and the training and professional growth of personnel, protect diversity and the rights of workers and develop a healthy workplace environment.

9. Develop effective, transparent and responsible communications with stakeholders.

The Prysmian sustainability strategy takes a long-term view that seeks constant equilibrium among three main factors:

- **ORGANIZATION,** the adoption of innovative and efficient processes.
- **OPERATION,** the responsible management of performance throughout the entire value chain.
- **PEOPLE,** the protection of individuals and the advancement of talent.

ELEMENTS UNDERLYING THE GROUP'S SUSTAINABILITY STRATEGY

SUSTAINABILITY INDICES	UN SDGS	STAKEHOLDERS
■ DOW JONES SUSTAINABILITY INDEXES	1 NO POVERTY / 2 ZERO HUNGER / 3 GOOD HEALTH AND WELL BEING	Employees
■ CDP	4 QUALITY EDUCATION / 5 GENDER EQUALITY / 6 CLEAN WATER AND SANITATION	Customers and Business Partners
■ STANDARD ETHICS	7 AFFORDABLE AND CLEAN ENERGY / 8 DECENT WORK AND ECONOMIC GROWTH / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Institutions and Governments
■ FTSE4GOOD	10 REDUCED INEQUALITIES / 11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Universities and Research Centers
■ ECOVADIS - SUPPLIER SUSTAINABILITY RATINGS	13 CLIMATE ACTION / 14 LIFE BELOW WATER / 15 LIFE ON LAND	Society and Communities
■ STOXX	16 PEACE, JUSTICE AND STRONG INSTITUTIONS / 17 PARTNERSHIPS FOR THE GOALS	Shareholders and Financial institutions
■ BLOOMBERG		Suppliers and sub-contractors
■ CLEAN 200		
■ MSCI		
■ SUSTAINALYTICS		

The Prysmian Group strategy includes concrete actions that make a targeted contribution to the following UN SDGs. In particular:

MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE
Increase the percentage of cables covered by the carbon footprint calculation: to this end, a platform has been implemented that can calculate the carbon footprint of various types of cable (Common Analysis).

ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL
Develop innovative solutions that contribute actively to the transition towards the use of renewable sources and the digitalisation of networks, such as cables for the production and distribution of solar and wind energy, undersea cables for interconnections between countries and optical fibre cables.

TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS, REGULATING EMISSIONS AND PROMOTING THE DEVELOPMENT OF RENEWABLE ENERGY
ncrease the number of plants with environmental, health and safety management certification. Investments and other initiatives designed to reduce GHG emissions. Preparation of the new Climate Change Ambition and the definition of new Scope 1 and 2 emission-reduction targets, consistent with the COP26 Paris Agreements (SBTi).

ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS
Increase third-party audits in specific areas, such as governance, the environment and human resources.

ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS
Increase the percentage of women in executive positions via the adoption of specific "diversity and inclusion" programmes, such as the "Side-by-Side" project for the promotion of diversity within the business, and the mentoring of female talents, such as the WLP (Women Leadership Programme). Preparation of the new Social Ambition

CHALLENGING TARGETS FOR 2022

In order to establish a credible approach to sustainability, it is necessary to set objectives and monitor the progress made towards them. Aside from the long-term targets identified in specific sections, the Group is also committed to achieving short-term goals.

The 2016 strategy definition process resulted in the creation of the first "Sustainability Scorecard", comprising 16 strategic objectives with targets for 2020. Following the acquisition of General Cable in 2018, the Group extended its own sustainability guidelines and monitoring systems to the new perimeter.

Following this integration, it was necessary to revise the Scorecard, so that Prysmian could take account of the change in the perimeter and in the time required to implement sustainability actions across the Group. The Scorecard revision took account of stakeholders' feedback and sustainability indices.

The Sustainability Scorecard was updated to include the General Cable business and to review the KPIs and targets calculated on a 2019 baseline. The new Sustainability Scorecard includes 16 challenging targets to be met by 2022. Although in 2021 the Group set two new strategic ambitions — Climate Ambition and Social Ambition (see **page 12**) — and defined new medium-to long-term targets, it has decided to continue to disclose the Scorecard indicators in line with the previous years, so as to guarantee the utmost transparency to all of its stakeholders. The entire process is monitored by the Sustainability Steering Committee, which is chaired by the Group Chief Sustainability Officer. Results are also shared and monitored by the Sustainability Committee, a Group's Board committee established in 2020.

The pandemic caused by the Covid-19 virus continued throughout 2021, although the situation improved slightly. The measures adopted to manage this healthcare emergency have significantly affected production and commercial activities worldwide. These measures, prolonged and tightened as the contagion evolved at global level, have had an impact on the economic cycle and production activities, as well as on the achievement of some sustainability targets defined by the Group. These include the percentage of annual revenues from low carbon enabling products, which indicates the percentage of products with characteristics aligned with the objective of limiting the rise in global temperature to 1.5°C compared to pre-industrial levels (COP21 Paris Agreement).
The reduction in this value observed in 2021 was attributable to the high organic growth of the IT business – the Group's largest business, excluded from the CBI taxonomy – in the post-Covid-19 year, as well as the higher price of metals. Besides reasons of a technical nature, Prysmian Group is strongly committed to playing a proactive role in the global decarbonisation process and in developing products and technologies to support the wide use of renewable energy resources and digitalisation.

Compared to the KPI Percentage of annual revenues from low carbon enabling products, the results presented by the European Taxonomy (EU Taxonomy, see **page 32**), with reference to the first reporting year, indicate the proportion of admissible economic activities (so-called "eligible activities") and do not therefore constitute an indicator of the environmental performance of the Group's activities. It is only from the 2022 reporting that these activities will be subject to technical screening to identify the related alignment level and, hence, their relevance in terms of contribution to mitigation and/or adaptation to climate change. It is for this reason and the fact that the sectors covered by the CBI Taxonomy and those included in the European Taxonomy do not fully correspond that the reported results cannot be compared.

PRYSMIAN GROUP SCORECARD 2021					
SDGs	KPI	Baseline 2019	2020	2021	Target 2022
11 SUSTAINABLE CITIES AND COMMUNITIES	Percentage of product families covered by the carbon footprint measurement[1]	70%	84%	89%	85%
7 AFFORDABLE AND CLEAN ENERGY	Percentage of annual revenues from low carbon-enabling products[2]	48%	48%	44%	48% to 50%
13 CLIMATE ACTION	Percentage reduction in the emissions of greenhouse gases (Scopes 1 and 2 Market Based)[3]	870 ktCO$_2$[4]	-17.4%	-22.1%	-16% to -21%
	Percentage reduction in energy consumption	9,845 TJ[5]	-6%	-2.9%	-3%
	Percentage of plants certified ISO 14001	83%	83%	90%	95%
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Percentage of waste recycled	63%[5]	69%	69%	65%
	Percentage of drums (tonnes) reused during the year	46%	48%[6]	50%	Maintain
	Number of sustainability audits carried out based on risks in the supply chain	15	22	27	30
	Percentage of cables assessed using Ecolabel criteria developed internally by Prysmian	0%	1%	20.9%	20%
8 DECENT WORK AND ECONOMIC GROWTH	Employee Engagement Index (EI)[7]	65%	65%	60%	67% to 70%
	Leadership Impact Index (LI)[7]	57%	57%	54%	59% to 65%
	Average hours of training per employee each year[8]	26 hours	18 hours	18 hours	30 hours
5 GENDER EQUALITY	Percentage of women executives	12%	13%	13.5%	14% to 18%
	Percentage of white-collar women with permanent contracts	33%	34%	39%	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: 1.2
	Severity rate (IG) Internal employees[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: 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) and Sohar (Oman).
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.

Creating value with Stakeholder engagement

The creation of shared value means developing and cultivating constant dialogue with our stakeholders, in order to establish mutual trust. This section discusses how we involve our stakeholders, when and with which tools: from the 2021 Sustainability Day to our Investor Relations activities. This work is fundamental in order to identify needs, issues and expectations and, consequently, develop a sound materiality matrix: core guidance for consolidating the ESG Identity of the Group.

DIALOGUE WITH STAKEHOLDERS

The sustainability strategy of the Prysmian Group is founded on continuous dialogue with our stakeholders. The pursuit of corporate goals requires the development of forms of dialogue and ongoing interaction with both internal and external stakeholders. This is necessary in order to understand their needs, interests and expectations, anticipate changes and identify emerging trends, thus enabling the Group to pursue its own sustainable development goals and generate shared and consistent added value in the long run.

In order to identify the various categories of Group stakeholder, documentary analyses of the overall context and benchmarking against peers and competitors have been supplemented by interviews with top management within the Group.

Multi-stakeholder engagement initiatives are an integral part of the Group's growth strategy, as well as an effective communications channel.
The purpose of these initiatives is to:

- identify ideas for improvements that lead to product and process innovation;
- improve the management of reputational and other risks;
- inform, engage and build the awareness of stakeholders regarding various aspects of importance to the Group and the society in which it works;
- identify the needs, problems and expectations of stakeholders, integrate them into 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 with regard to sustainability matters, Prysmian has organised several multi-stakeholder engagement events over the years, in which stakeholders were invited to participate actively and discuss:

- identification of the main impacts (positive and/or negative) of the Group's activities throughout the Prysmian value chain, including additional new actions that the Group could implement to contribute to sustainable development;
- assessment and prioritisation of sustainability issues through a structured survey aimed at bringing the contribution of external stakeholders into the materiality analysis;
- assessment, via an interactive workshop, of their perception of the Group's initiatives and activities regarding the targets of the Sustainability Development Goals (SDGs).

As in the prior year, the multi-stakeholder event known as the "Prysmian Sustainability Day 2021", organised once again by the Group, was held on a virtual basis due to the special global situation. The event was streamed live in November to around 6,000 persons connected from around the world and was later seen by many more, who were able to view 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 as leaders of international organisations

and partners in the value chain. Drawing on their personal and career experiences, the various speakers contributed important points of view on specific sustainability matters, like climate change and the energy transition, diversity & inclusion and innovation.

In 2021, between May and September, Prysmian organised 6 sessions of induction for all members of the Board of Directors. This initiative, which first of all benefited the new Independent Directors, represented real best practice in the field of Group governance and stakeholder engagement.

The sessions focused on the Group's business strategy, the levers for value creation, the main drivers of innovation processes, initiatives on the people and corporate culture front, corporate governance and the Italian stock market and, finally, also issues related to environmental and social sustainability and Prysmian's ESG projects and objectives. The entire programme saw the alternation of speeches by Group Top Managers, but also external speakers from companies such as ENI and Rexel, experts in the scientific and academic fields, investors and analysts. All the days, when it was often the Directors themselves who also brought specific issues to the fore, were very interactive and allowed a basic knowledge of the Group, its strategy and its operations to be shared with the Board, also with a view to sustainable business development. At the same time, the initiative helped create an effective network among the members that immediately allowed the decision-making mechanism within the Board to function better.

With a view to defining and implementing its stakeholder engagement path, 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).

INVESTOR RELATIONS

Creating value for shareholders and other stakeholders is a key priority for Prysmian, whose policy of strategic and financial communication is directed towards the highest standards of accuracy, clarity and transparency. Actions and procedures are designed to provide the market with credible information about the business, with a view to boosting confidence in the company and facilitating 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 and also invites specialist media representatives to take part. In addition, the Company promptly informs existing and potential shareholders about any action or decision that could have a material impact on their investment. Relations with the financial market were intense during 2021, with more than 500 conference calls and one-on-one or group sessions, which were essentially all held as virtual meetings due to the Covid-19 pandemic. The Company also participated in numerous conferences organised at sector level by leading international brokers, as well as in a number of topic-specific road shows (e.g. Energy Transition, Telecom Developments, Innovation).

In addition, the ever increasing attention paid by ESG investors to environmental, social and governance matters was further confirmed by their growing attendance at meetings and conferences held specifically for them. The coverage of Prysmian shares by analysts remains very high, with wide geographical diversification. A total of 19 independent analysts regularly cover the Prysmian stock: AlphaValue, Banca Akros, Bestinver, Barclays Capital, BofA Merrill Lynch, Citi, Credit Suisse, Equita, Exane BNP Paribas, Goldman Sachs, HSBC, Intermonte, Intesa Sanpaolo, JP Morgan, Kepler Cheuvreux, Mediobanca, Morgan Stanley, Societe Generale and Stifel.

- Over **500 CONFERENCE CALL** and **ONE-ON-ONE MEETINGS;**
- 19 independent analysts monitor our stock regularly.

The Investor Relations function has maintained constant contacts with institutional investors, not least via the website www.prysmiangroup.com, 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 details of analysts who cover the stock, as well as specific sections about Corporate Governance, Risk Factors and Share Performance.

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PRYSMIAN GROUP IN THE ESG INDICES

INDEX	DESCRIPTION	2019	2020	2021
Dow Jones Sustainability Indexes	The DJSI is based on an analysis of Group economic, environmental and social performance.	Rank: 84/100 (ELQ World) included and ranked as 2nd	Rank: 87/100 (ELQ World) included and ranked as 2nd	Rank: 87/100 (ELQ World) included and ranked as 1st
MSCI	The MSCI ESG Ratings seek to measure the resilience of a company to long-term and financially significant ESG risks.	Score: A	Score: A	Score: AA
ecovadis Business Sustainability Ratings	EcoVadis is a platform that allows companies to monitor the sustainability performance of their suppliers through an assessment.	Score: 73/100 (Gold)	Score: 76/100 (Platinum)	Score: 73/100 (Platinum)
CDP DISCLOSURE INSIGHT ACTION	The CDP is the most recognised NGO in the world for the assessment of transparency in disclosure by companies of climate change information.	Score Climate Change: B (World)	Score Climate Change: B (World) Score Water Security: C	Score Climate Change: B (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 the extent to which they are not managed. The more these risks are not managed, the greater the ESG Risk Rating score.		Risk: 26.1 (Medium)[1]	Risk: 22.8 (Medium)[1]
FTSE4Good	The FTSE4Good Index Series are equity indexes launched in 2001 by the FUSE Group to measure the performance of companies that demonstrate strong Environmental, Social and Governance (ESG) practices.	Score: 3.9/5	Score: 4.0/5	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.	Score: 40.5[2]/100	Score: 45/100	Score: 55/100
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)
EURONEXT	Launched by Euronext, the MIB® ESG index is the first ESG index dedicated to Italian blue chips. The composition of the index is based on an assessment of the ESG performance of issuers by Vigeo Eiris (V.E.), which is part of Moody's ESG Solutions.			Included
CLEAN200	Carbon Clean 200 is a report produced by Corporate Knights that classifies 200 leading firms in terms of their clean energy sales.	Rank: 101/200	Rank: 47/200	Rank: 58/200

1   Range: 0 (Low risk)-40 (High risk). On 6 October 2021 the value was 25.9.
2   Data restated with respect to that reported in NFS 2019 (40.9).

MEMBERSHIP

Prysmian leadership of the cables sector is evidenced by inclusion of the Group in the principal and most strategic global trade associations. Participation in their technical round-table discussions enables the Group to play a leading role, together with primary partners and international competitors, in defining the guidelines to be followed when pursuing sustainable innovation in the energy and telecoms sector, and in preparing technical solutions and standards. As a leader in the cables sector, the Prysmian Group must play a proactive role in tackling promptly the new problems that emerge and finding solutions by sharing best practices with the entire sector. Accordingly, our inclusion in industry groupings that seek to improve the sustainability of the sector is strategic for the Group.

Synonymous with global technological leadership since 1991. Members sign an Industry Charter, expressing their collective commitment to support manufacturing and development objectives and principles founded on ethics, sustainability and high quality standards in the cables industry.

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.

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.

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.

In 2021, Prysmian Group announced its participation - as the first cables sector business - in the Responsible Mica Initiative (RMI), which is a no-profit coalition 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. The social responsibility of Prysmian Group is one of the pillars of our sustainability strategy, reflecting the principles embodied in our Human Rights Policy.

Prysmian Group belongs to the Global Compact, whose principles and spirit are reflected in the culture, values and practices of the Group. Its ESG (Environmental, Social e Governance) values are integral to the DNA of the Group, inspiring our strategic priorities and influencing our daily conduct. Consistent with the ten 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.

Materiality matrix

In order to identify the latest trends in sustainability, integrate the expectations of stakeholders within the activities of the organisation and define reports that satisfy the requirements of stakeholders and the priorities of the Group, Prysmian launched a process in 2021 to update the materiality analysis and identify the most significant sustainability issues for its business. The matrix update process had two phases:

1. Desk analysis

During the desk analysis phase, documentary analysis of internal and external sources identified the full range of topics to be assessed. The following sources were considered:

- reports and articles on global trends (e.g. World Economic Forum);
- industry trends/reports;
- sustainability reports/non-financial statements of peers and competitors;
- regulatory developments (e.g. Decree 254 on non-financial disclosures, the European Taxonomy).

Based on the results of benchmarking, a number of topics were included or renamed.
 With respect to the 2020 matrix and the results of benchmarking, the following changes were made in the 2021 materiality analysis:

- "Development of human capital and well-being" was renamed "Involvement and upskilling of employees";
- "Multiculturalism, diversity and equal opportunity" was renamed "Diversity, inclusion and equality";
- "Energy efficiency and mitigation of and adaptation to climate change" was renamed "Decarbonisation pathway to net-zero emissions";
- "Economic performance and value creation" was included as a new topic.

The updated list of topics assessed in 2021 is presented below:

PRYSMIAN'S PEOPLE

Involvement and upskilling of employees
Diversity, inclusion and equality
Occupational health and safety
Respect for human rights and workers' rights

ENVIRONMENT

Decarbonisation pathway to net-zero emissions
Waste management and recycling
Efficient use of water resources
Biodiversity
Efficient use of raw materials

PRODUCTS

Customer centricity
Technological development and Eco-design innovation
Solutions for sustainable applications

LOCAL COMMUNITIES

Community involvement

SUPPLY CHAIN

Sustainable supply chain

CORPORATE GOVERNANCE AND COMPLIANCE

Economic performance and value creation
Business ethics and integrity
Cyber security and data protection
Governance and transparency

2. Assessment of topics

The topics were assessed by both external stakeholders and top management, assigning an order of priority (from 1 to 5) for them within the materiality matrix. The topics were assessed in 2021 during the various internal and external stakeholder engagement activities.

EXTERNAL STAKEHOLDER ENGAGEMENT ACTIVITIES	INTERNAL STAKEHOLDER ENGAGEMENT ACTIVITIES
Prysmian Group Sustainability Day Topic workshops External Stakeholder Survey Speak-up Survey Interviews with main investors	Interviews with Top Executives Senior Leaders Survey Safety Week Survey Sustainability Steering Committee

The assessment was carried out in the manner recommended in the GRI standards, which call on organisations to focus attention on topics that are important for their business activities and their stakeholders. The materiality matrix provides an aggregated view of the importance of issues both for the Group and its stakeholders, in terms of the actual and potential impact of each on the Group's ability to create value in the long run. The finalised matrix was reviewed by both the Sustainability Steering Committee and the Sustainability Committee. Downstream of this process, the topics were gathered in a special reconciliation table under the areas identified in the Decree (environmental, human rights, social, anti-bribery, employees and transversal) in order to align the reporting with the express requirements of Decree 254/2016.
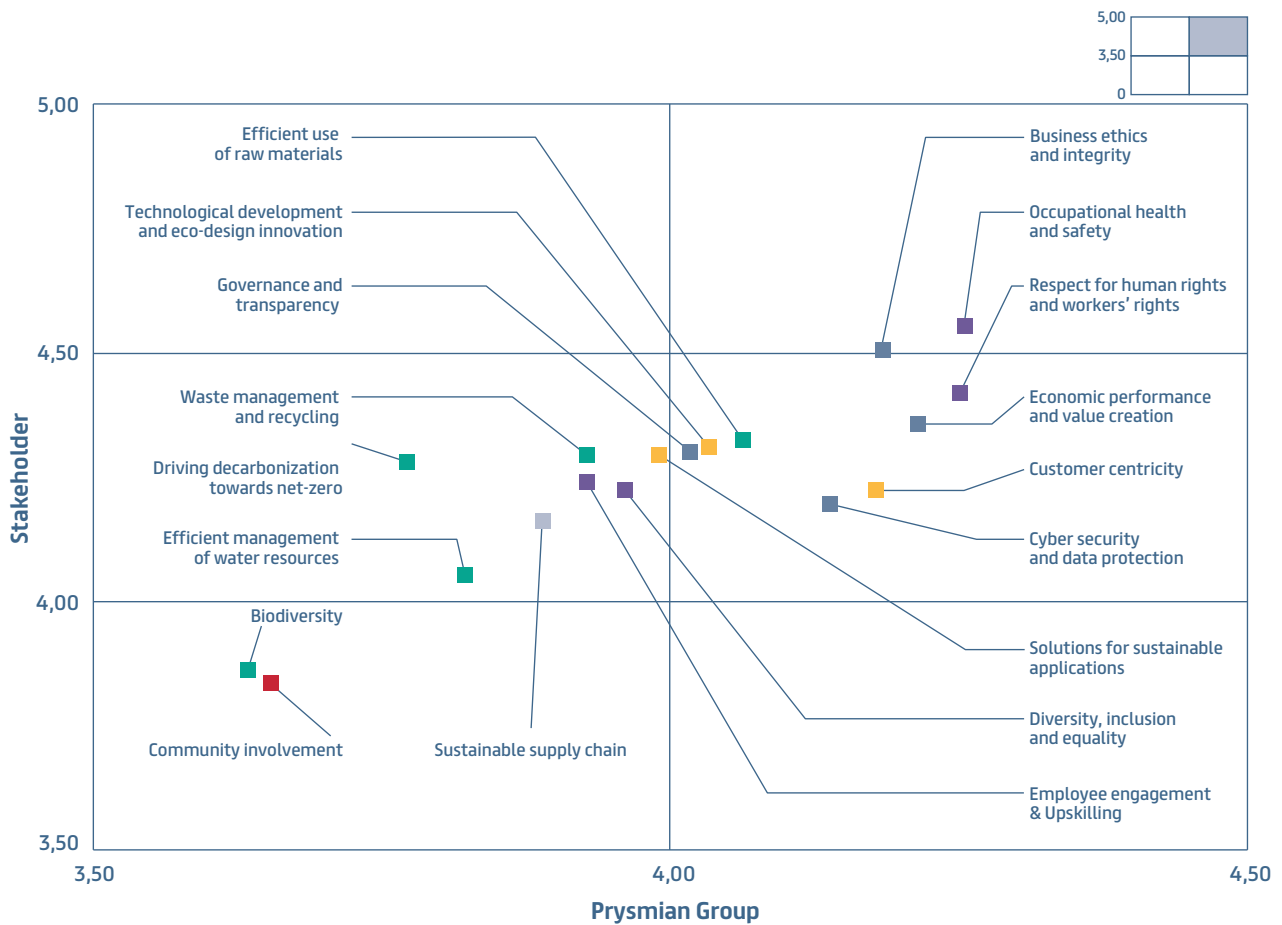
THE ROLE OF ARTIFICIAL INTELLIGENCE IN THE MATERIALITY DEFINITION

The concept of "dynamic materiality" is based on the idea that environmental, social, or economic matters, that are less relevant to date, may become material over time. In fact, relevant topics may change gradually or rapidly, also considering the multiplicity of stakeholders that the organization serves. Prysmian, within the use of an artificial intelligence tool, has conducted an analysis to anticipate the evolution of investors' perception over material topics.

Investors and keywords	Artificial Intelligence tool	Materiality update

The analysis of how perceptions of sustainability topics may change among the selected sample of investors will be refined throughout 2022 and carried out in "streaming" in order to map changes over time.

Among the sources consulted there are WEF, "Embracing the new age of materiality" and CDP, CDSB, GRI, IIRC and SASB, "Statement of Intent to Work Together Towards Comprehensive Corporate Reporting."

The following priority topics have been identified by both the Group and Prysmian's stakeholders:

- **Occupational health and safety**, the Group intends to strengthen the systems for managing occupational health and safety, in order to reduce the number of injuries and occupational diseases and, via suitable training programmes, develop a culture of prevention and management covering these two aspects.
- **Business ethics and integrity:** the Group is committed to a management model based on the most rigorous standards of business ethics and integrity, especially with regard to the measures adopted to prevent both active and passive corruption and ensure the adoption of fiscally-proper practices.
- **Respect for human rights and workers' rights:** ithe Group implements policies and actions to protect human rights throughout the entire value chain (banning child and forced labour, respect for freedom of association and collective bargaining, fair pay); development of collaborative relations with the trade unions.
- **Economic performance and value creation:** the Group seeks to promote long-term value for all categories of stakeholder, facilitating business development and providing sustainable solutions.

Specifically, "Occupational health and safety" was identified as the most important topic by both external stakeholders and the Prysmian Group.
Added in 2021, "Economic performance and value creation" is also ranked among the highest in terms of importance while, consistent with findings in the prior year, "Biodiversity" and "Community involvement" are placed lowest in this regard.

ESG Indicators and Remuneration Policy

Prysmian Group adopts a fully integrated ESG approach. This required the implementation of concrete and measurable actions to integrate the various economic, social and environmental aspects within our business model and activities. These actions were part of a plan that took into account: the requirements of the sustainability indexes to which the Group belongs; the 17 UN Sustainable Development Goals (SDGs) for 2030, and the requirements identified by listening to all our stakeholders.

INCENTIVE SYSTEMS

Prysmian Group has adopted a management incentive scheme linked to the achievement of objectives for the improvement of our ESG parameters that applies to all managers. The Compensation and Appointments Committee is responsible for assessing the 2021 performance of the Group against these criteria, with reference to a series of parameters that evidence the progress made by the action plans implemented. The main parameters considered make reference to occupational health and safety, the level of gender diversity among management and the reduction of CO_2 emissions. Our positioning in the leading sustainability indices to which we belong is also important.

03_ESG GOVERNANCE

Our ambitions stem from our DNA as a Public Company, which drives us to create value for all our stakeholders. This identity generates a need, around itself, for effective and efficient mechanisms, in order to create long-term sustainable value and produce a virtuous spiral with business integrity at its centre. We are looking at a solid and transparent model of corporate governance that manages risks in an integrated manner and monitors KPIs and project performance using the latest digital tools.
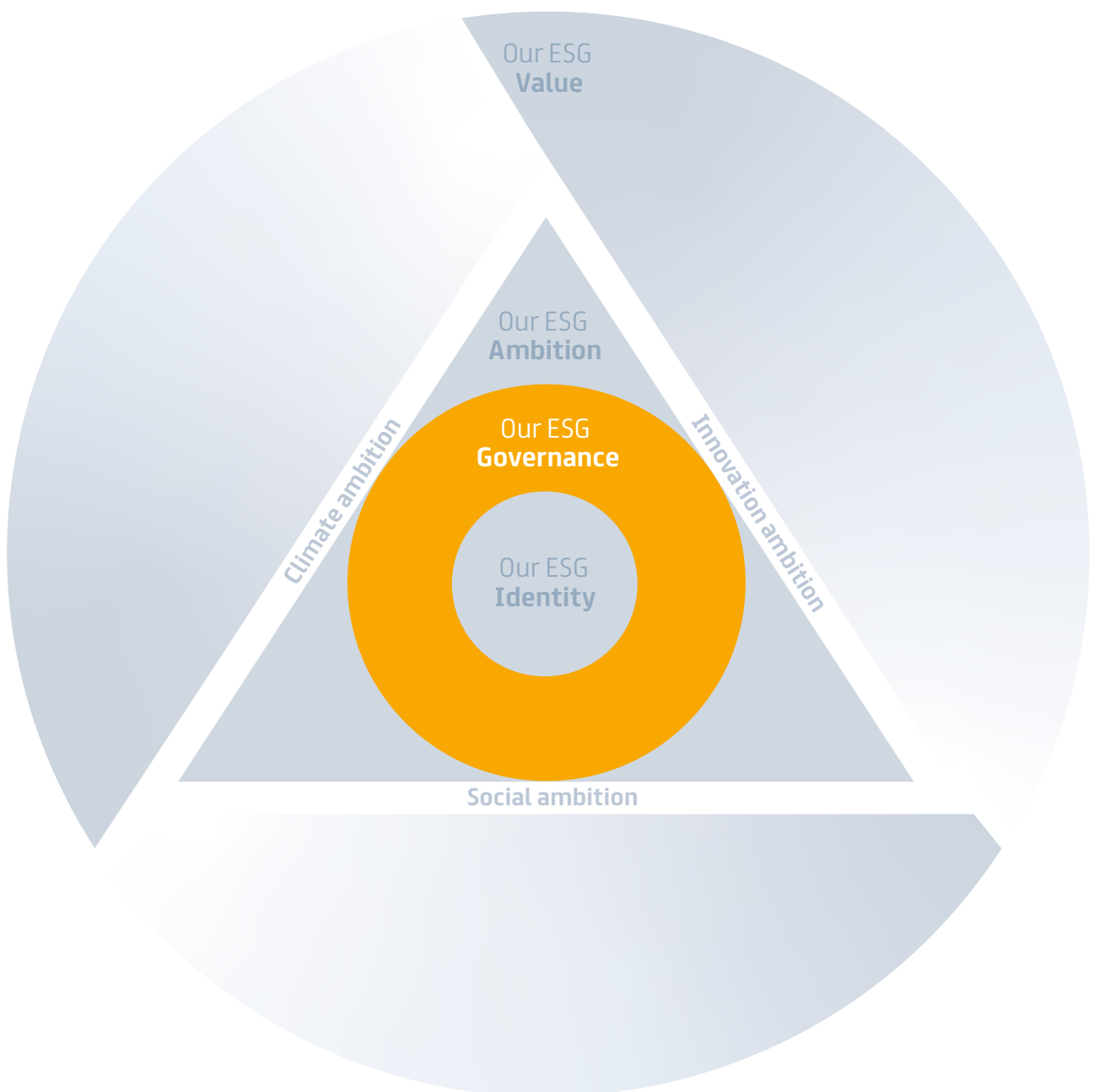
Being a Public Company

We are one of the few Italian industrial companies with broad share ownership. This identity has always guided our commitment to improve our ESG performance. ESG-focused investors have demonstrated appreciation for the strategies and concrete commitments of the Group, becoming steadily more numerous over the past three years. They now represent 44% of the total.

OWNERSHIP STRUCTURE

Prysmian Group has been a public company in all respects for many years: its free float is equal to 100% of capital, of which over 80% is held by institutional investors.

The listing of Prysmian's ordinary shares, resulting from the sale of 46% of the shares held by the Goldman Sachs Group Inc., took place on 3 May 2007 at a price of Euro 15.0 per share, corresponding to a capitalisation of 2.7 billion euros. Subsequent to the listing, The Goldman Sachs Group, Inc. gradually reduced its interest in the Company, control of which was acquired in July 2005, by placing the remaining 54% of the shares with institutional and selected investors in several successive stages: i) approx. 22% in November 2007, ii) approx. 14% in November 2009, iii) approx. 17% in March 2010. Valerio Battista, Prysmian's Chief Executive Officer, announced on occasion of the last sale that he had purchased 1,500,000 shares, corresponding to around 0.8% of share capital and taking his total shareholding to 1.2%, which he has raised to approximately 1.5% during the course of subsequent years.

At 31 December 2021, the Company's free float was equal to 100% of the outstanding shares and significant shareholdings (in excess of 3%) accounted for approximately 28% of total share capital, meaning there are no majority or controlling interests. Prysmian is now one of Italy's few globally present industrial concerns to have achieved true Public Company status in recent years.

As at 31 December 2021, the share capital of Prysmian S.p.A. amounts to Euro 26,814,424.60, comprising 268,144,246 ordinary shares with a nominal value of Euro 0.1 each. The ownership structure at that date is indicated below.

SHARE OWNERSHIP BY TYPE AND SIGNIFICANT SHAREHOLDERS

- 81.6% Institutional Investors
  - 7.4% BlackRock, Inc.
  - 4.7% UBS AG
  - 4.5% Crédit Agricole S.A.
  - 4.1% T. Rowe Price Group, Inc.
  - 3.7% AXA S.A.
  - 3.2% Sun Life Financial, Inc.
  - 2.9% The Vanguard Group, Inc.
  - 2.7% Hardman Johnston Global Advisors LLC
  - 2.2% Schroders PLC
  - 64.6% Other
- 8.3% Retail
- 1.8% Treasury shares
- 3.0% Employees + Management
- 5.3% Other*
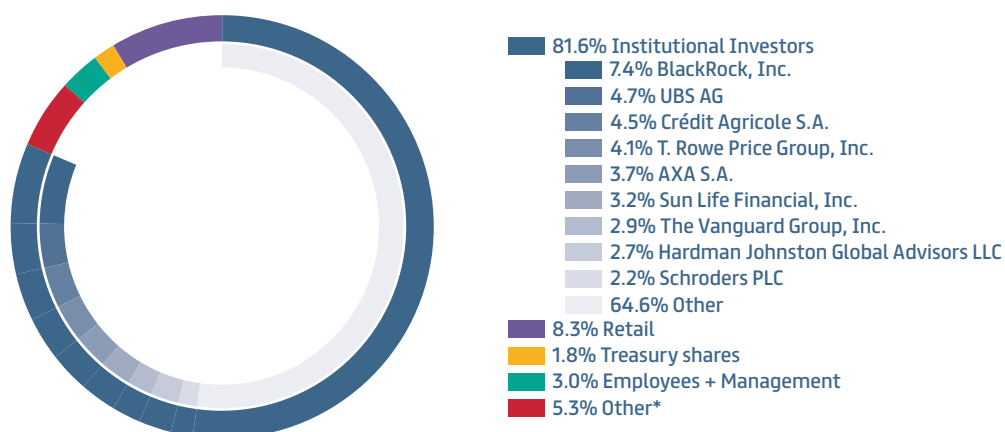
Source: Nasdaq, December 2021

(*) Mainly comprises shares held by non-institutional investors and by third-party holders of shares for trading purposes.

INSTITUTIONAL INVESTORS BY GEOGRAPHICAL AREA

- 30% US
- 27% UK
- 12% France
- 7% Italy
- 4% Sweden
- 16% RoE
- 4% RoW
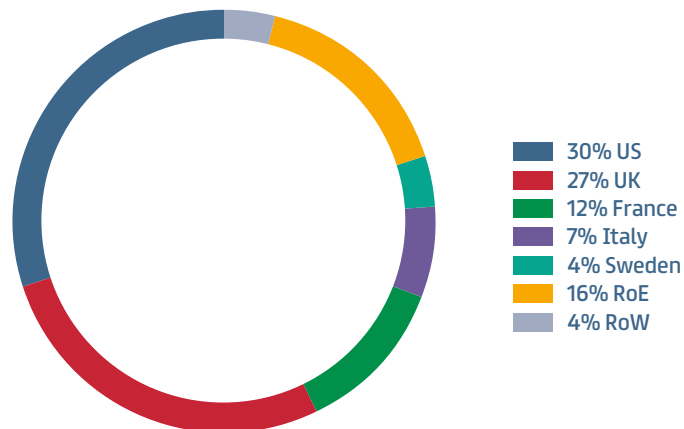
Source: Nasdaq, December 2021

INSTITUTIONAL INVESTORS BY INVESTMENT STYLE

- 72% Growth+GARP+Value
  - 36% Growth
  - 19% GARP
  - 17% Value
- 16% Index
- 5% Hedge Fund
- 7% Other
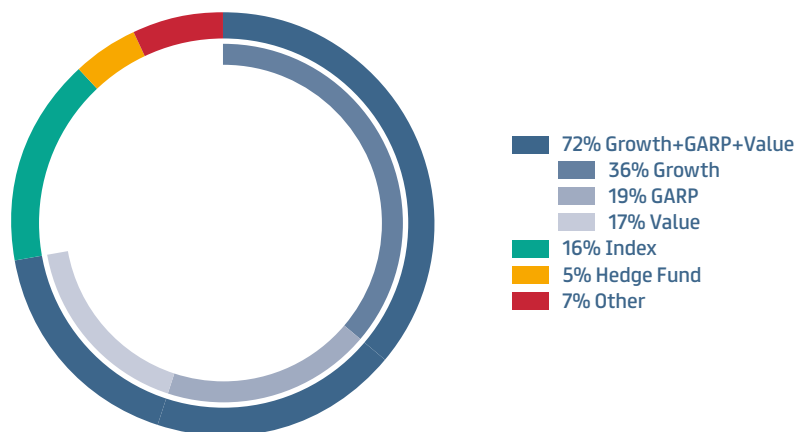
Source: Nasdaq, December 2021

ESG INSTITUTIONAL INVESTORS

- 44% ESG-Focused
- 56% Others investors
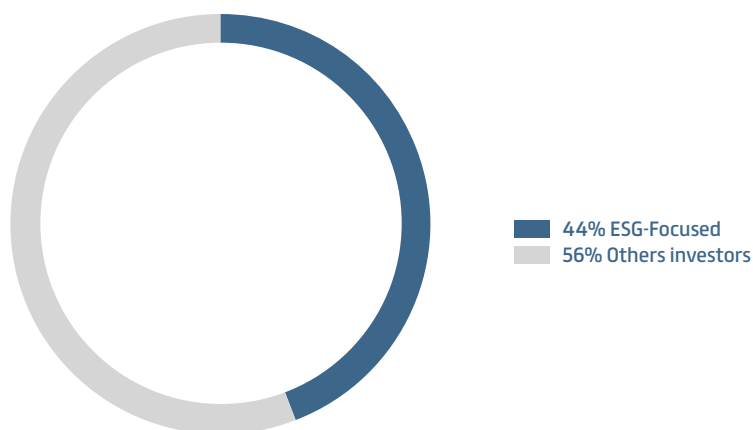
Source: Nasdaq, December 2021

The geographical ownership structure confirms the predominant and essentially stable presence of the United States, with 30% of capital held by institutional investors, followed by the United Kingdom with 27%, up from about 25% in the prior year. The weightings of France and Northern Europe, where investor awareness about ESG matters is generally greater, are also continuing to increase. At the end of 2021, France and Northern Europe contribute about 12% and 8% of all institutional investors, compared with 11% and 7% respectively in the prior year. In the meantime, the weighting of Italy has eased from 8% to 7%. The combined weighting of the other European countries is about 12%, down from 14% in the prior year. Among the main countries, Germany and Ireland have increased their weightings, while those of the Netherlands, Spain and Switzerland have decreased. There has also been a slight decline in the proportion of Asian investors (principally Japan and Hong Kong).

Overall, about 72% of capital is held by investment funds with Value, Growth or GARP (Growth at Reasonable Price) strategies. They anticipate the creation of value over the medium-long term and consider the current share price to be undervalued given the prospects offered by the fundamentals of the Company. With respect to 2020, there has been a slight increase in the number of shareholders adopting an Index investment (or passive) strategy, based on the main stock indices, while the weighting of the Hedge Fund component - with a shorter time horizon - has increased slightly to 5% from 4% in the prior year.

ESG investors have also established an important and growing presence within the ownership structure of Prysmian, focusing their investment strategies on various Environmental, Social and Governance matters. Indeed, their weighting within the Prysmian ownership structure has increased substantially over the past 3 years, rising from about 13% in 2019 to 35% in 2020 and over 44% now. According to the latest Nasdaq data, this percentage is well above average for both the industrial sector and the Italian market, which is around 30% of all institutional investors. In absolute terms, Prysmian currently has 185 ESG investors, up strongly from 138 in the prior year and 55 just three years ago.

The increase in these investors within the ownership structure reflects not only the general growth of ESG investment, due to greater investor awareness about environmental, social and governance matters, but also market recognition of Prysmian's strategy and firm commitment to the steady improvement of both the ESG and financial aspects of its performance. In addition, the greater attention paid to ESG investors and constant engagement with them by the Company and top management - with various organised activities, the Sustainability Day and dedicated meetings - have contributed to the further increase in their weighting within the ownership structure of the Company.

SHAREHOLDERS' MEETING

In total, 65.8% of share capital was represented at the Annual General Meeting, with 1,819 shareholders present by proxy.

On 28 April 2021 the Shareholders' Meeting of Prysmian S.p.A., held in first and only calling, discussed and resolved on several items on the agenda, including approval of the 2020 financial statements, allocation of the profits for the year and the distribution of dividends, renewal of the administrative body with the appointment of directors and the fixing of their remuneration, authorisation for the purchase and use of treasury shares, extension of the share ownership plan in favour of employees, approval of the remuneration policy, consultation on the report on remuneration paid and authorisation for the convertibility of an equity-linked bond. The Meeting, attended by proxy by 1,819 shareholders representing 65.8% of share capital, approved every item on the agenda by large majorities.

The Annual General Meeting also approved the declaration of a dividend of Euro 0.50 per share. The dividend was paid on 26 May 2021, involving a total pay-out of approximately 132 million euros.

SHAREHOLDERS' MEETING: REPRESENTED CAPITAL

Capital represented in the Shareholders' Meeting   Participation of the main shareholder in the Shareholders' Meeting
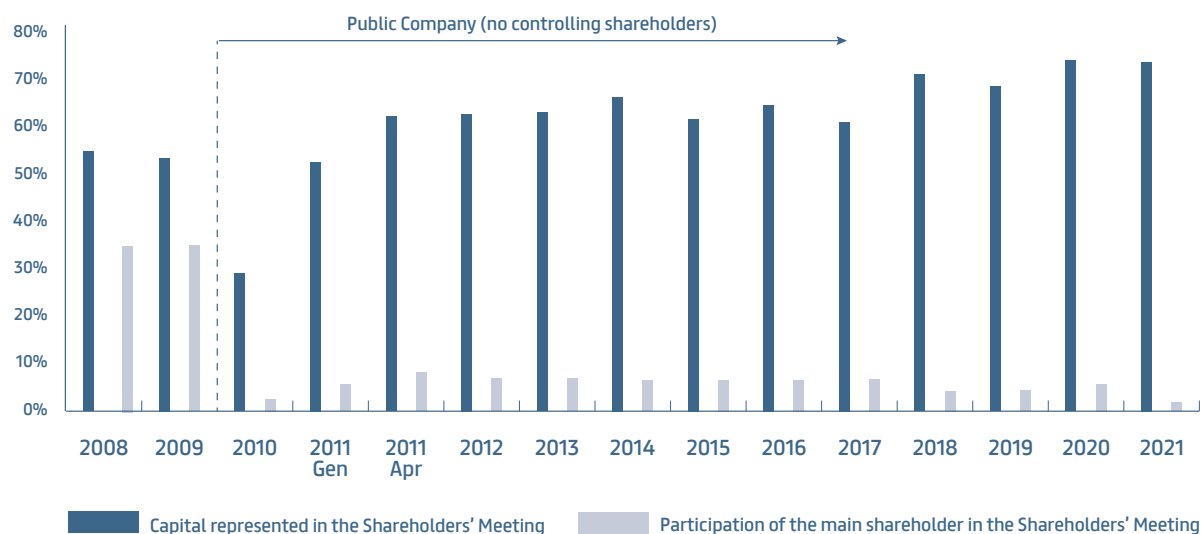
SHAREHOLDERS' MEETING: NUMBER OF PARTICIPANTS PRESENT OR REPRESENTED

Number of shareholders attending the meeting
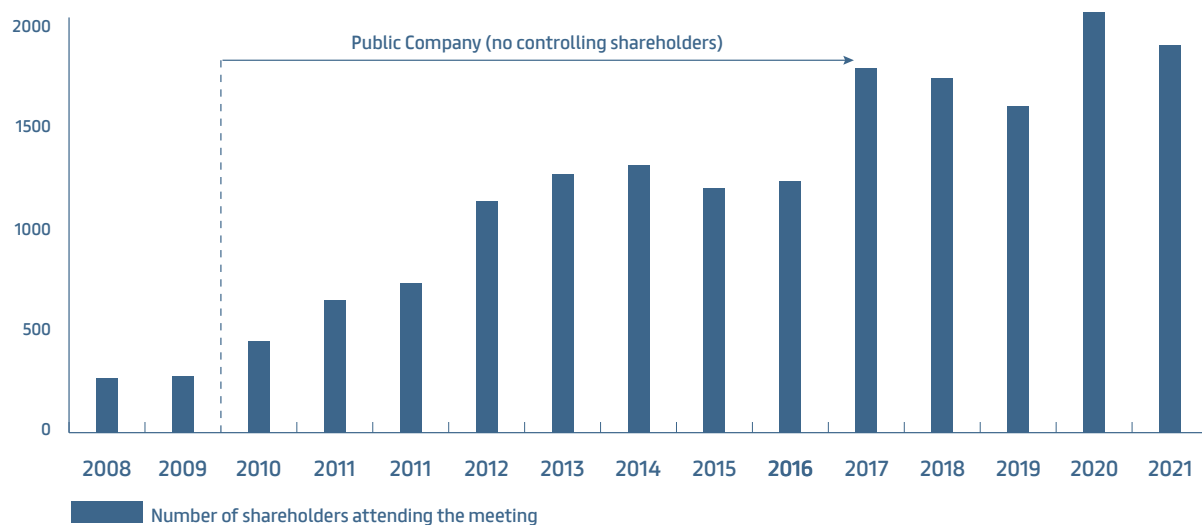
FINANCIAL CALENDAR	
1 March 2022	Approval of the draft financial statements and consolidated financial statements as of 31 December 2021
12 April 2022	Shareholders' Meeting to approve the Annual Report as of 31 December 2021
12 May 2022	Approval of the quarterly financial report as of 31 March 2022
28 July 2022	Approval of the half-year financial report as of 30 June 2022
10 November 2022	Approval of the quarterly financial report as of 30 September 2022

Governance and the management of risks and opportunities

In order to reach ambitious environmental and social objectives, it is fundamental to make strategic decisions that foresee, mitigate and manage significant exposures regarding ESG matters. Via an effective system of information flows, we manage all our business-related risks so that sustainability can become an integral part of our identity, in all our activities.

INTEGRATED MANAGEMENT OF SUSTAINABILITY 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, key activities of the ERM model adopted, 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, during 2021, the Group with broad management involvement carried out a careful analysis focused on climate change and the energy transition. 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 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 and related to 2021, 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 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 shown in five families that each include internal and external issues characteristic of Prysmian's business model (so-called 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.

A process for updating the assessment of sustainability risks and opportunities was carried out in 2021, with refinement of the analysis in order to further integrate ESG (Environmental, Social, Governance) topics, including climate change in particular, more closely within the Group's ERM model. This process has made it possible to reformulate and regroup certain risks based on the detailed work performed and the correlations highlighted. The main takeaways, including the key strategies adopted for mitigating the risks and grasping the opportunities identified, are presented below.

ENVIRONMENT

RISK IDENTIFIED	MATERIAL TOPIC 2021
Risks related to the availability of water	Efficient use of water resources

Description of risk
Water is consumed at Prysmian plants principally for industrial use and, in particular, for cooling purposes during certain processes. Cooling water is recycled, in whole or in part, at most plants in order reduce the volume of water drawn. The water used for cooling is not contaminated and, accordingly, the quality specifications seek to ensure the absence of biological risks and corrosion within the circulation systems. Each year, Prysmian carries out a water stress analysis (chronic physical risk[1]), considering the ratio of water demand to water available. This analysis uses the web-based "Aqueduct" platform, developed by the World Resources Institute (WRI), as also recommended by GRI 303 Water and TCFD, 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 expected life time of each asset. The analysis shows that about 25% of the plants are located in areas with an extremely elevated water stress risk in the conservative, high CO_2[2] emissions scenario (RCP 8.5); however, considering the mitigation actions adopted, the final exposure remains low. There are similar conclusions for lower CO_2 emissions scenarios (RCP 2.6, 4.5). The assessment of water availability risks was extended to the entire supply chain in 2021 (upstream or downstream activities and clients). The analysis of physical risks carried out on a selection of strategic suppliers and customers confirms their low impact on Group operations in terms of potentially significant supply chain interruptions, considered over a time horizon extending out to 2040.

Mitigation actions adopted
Prysmian measures regularly the volume of water drawn at its production locations. This data is monitored at both local and Group levels, recorded in the Environmental Management System at Corporate level and disclosed in the Group Sustainability Report in accordance with the GRI Standards, with reference to GRI 303 Water and effluents. The cooling process parameters are also analysed and checked in order to ensure the efficiency of water consumption; in this regard, water supply systems are maintained appropriately in order to avoid significant losses. For the majority of plants for which a potential risk has been evidenced, it must also be borne in mind that current production processes employ water recycling in order to reduce consumption. Lastly, the mitigation plan already envisages further improvements in the percentage of water recycled and/or the installation of new recycling systems for the optimisation of 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 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.

Risks linked to the rise in sea level (climate change)	Decarbonisation pathway to net-zero emissions

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 expected life time of the assets at each plant. A detailed analysis of the exposure to rising sea levels (chronic physical risk[1]) 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 in a conservative high CO_2 emissions scenario[2] (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 situation will be monitored so that action can be taken ahead of time, including the introduction as necessary of additional control systems. There are similar conclusions for lower CO_2 emissions scenarios (RCP 2.6). The assessment of risks linked to the rise in sea level was extended to the entire supply chain in 2021 (upstream or downstream activities and clients). The analysis of physical risks, carried out on a selection of strategic suppliers and customers, confirms their low impact on Group operations in terms of potentially significant supply chain interruptions, considered over a time horizon extending out to 2040.

Mitigation actions adopted
The Group implements an established loss prevention programme at all 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 step in the entire supply chain management process and 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.

1   As defined in "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures - Appendix 1 October 2021".
2   Representative Concentration Pathways (RCP) scenario 8.5 described in the Fifth Assessment Report prepared by the Intergovernmental Panel on Climate Change (IPCC). This is the scenario with the highest GHG emissions into the atmosphere, reflecting a future without political action to reduce emissions that is consistent with a business-as-usual scenario.

RISK IDENTIFIED	MATERIAL TOPIC 2021
Risks linked to the increased severity of extreme weather events	Decarbonisation pathway to net-zero emissions

Description of risk
The Group monitors constantly the exposure of all production plants, considering the entire life cycle of the key assets at each plant, to such meteorological events as storms, floods, hail etc. (acute physical risks[3]) using CatNet®, a profiling tool that measures the exposure to geo-specific risks developed by Swiss Re. This tool was also used to evaluate their exposure over a time horizon extended out to 2035, in a conservative high CO_2 emissions scenario[4] (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 plants in areas with a maximum temperature rise of 1.5°C. Lastly, a sensitivity analysis was carried out for the period 2020-2035, hypothesising a further increase in the severity and frequency of extreme meteorological events and considering the impact of such events on the assets of the Group over the past 20 years. This analysis confirmed the low exposure to this risk. There are similar conclusions for low CO_2 emissions scenarios (RCP 2.6). The assessment of risks linked to the increased severity of extreme weather events was extended to the entire supply chain in 2021 (*upstream or downstream activities and clients*). The analysis of physical risks carried out on a selection of strategic suppliers and customers confirms their low impact on Group operations in terms of potentially significant supply chain interruptions, considered over a time horizon extending out to 2040.

Mitigation actions adopted
The Group implements an established loss prevention programme at all production plants, which seeks to foresee and mitigate material losses and stoppages caused by meteorological 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 step in the entire supply chain management process and 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.

Risk linked to the introduction of taxes on GHG emissions (carbon taxes) or application of the Emission Trading Scheme to the operating activities of the Group	Decarbonisation pathway to net-zero emissions

Description of risk
This risk relates to the increase in production costs (Policy & Legal transition risk[5]) that might derive 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 carried out an in-depth analysis in 2021 to assess the impact of that risk with respect to the production of GHG emissions by the Group (Scope 1), considering current policies and those announced by governments and supranational organisations in the territories where we work. 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, 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 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 and, in particular, GRI 305 Emissions (2016). During 2020 the Group began work to define objectives for reducing the Scope 1 and 2 emissions identified in accordance with the Science Based Target Initiative (SBTi), with a Net-Zero target by 2035.

Environmental risks	Business ethics and integrity

Description of risk
The Group's manufacturing activities are subject to specific environmental regulations. These include the management of raw materials, energy resources and hazardous substances, atmospheric emissions and waste, as well as the prevention of pollution and minimisation of the impact on environmental factors (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 generates additional costs. Given the large number of Group plants, the probability of an incident with environmental consequences and possible loss of production continuity brings the real possibility of significant economic and reputational impacts.

Mitigation actions adopted
In order to prevent and mitigate environmental risks, the Group has adopted an ISO14001-certified environmental management system at 90% 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.

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3   As defined in "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures - Appendix 1 October 2021".
4   Representative Concentration Pathways (RCP) scenario 8.5 described in the Fifth Assessment Report prepared by the Intergovernmental Panel on Climate Change (IPCC). This is the scenario with the highest GHG emissions into the atmosphere, reflecting a future without political action to reduce emissions that is consistent with a business-as-usual scenario.
5   As defined in "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures - Appendix 1 October 2021".

SOCIAL MATTERS

RISK IDENTIFIED	MATERIAL TOPIC 2021
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 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). During 2021, Prysmian carried out an analysis to assess quantitatively the impact of the Cyber attack risk (technology transition risk[6]) on productive activities (factory & facility) during the entire expected life time, considering the growing use of IoT systems in operations and, indeed, a probable acceleration of these technologies due to the energy transition programmes, given the "possible" future scenarios (IEA - STEPS, APS, SDS and NZE). This analysis helped to recognise the need to read Digital and Security as fundamental strategic contexts, to evaluate the validity of the Group's strategies for physical asset cyber security and to confirm the significant efforts made to monitor constantly the effectiveness of the countermeasures adopted.

Mitigation actions adopted

Since 2016 the Group has implemented an Information Security Strategy that clarifies 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 with regard to cyber risks, 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, among other activities in this regard, a programme for the secure redesign and segregation of production plants is currently in progress, starting with those considered most strategic. Multi-channel security campaigns and training were also delivered throughout the Group during 2021, with controlled social engineering and phishing activities designed to test the readiness of personnel to recognise these specific types of cyber attack.

Risks of non-compliance with Data Protection legislation (Privacy)	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, Prysmian 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

The programme for the protection of personal data adopted by the Group is based on the following fundamental elements that involve the entire business structure:

• 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.

The following activities were carried out to ensure compliance with the personal data protection requirements:

• verification of the adequacy of the procedures adopted by the Group for managing the green pass certification and the related access checks;
• revision of the process for appointing system administrators;
• coordination of the adoption of a privacy model by the Group companies present in Chile and Brazil.

6   As defined in "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures - Appendix 1 October 2021".

PERSONNEL-RELATED MATTERS

RISK IDENTIFIED	MATERIAL TOPIC 2021
Risk of not having or losing key personnel	Involvement and upskilling of employees

Description of risk
The Group is exposed to the risk of not having or losing key personnel with strategic operational functions. These persons can be identified with reference to their managerial responsibilities and/or the specific know-how needed to implement business strategies. They are difficult to replace in the short term. In 2021, Prysmian analysed the consequences for Group operations of market entry by new competitors, given the central role played by the cables market in the energy transition process. New organisations could in fact emerge with funding by major investors and, consequently, attract personnel and skills from companies long established in that market. The consequences of this risk were considered when assessing the risk of loss of competitiveness or leadership in the energy transition business.

Mitigation actions adopted
In order to guarantee business continuity in line with the established strategic objectives, the Group is organised as follows:
- "Job Band Program" that positions personnel based on a proper weighting of their business roles, considering their responsibilities, problem-solving abilities and know how, in line with the established corporate strategies and using a shared and widely adopted organisational language;
- "Group Academy" to train and develop Leadership (Management School), Technical (Professional School) and E-Learning (Digital school) skills within the Group; "Local Schools" were also introduced during 2021, comprising the various training initiatives promoted by regional government and inspired by the principle of continuous training at work;
- "Stem it", Sell it, Sum it Program" for the recruitment of professionals for the production, quality, purchasing, logistics, sales and finance functions; The "Stem it" programme includes a specific thread dedicated to the attraction and retention of women specialised in technical roles, thus helping to enhance gender balance within the Group;
- "People Performance Program" for the management of career paths;
- "Talent management program" to accelerate the development of talented personnel;
- "MyMentorship", which is a programme of internal mentoring - active worldwide - to support the growth of talents via the exchange of technical or leadership skills;
- "Long Term Incentive Program" designed to motivate and build the loyalty of key managers within the Group;
- "Graduate Program" to attract and recruit talented and high potential personnel, thus preparing for future internal replacements and succession planning in general;
- "Non-compete agreements" formalised for those employees whose technical know-how in the areas of product and process innovation represents strategic value added for the business in the competitive sector addressed;
- "Internal Job Posting", a system established at regional level since 2020, with a view to worldwide adoption later, in order to facilitate the development of their cross-functional skills and enhance the global business culture of the Group.

Health and safety risks	Occupational health and safety

Description of risk
The Group has always been committed to ensuring that the of the integrity, health and welfare of workers are safeguarded 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, where possible, minimise the health and safety risks. The adoption and application of the approach at production unit level involves identifying all health and safety risks, their assessment in accordance with a specific procedure and in compliance with local legislation, guaranteeing the level of safety established by Prysmian, and their periodic update. Lastly, 69% of plants within the Prysmian Group perimeter (including those acquired together with General Cable) have ISO 45001 (safety management) certification.

Mitigation actions adopted
In order to apply the health and safety standards defined at Group level, Prysmian uses tools and operating procedures for the collection, evaluation, aggregation and reporting of data at central level, as well as the implementation and verification of corrective and preventive actions; the monitoring of significant events (injuries, near misses, non-conformities and reporting); and training not only for the transfer of technical knowledge, but also to impart understanding of the approach taken and the risks incurred by non-compliance with the H&S rules and procedures. The Group has defined quantitative targets extending out to 2022 (Sustainability Scorecard) for reducing the frequency and seriousness parameters monitored.

Risks related to changes in the legislative environment governing Health, Safety and the Environment, including energy efficiency and the management of GHG emissions	Occupational health and safety

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, foreseen and managed on a timely basis. In particular, the Group has analysed the potential regulatory risk relating to energy efficiency and the management of GHG emissions, including the introduction of more stringent reporting requirements and possible changes in the local legislation that implements the "Energy Efficiency Directive" 2012/27/EU (EED), as amended, on the efficiency of end-use energy.

Mitigation actions adopted

Via the HSE Management System, centralised and coordinated by the Corporate HSE team, the Group is able to monitor constantly any changes and/or developments in the HSE requirements, including:
- periodic monitoring of health, safety and environmental legislation and related changes, at local and Group level;
- periodic reporting to the Group bodies involved in the management of risks, in order to discuss any actions that must be taken for compliance with the law (the Sustainability Directive Committee and the Internal Risk Management Committee);
- the analysis of identified risk situations, with the aim of estimating their impact, the probability of occurrence and the adequacy of the internal control system to mitigate the risk;
- the definition of improvement actions that may be necessary to reduce exposure to current risk, and related follow up;
- the evaluation of health and safety performance, downstream of the improvement actions introduced.

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 to date are not required by law to perform energy diagnoses;
- development of energy efficiency projects at local and global level;
- periodic plant visits to check their compliance with the rules and standards defined;
- specific training sessions for all Prysmian personnel involved in managing activities with an environmental impact;
- use of specific indicators to monitor the exposure to risk and promptly implement the actions necessary to reduce risk within the tolerance thresholds.

In addition, during 2020, the Group commenced work on the definition of medium/long-term objectives for the reduction of Scope 1, 2 and 3 emissions. These objectives were validated by the SBTi (Science Based Target Initiative) in 2021.

ANTI-CORRUPTION

RISK IDENTIFIED	MATERIAL TOPIC 2021
Failure to comply with the Code of Ethics, Policies and Procedures	Business ethics and integrity

Description of risk

The risk of compliance failures generically represents the possibility of incurring legal or administrative sanctions, significant financial losses or reputational damage as a result of breaches of current regulations.

Mitigation actions adopted

The Prysmian Group puts in place a series of organisational tools aimed at defining 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);
- through the Internal Audit & Compliance Department, constantly monitors compliance and the concrete application of these rules, not tolerating any type of violation.

RISK IDENTIFIED	MATERIAL TOPIC 2021
Risks of non-compliance with the anti-bribery legislation	Business ethics and integrity

Description of risk
New legislation and regulations have made significant efforts in the fight against corruption in recent years and organisations, increasingly exposed to the risk of corruption, now have to comply with many regulations on the subject, such as Decree 231/2001, the Anti-corruption Law (Law 190/2012), the Foreign Corrupt Practices Act (US), the UK Bribery Act, etc., all with the same objective: counteract and suppress corruption. The business model of the Group requires continuous interaction with numerous third parties (suppliers, intermediaries, agents and customers). In particular, in the Energy (Submarine and High voltage) and Oil & Gas businesses, the management of large international projects requires the establishment of commercial relations even in countries with a potential risk of corruption (as per the Corruption Perception Index[7]), often through local and commercial agents and public officials.

Mitigation actions adopted
The Prysmian Group has implemented the following preventive actions designed to tackle corruption:
- In 2021, the Group began the process of obtaining ISO 37001:2016 certification, updating the anti-corruption risk assessment, the Anti-bribery Management Systems and the Anti-corruption Policy in order to align with the ISO 37001 requirements. In addition, a specific Anti-corruption function was established within the Compliance function. Lastly, ISO 37001 certification was obtained in December 2021 from an external, independent certification agency.
- Third-Party Program as a tool to carry out due diligence – using a dedicated on-line platform – before establishing any business relations with certain third parties (such as agents, distributors and particular categories of supplier);
- Policy on gifts and entertainment expenses, updated in 2021;
- Policy on Conflicts of Interest, including training and the mandatory disclosure of any conflicts of interest via the completion of a dedicated questionnaire;
- Training on the above topics for all employees, as well as for high-risk third parties;
- Compliance Audits (Site Reviews, Project Audits, Third-Party Audits).

Risks of non-compliance with Antitrust legislation	Business ethics and integrity

Description of risk
Prysmian's strong international presence subjects the Group to current antitrust regulations in Europe and the other countries in which it operates. Each of these laws are more or less demanding in terms of the civil-administrative liability and penalties imposed for breach of applicable laws. Over the past decade, the various local anti-trust authorities have dedicated increasing attention to the business activities of market players and, furthermore, have showed a greater propensity for international collaboration among themselves. Prysmian intends to operate in the marketplace in compliance with the rules in place to protect competition.

Mitigation actions adopted
In order to mitigate the risk, the Group has adopted an Antitrust Code of Conduct that all directors, executives and employees of the Group are expected to know and comply with in the performance of their duties and in relations with third parties. The Antitrust Code of Conduct, which is an integral part of this training programme, seeks to describe the issues relating to the application of Italian and EU competition policy with regard to cartels and the abuse of dominant positions. The training programme (Integrity First) involves both on-line and classroom sessions, in order to enhance awareness among all those who work in the name and on behalf of the Prysmian Group. In addition, two more training sessions on antitrust matters were held in 2021, in Europe (Spain) and in North America. In addition, more detailed documents were also adopted covering the antitrust regulations in force within the European Union, North America, China and Australia.

Risk of incurring export sanctions	Business ethics and integrity

Description of risk
Many countries regulate their 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 EU (art. 215 TFEU) and the United Nations (chapter VII of the UN Charter), identify those parties (individuals and entities) for which targeted restrictions (e.g. arms embargoes, travel bans, financial or diplomatic restrictions etc.) are mandatory. Failure to comply with the above may result in fines and criminal and/or civil penalties, including imprisonment.

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, including the screening of Prysmian Group employees and visitors;
- Classification of products to determine which export compliance requirements are applicable. This classification enables the Prysmian Group to understand where and to whom products can be exported, and 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;
- Request 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.

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7 The Corruption Perception Index (CPI) is an indicator published annually by Transparency International, used to measure the perception of corruption in the public sector in various countries around the world.

HUMAN RIGHTS

RISK IDENTIFIED	MATERIAL TOPIC 2021
Risks related to the social sustainability of the organisational structure and business model	Respect for human rights and workers' rights

Description of risk
The Prysmian Group faces daily complexities deriving 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 that 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, the Prysmian Group strives with passion to respect and safeguard 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, neither directly nor indirectly, in activities that infringe on human rights. In this light, the Prysmian Human Rights Policy was introduced in 2017, making reference to 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 implemented since 2018, enabling Prysmian to map the potential Human Rights impact of Group operations.

1_ASSESS: Assessment of the current and potential impact on Human Rights, considering the risk of violations at country and plant level, identified using desk analysis and self-assessment tools
2_ACT: Assessment of the results and performance of audits at high-risk plants; definition of necessary actions to prevent and/or mitigate the potential impact identified
3_MONITOR: Monitoring of performance via checks and audits over a period of years
4_RESOLVE: Resolution of violations
5_COMMUNICATE: Communication of performance in the Sustainability Reports

Applying this Due Diligence process, an assessment of the plants that commenced in 2020 (100% of production locations[8]) was completed during 2021. 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. Furthermore, at Group level, 27,772.41 hours of training were delivered in 2021 on the topics of Ethics and Human Rights, with a view to building and disseminating awareness about them within Prysmian.

OTHER RISKS

RISK IDENTIFIED	MATERIAL TOPIC 2021
Risk of inadequacy in the pursuit of technological innovation and, in particular, the emerging, alternative or replacement technologies linked to the climate	Economic performance and value creation

Description of risk
The acceleration of technological innovation in recent years, with ever more massive recourse to renewable energies and an already established path towards digitalisation, consolidated during the COVID-19 pandemic, exposes the cultural and organisational model of the Group to the risk of inadequacy in the face of such rapid change. In particular, in 2021 Prysmian assessed the possible medium/long-term impact (to 2035) on the business of new emerging, alternative or replacement technologies linked to the climate and renewable energies (e.g. hydrogen, batteries with greater capacity, E-Vehicle technologies, wireless etc.). This analysis, based on a quantitative approach, confirmed the resilience and flexibility of the strategy adopted by the Group, which places great emphasis on these and other technologies that might emerge in the near future, even if - at this time - they do not appear to have a particular great impact on the cables business and its key role in the energy transition. Exposure to this risk was analysed over the 2022-2035 time horizon, considering the four IEA emission scenarios: STEPS, APS, SDS and NZE.

Mitigation actions adopted
In terms of mitigation actions, the diversified portfolio of activities with a global geographical presence is a strength for the 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 leadership role in the R&D sector, with 26 centres of excellence, advanced proprietary technologies, over 900 experienced professionals, around 5,600 patents granted or pending, and relations with major universities and research centres around the world, investing over 107 million euros in research and development. A Chief Innovation Officer and Chief Digital Officer were appointed recently, reporting directly to the CEO. In addition, a Group Innovation Steering Committee chaired by the CIO has been established in order to consolidate the Prysmian Global Innovation Portfolio. New roadmaps have also been launched, dedicated to innovation, cost reduction and projects in the Projects and Telecom sectors. The Group strategy is completed by innovation competitions among employees, with the involvement of key customers, and a professional development plan dedicated to strengthening the innovation skills of our employees.

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8 This analysis, based on the perimeter of the Group in 2020, excluded the plants in OAPIL (Sohar) and Chiplun (India).

RISK IDENTIFIED	MATERIAL TOPIC 2021
Risks associated with the management of third-party patents due to the increased complexity of solutions driven by the need to meet low-carbon product requirements.	Economic performance and value creation

Description of risk

The growing need for integrated solutions, in part accelerated by the decarbonisation policies, increases the probability that Prysmian products incorporate solutions already patented by third parties. The objective is to avoid the cost of disputes, which is often very high given the technical skills required to manage claims. During 2021, Prysmian carried out an analysis to check the impact of this risk (policy&legal transition risk[9]) on the activities of the Group. This analysis made it possible to assess the effectiveness of the countermeasures adopted in the various phases of developing solutions, thus minimising the exposure of the Group. The continuous investment made in filing patents has enabled Prysmian to establish a solid patent portfolio that represents a major deterrent against attempted legal action by competitors. In addition, the various successful legal actions brought by Prysmian in 2021 have demonstrated a willingness to defend our technology in an aggressive and effective manner. Exposure to this risk was analysed over the 2022-2035 time horizon, considering the four IEA emission scenarios: STEPS, APS, SDS and NZE.

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. This risk is monitored by the Group's IP department, with support from external professional when necessary and on specific topics.

Risks related to the sustainability of the Group supply chain	Sustainable supply chain

Description of risk

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 background. 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 the guidelines embodied in the Group's Code of business conduct, with the risk of supporting suppliers that do not operate in line with international standards. In addition, the Group recognises a responsibility that goes beyond its organisational boundaries and, accordingly, is able to limit any reputational risks by managing the sustainability of its supply chain (upstream or downstream activities and clients). During 2021, Prysmian performed an analysis to assess the possible consequences for certain business opportunities based on the manufacture of low-carbon and eco-friendly products and services. This work identified potential initiatives targeting the reduction of consumption and the recovery and use of recycled materials, thus supporting the ongoing environment shifting activities.

Mitigation actions adopted

In addition to a 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 corrected 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 and 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.

Risk linked to Covid-19, including market contraction and a slowdown in demand	Transversal

Description of risk

The global macroeconomic situation deteriorated during 2020 following the spread of the Covid-19 pandemic. In order to tackle this healthcare emergency, governments in most countries adopted such containment measures as travel bans, quarantines and other public emergency action, with serious consequences for economic activity and the entire productive system. These restrictions on travel and free movement continued during the second half of 2020 and at the start of 2021, with restrictions due to the "second and third waves", as well as in the autumn of 2021 and at the start of 2022, as a result of the "fourth wave". This "wave" (and any future "waves") has resulted (and may continue to result) in fresh perturbations in the economies of those countries already affected by COVID-19 and may have further adverse impacts on the world economy in general.

Mitigation actions adopted

The extraordinary people-centric measures implemented promptly by the Group from the start of the Covid-19 pandemic are proving effective. In this regard, in order to maintain the continuous employment of all resources, major efforts were made to safeguard the health of employees via, for example, regular testing and the supply of healthcare materials and personal protective devices. The Group also took a series of actions designed to mitigate the risks deriving from the Covid-19 pandemic. In particular, steps to protect cash generation included strict working capital management and the effective monitoring of expenditure, with a view to lowering both fixed and variable costs. Further, a much more rigorous investment policy was adopted, while ensuring the strategic allocation of resources.

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9   As defined in "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures - Appendix 1 October 2021".

| Risk of loss of competitiveness or leadership in the energy transition business | Economic performance and value creation |

Description of risk
In the energy transition towards a zero-carbon economy, Prysmian seeks to be the go-to technology player, facilitating the production and transmission of cleaner, more intelligent, more efficient and more competitive energy. Even so, the new energy transition policies and emerging new market opportunities are rapidly changing an already competitive context, with the entry or strengthening of new players and the development of new technologies that may reduce or interrupt the leadership of Prysmian, with a consequent impact on the results of the Group.

Mitigation actions adopted
During 2021, Prysmian carried out an in-depth analysis of its business activities in relation to the entry of new competitors into the HV Underground, Submarine Power, Submarine Telecom and Offshore sectors. Assessment of the risk of new players included the consideration of companies with great financial strength, 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 push 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 the medium/long-term strategy. Exposure to this risk was analysed over the 2022-2035 time horizon, considering the four IEA emission scenarios: STEPS, APS, SDS and NZE.

Opportunities

Prysmian has conducted a deep analysis aimed at assessing the opportunities arising from the energy transition process, namely favourable conditions deriving from increasingly stringent policies to reduce greenhouse gas emissions. The activity was carried out by assessing four International Energy Agency scenarios (STEPS, APS, SD and NZ), that showed how the cable market will play an important role in achieving the expected goals of the ecological-energy transition.

The identified opportunities are described below:

OPPORTUNITIES	MATERIAL TOPIC 2021
Development and expansion of low emission solutions, in particular in Energy Cable and Fiber markets	Solutions for sustainable applications /Soluzioni per applicazioni sostenibili/ Economic performance and value creation

The attention of customers and consumers to environmental issues and, more specifically, to the effects of purchased products and services on the climate is growing, a trend confirmed by an in-depth benchmarking performed by the Group that analysed the climate change policies and strategies of a selected panel of customers, suppliers and competitors. Business cases, developed for all EIA scenario analysed, highlighted how an adequate climate strategy will be a key aspect to strengthen one's competitive advantage. Among the most significant actions on which the Group's R&D department è already committed, and will continue to be engaged with specific investment, are:
- Improving efficiency of energy cable, finalized to reduce losses due to the Joule effect
- Reducing sulphur hexafluoride (SF6) in cable testing phase and lead reduction / substitution for insulating sheaths
- Development hybrid cable solutions, able to supply power to devices while transmitting data (optical fibers and copper wires within the same jacket)
- Improving efficiency and performance of fiber, and
- use of recycle material able to ensure high technical performance

| Intercept the expected global cable market growth and access to emerging markets | Economic performance and value creation |

The strong business impulse is expected from decarbonisation policies that will transform the market in which the Group operates. New opportunities have been identified across different EIA scenario analysed.
For Energy business they will arise from:
- the massive use of renewable sources for electricity production,
- the growth of users of electric vehicles, both civil and industrial,
- the development and renewal of transmission/interconnection and distribution networks, and
- the modernisation of buildings to improve the energy efficiency.

Similarly, the fibre market is expected to see growth in its use across all industries and services, driven by strong demand for digitisation. Detailed business cases have been developed to assess the added value of the individual initiatives identified and which the Group, through its R&D, is looking at to reap the full benefits expected.

OPPORTUNITIES	MATERIAL TOPIC 2021
Use of lower-emission sources through installation of renewable energy systems (e.g. photovoltaic) and purchase of renewable energy	Economic performance and value creation. Promoting decarbonization towards net-zero emissions

Among the opportunities to reduce its carbon footprint, Prysmian is planning the installation of photovoltaic systems in different plants (already installed in one Italian plant and planned in other European plants). The Group has considered entering into Corporate PPA (Power Purchase Agreement) contracts, initiatives that reduce, moreover, the sensitivity to changes in cost of carbon and to future fossil fuel price increases and encourages the development of bankable renewable plants. A specific business case has been developed, based on initial assumptions about purchasing electricity capacity through photovoltaic PPAs, assumptions that will be the subject of an in-depth analysis during 2022 that will also include the identification of potential suppliers. A PPA have been already signed for one European plant and further initiatives are under evaluation. The initiative could also anticipate the achievement of the Group's net zero targets.

Greening the supply chain by evaluating options to reduce energy use and waste production and increase the use of recycled material	Sustainable supply chain

One of the most significant challenges of the ecological-energy transition is the Green Supply Chain, namely a series of initiatives that will reduce the impact of production activities and the supply chain on the environment. Benefits are expected from an improved positioning of the Group that will reflect shifting consumer preferences and encourage the interest of financial institutions that favour carbon-reducing companies with consequent access to "green" funding, able to reduce cost of capital. Prysmian will engage in activities aimed at reducing production scraps and waste, removing toxic substances, minimizing the use of non-eco-friendly materials for packaging, or reducing the amount of material needed and facilitating the disposal of materials or give a new purpose to the materials used to make the product. Prysmian is aware of the need to a clear Green Supply Chain Management program which will be developed during 2022 and that is aligned with the company's strategic business plan, and that involves all functions along the value chain.

CORPORATE GOVERNANCE

Prysmian Group seeks a form of governance capable of creating sustainable value over time and generating a virtuous spiral with business integrity at its centre. In particular, awareness of the importance of good corporate governance for the achievement of ambitious and strategic objectives means ensuring that governance is: effective, while complying with the legal and regulatory framework, efficient in terms of cost-effectiveness, and fair towards all the Group's stakeholders.

Accordingly, the Prysmian Group keeps its corporate governance system constantly aligned with latest recommendations and regulations, adhering to national and international best practices.
In addition, the Group has adopted 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.

Once again, during 2021 Prysmian continued to comply with the Code of Corporate Governance for listed companies approved by the Corporate Governance Committee. During the year ended 31 December 2021, the Board of Directors considered certain actions needed for consistency with the new recommendations introduced in the latest edition of the Code of Corporate Governance, applicable from the start of the first financial year subsequent to 31 December 2020, with related disclosures in the report on corporate governance to be published in 2022.

For further information about:

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

see the "Report on Corporate Governance and the Ownership Structure" approved by the Board of Directors and available on the corporate website www.prysmiangroup.com, in the Società/Governance section.

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 importance 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.

An overview of the Company's corporate governance structure as of 31 December 2021 now follows, along with a description of its main features.

GOVERNANCE STRUCTURE

SHAREHOLDERS' MEETING

STATUTORY AUDITING COMPANY

EY S.p.A.

BOARD OF STATUTORY AUDITORS

Pellegrino Libroia - *(Chairman)*
Laura Gualtieri
Paolo F. Lazzati

BOARD OF DIRECTORS

MONITIRING BOARD (Italian Legislative Decree no. 231/01)

Maria Luisa Mosconi *(Chairwoman)*
Sergio Corbella
Alessandro Nespoli

Claudio De Conto
Chairman -Independent Director
Valerio Battista - CEO
Paolo Amato - Independent
Massimo Battaini - COO
Jaska de Bakker - Independent
Pier Francesco Facchini - CFO
Francesco Gori - Independent
Ines Kolmsee - Independent
Mimi Kung - Independent
Maria Letizia Mariani - Independent
Tarak Mehta - Independent
Annalisa Stupenengo - Independent

MANAGERS RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

Alessandro Brunetti
Stefano Invernici

LEAD INDEPENDENT DIRECTOR

Maria Letizia Mariani

COMPLIANCE & AUDIT OFFICER

Alessandro Nespoli

REMUNERATIONS AND NOMINATIONS COMMITTEE

Paolo Amato *(Chairman)*
Claudio De Conto
Annalisa Stupenengo

CONTROL AND RISK COMMITTEE

Francesco Gori *(Chairman)*
Jaska de Bakker
Tarak Mehta

SUSTAINABILITY COMMITTEE

Maria Letizia Mariani *(Chairwoman)*
Ines Kolmsee
Mimi Kung

In compliance with the provisions of art. 14 of the By-laws, the Company is currently managed by a Board of Directors consisting of twelve members - who will remain in office until the date of the annual general meeting that approves the financial statements for the year ended 31 December 2023 - of whom nine are non-executive. At 31 December 2021, seven of the directors are men and five are women, five are in the 45-55 age group and seven are over 55.

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; Consistent with the recommendations of the Code of Corporate Governance, the number and standing of the non-executive directors ensures that their opinions carry significant weight in the adoption of Board resolutions. Eight of the non-executive directors are independent pursuant to art. 148, para. 3, of Decree 58 dated 24 February 1998 (Consolidated Finance Law - TUF) and art. 2, recommendation 7, of the Code of Corporate Governance, while one non-executive director is independent pursuant to art. 148, para. 3, TUF. 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 internal control and risk management system and is therefore required to verify its adequacy and to adopt specific guidelines for this system, with the support of the other parties involved in the internal control and risk management system, namely the Control and Risks Committee, the Director in charge of the internal control and risk management system, the Chief Audit & Compliance Officer, the Board of Statutory Auditors and the Managers responsible for preparing corporate accounting documents.

Prysmian's corporate governance structure also includes the Compensation and Appointments Committee, a Sustainability Committee and a Supervisory Body appointed pursuant to Decree 231/2001.

Further information regarding (i) the corporate governance system of Prysmian S.p.A., (ii) its ownership structure, as required by art.123-bis TUF, and (iii) directors' disclosures about directorships or statutory auditor appointments held in other listed or relevant companies, can be found in the "Report on Corporate Governance and Ownership Structure", prepared in accordance with art. 123-bis TUF and available in the Società/Governance section of the corporate website at www.prysmiangroup.com.

GOVERNANCE OF SUSTAINABILITY

From 1 January 2016, the Board of Directors (Board) of Prysmian S.p.A. tasked the Compensation, Appointments and Sustainability Committee (now the Compensation and Appointments Committee) with overseeing the sustainability issues of the Group's operating practices and the dynamics of its interaction with all stakeholders. Given the increased attention paid to ESG (Environmental, Social and Governance) matters and the significant commitment required to supervise these aspects, the Board acted during the year on a proposal from the Chairman to establish a specific Sustainability Committee (the "Committee"), which took over the tasks and functions relating to the above matters with effect from 5 March 2020. The Committee has been assigned powers to investigate, make recommendations and offer advice with regard to the supervision of sustainability matters associated with business activities and, in particular, has been tasked with:

- promoting guidelines for consideration by the Board that integrate sustainability within the various business processes, in order to ensure the creation of sustainable value over time for shareholders and all other stakeholders;
- spreading the culture of sustainability among employees, shareholders, customers and, in general, stakeholders;
- assessing the environmental, economic and social impacts deriving from business activities;
- 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;
- monitoring the Company's position in the main sustainability indices;
- expressing opinions on the initiatives and programmes promoted by the Company or by subsidiaries on Corporate Social Responsibility (CSR) matters;
- examining the annual sustainability report, containing non-financial information pursuant to European Directive 2014/95/EU, before its presentation to the Board;
- preparing, upon request from the Board, opinions and proposals concerning specific CSR matters.

The Sustainability Committee also assists the Board by advising on the key initiatives to tackle climate change, such as the adoption of science-based targets. In addition, the Sustainability Steering Committee works together with the Audit Committee to supervise the monitoring of physical and transitional risks linked to climate change matters, as well as the implementation of projects and initiatives designed to manage them.

In particular, to underline Prysmian's commitment and attention to sustainability issues along the entire value chain and within all company processes, a Sustainability Steering Committee has been formed as part of the internal governance system. Consisting of the top echelons of the organisation and chaired by the Chief Sustainability Officer (CSO), the Steering Committee is responsible for:

- promoting a **CULTURE OF SUSTAINABILITY** within all **BUSINESS ACTIVITIES;**
- defining and/or evaluating the implementation of projects or programs aimed at **IMPROVING THE SUSTAINABILITY AGENDA;**
- monitoring the **OBJECTIVES OF THE GROUP SUSTAINABILITY POLICY,** progress with respect to the "**SUSTAINABILITY SCORECARD**" and the progress of the actions to ensure compliance with the Group's policies, and developing an ever growing internal **RESPONSIBILITY TOWARDS RESULTS IN AREAS OF SUSTAINABILITY;**
- supervising all ongoing initiatives that have an impact, current and potential, on the **PERFORMANCE OF ECONOMIC**, **SOCIAL** and **ENVIRONMENTAL SUSTAINABILITY;**
- ensuring the **EFFECTIVE COMMUNICATION** of our commitment and results achieved in the **FIELD OF SUSTAINABILITY;**
- supporting initiatives to **PROTECT DIVERSITY** and inclusion both internally and externally.

The Sustainability Steering Committee also meets periodically to discuss strategic sustainability priorities, the progress of the action plan and its implementation. The strategic lines of sustainability are defined and promoted at the corporate level, and then integrated into local policies and all daily activities.

The Corporate and Business Communications department is responsible for coordinating all activities related to the Group's sustainability reporting, both in terms of process and of content, mapping the stakeholders and monitoring their expectations through stakeholder engagement activities, as well as guaranteeing transparent and constant communication both with the external and the internal stakeholders.

ESG Digital Governance

A solid ESG Identity is based on high quality, reliable and traceable data. Accordingly, we have invested in an innovative project to digitise our ESG information and ensure its digital governance. This is a crucial step in the implementation of our sustainability ambitions, ensuring that the increasing complexity of information and KPIs is managed in a structured and integrated manner.

DIGITAL GOVERNANCE OF ESG FACTORS

During 2021, Prysmian Group consolidated the process that began in 2020 for managing data on a single digital platform that is subjected to audit and certified in accordance with standard principles. The work to audit and certify the Non-Financial Statement was carried out via this platform.

The platform has also enabled the Group to report new sustainability KPIs, including the recent GRI 207: TAX 2019. The ESGeo platform has made it possible to present the new standards properly. 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 ESGeo has made it possible to manage the reporting process in a collaborative manner, assisted by a work flow 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 sensitive of ESG impacts by activity, geographical area, project, organisational unit and managerial line.

These data analytics will make it possible to assign targets to managers, thus improving impact effectiveness and helping to guide investment in a way that take account of ESG risks and opportunities.
In addition, the transparency obligations imposed by the new European Taxonomy in force from 2022 will be monitored via the ESGeo platform.

Focus on Ethics and Integrity

We have activated a series of initiatives to define the ethical-social and behavioural responsibilities incumbent on all: from the Code of Ethics to the Anti-corruption policy and the Whistleblowing policy. These documents help us every day to progress our business and our ambitions, work with our colleagues and dedicate particular attention to environmental and social matters.

CODE OF ETHICS OF THE PRYSMIAN GROUP

*"The Code of Ethics represents the Group's "Constitution", being the **CHARTER OF RIGHTS AND MORAL DUTIES** that define the **ETHICAL-SOCIAL RESPONSIBILITIES** of each participant in the organisation".*

The Code of Ethics establishes the principles for all to follow, consistent with the vision and mission of the Group. Acting as a veritable guide to daily behaviour, the Code of Ethics plays a strategic role for the Group as a tool for preventing irresponsible or illegal conduct by those who work in the name and on behalf of Prysmian. The Code of Ethics lives and evolves with the development of the business in the competitive world and is always open to receive and accept requests for legality and propriety expressed by any of Prysmian stakeholders. The Code of Ethics complies with international best practices and adopts the principles embodied in the UN Universal Declaration of Human Rights and the Fundamental Conventions of the International Labour Organisation (ILO). The structure of the Prysmian Group's Code of Ethics, in its latest version of 1 August 2019, is founded on three pillars:

- **ETHICS** in **BUSINESS** activities;
- **ETHICS** in internal **RELATIONS**;
- **ETHICS** in **ENVIRONMENTAL** and **SOCIAL** matters.

We recommend referring to the Prysmian Group website for further insights to these three pillars. All companies within the Group strictly comply with the Code of Ethics, applicable regulations and the rules and procedures adopted from time to time by the Group. In order to ensure the widest possible distribution of its contents, the Code of Ethics is available in 26 languages and is also published on the Company's website, www.prysmiangroup.com.

The Code reflects a common and shared approach to business, honest, ethical and compliant with all current laws and regulations, which must be respected by all Group employees wherever they work and live around the world. It is fundamental, in fact, for all employees to take responsibility for their daily work and accept personally, with conviction, the spirit of the Code.

Specific, worldwide on-line training on the Code of Ethics was provided to all white-collar workers within the Group during 2020 and is repeated every two years.

Anti-bribery policy in the Prysmian Group

Prysmian Group has implemented a series of actions aimed at managing corruption issues on a preventive basis; the first of these is the adoption of an Anti-Corruption Policy that prohibits the corruption of both public officials and private individuals and requires Prysmian's employees to abide by it and to observe and comply with all anti-corruption legislation in force in the countries in where they are employed or active, if these are more restrictive.

Specific actions to prevent corrupt practices within the Group include:

- Implementation of the "Third Party Program" during 2019. This new Group policy is intended to prevent and manage the risk of corruption deriving from relations with third parties (such as agents, distributors and certain categories of supplier). In particular, before establishing business relations with any third party, it is necessary to carry out due diligence 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 responsive to the identified risks. Additionally, the due diligence work must be repeated every 1, 2 or 3 years, depending on the level of risk identified and the type of third party concerned. Further, the Code of Ethics adopted by the Group (which includes the anti-corruption clause) is accepted and signed by all contractors, suppliers and agents and, with the introduction of the new Third Party Program, all new agents, distributors and 15 categories of suppliers must also sign the anti-corruption certificate. The programme introduced in 2019 has remained current throughout 2021.
- In line with the objectives set in prior years, during 2021 the Prysmian Group continued to monitor and focus on compliance issues as part of a specific Anti-Corruption Compliance Program inspired by the guidelines set by ISO 37001:2016 "Anti-bribery Management Systems". In addition to giving greater control over the management of corruption risks, this programme - approved by the Board in February 2018 - also aims to minimise the risk of receiving penalties due to the commitment of corruptive offences by employees or third parties. The core of the ISO 37001 standard, as is known, is the control of third parties (suppliers, intermediaries, agents and customers) through a due diligence system aimed at bringing out any critical or negative events that undermine the reputation of third parties with whom the Prysmian Group interacts. In 2021, the Group began the process of obtaining ISO 37001:2016 certification, updating the anti-corruption risk assessment, the *Anti-bribery Management Systems* and the Anti-corruption Policy in order to align with the ISO 37001 requirements. In addition, a specific Anti-corruption function was established within the Compliance function. Lastly, ISO 37001 certification was obtained in December 2021 from an external, independent certification agency.
- The Gifts and entertaining expenses policy was revised in 2021, establishing a series of rules to be satisfied before giving or receiving gifts or forms of entertainment, and distinguishing the approach to private firms from that to government bodies/public officials. In addition, a new on-line platform was implemented in 2021 so that all Prysmian employees can make the necessary disclosures and obtain the required approvals before giving or receiving gifts or forms of entertainment.
- Supply of periodic information from each area to the Supervisory Body, pursuant to Decree 231/2001. These areas concern, inter alia:
  - New Prysmian agents
  - Results of due diligence
  - Commission payments above a certain threshold
- All compliance policies (Code of Ethics, Global Compliance, Helpline, Anti-Corruption, Gifts & Entertainment, Third-Party Program, Antitrust, Antitrust EU, Conflicts of Interest, Export Control) are published on the corporate intranet and are available in the official languages of the Prysmian Group.

Lastly, it is confirmed that the Anti-corruption policy of the Prysmian Group strictly forbids making any political contributions. In fact, the expenditure on political contributions during FY21 was exactly € 0.

Anti-corruption training in the Prysmian Group

- Training on compliance with the anti-corruption rules applies to all Group personnel. In this regard, due to continuation of the Covid-19 emergency, classroom sessions were replaced during 2021 with specific video conference training for the Commercial, Finance and Purchasing functions, among others, using the Microsoft Teams platform. A total of **2,280** white-collar employees received "Overall Compliance Awareness" training during 2021 (their courses included both Anti-Bribery and Anti-Trust modules).

- Specific video-conference training was provided using the Microsoft Teams platform in order to inform all employees about the new rules governing gifts and entertaining expenses (a total of **5,129** white-collar employees were trained).
- On-line training of Anti-Bribery and Corruption (ABAC) topics was also delivered to all Sales Agents who collaborate with Prysmian. In particular, **200** sales agents out of 278 were trained during 2021.
- A new conflicts of interest (COI) policy was issued in 2019, consistent with the constant commitment of the Group to ensuring that the financial and personal interests of employees and consultants do not conflict with their ability to perform their duties with professionalism, ethics and transparency. 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 were requested to disclose all personal or financial relationships that might give rise to a conflict of interest (**97%** completed).

Anti-trust regulations

Competition law on restrictive practices and the abuse of dominant positions now plays a central role in governing the activities of firms operating in all sectors of economic life. Prysmian's strong international presence in more than 50 countries subjects the Group to the competition law in force in all countries in which we operate globally. Prysmian, potentially exposed to the risk of being involved in conduct that could be considered anticompetitive and result in extremely high economic sanctions, with negative repercussions on the reputation and credibility of the Group's governance system, operates on the market in compliance with competition law.

Consistent with the priorities defined in the ERM process, the Board of Directors has adopted an Antitrust Code of Conduct that all directors, executives and employees of the Group are expected to know and comply with in the performance of their duties and in relations with third parties. In addition, more detailed documents were also adopted covering the antitrust regulations in force within the European Union, North America, China and Australia.

In 2017, Prysmian introduced an antitrust training programme - Integrity First (IF Training) - designed to increase awareness among those who work in the name and on behalf of the Group, so that during their activities they comply with the rules safeguarding competition. The Antitrust Code of Conduct, which is an integral part of this training programme, seeks to describe the issues relating to the application of the competition policy with regard to cartels and the abuse of dominant positions.

The IF Training programme was progressed in 2021, with **177** white-collar employees (Regional CEO and their first-line reports). In addition, two more training sessions on antitrust matters were held in 2021, in Europe (Spain) and in North America. A total of **323** white-collar employees were trained.

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 179 million euros at 31 December 2021. 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.

Privacy and data protection in the Prysmian Group

Given the growing globalisation of the business, the proliferation of access to information channels and the constant increase in the volume and type of data managed, it has become essential for the Group to adopt an overall vision in the management of sensitive information, not only in terms of regulatory compliance – as described in the Group Annual Report, in the section on Risk Factors and Uncertainties – but also with regard to security and our business priorities.

Furthermore, from 2018 the European GDPR (General Data Protection Regulation) has become one of the major points of reference for a renewed effort in the area of personal data protection.

The programme for the protection of personal data adopted by Prysmian is based on the following fundamental elements that involve, above all at a European level, the entire business structure:

- Implementation of a "data centric" model, by 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, marked by:
  - an organisational structure that assigns an advisory and monitoring role to the data protection officer (DPO) in the management of personal data, delegating duties and the related responsibilities to the roles that actually process that data;
  - a series of policies and documents that support the model (business policies, information sheets, internal appointments, clauses applicable to suppliers etc.);
- 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, so that all roles involved are aware of the renewed regulatory obligations and take steps to implement all specified requirements.

In addition, the following activities were carried out to ensure compliance with the personal data protection requirements:

- Verification of the adequacy of the procedures adopted by the Group for managing the green pass certification and related access checks by the employer;
- Revision of the process for appointing system administrators, the periodic update of appointments and the management of system logs;
- Coordination of the adoption of a privacy model by Group legal entities present in Chile and Brazil.

Application of the model has been accompanied by monitoring and the provision of support to the numerous Prysmian legal entities in Europe, in order to ensure consistent application of the established controls and a shared corporate culture.

The work performed on alignment with the European regulations is leveraged as much as possible in the compliance work required by national regulations in the countries where the Group operates.

The helpline programme: integrity first in the Prysmian Group

As part of its 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 Whistleblowing Policy that allowed everyone (employees or not) to report to the Group any improper behaviour and alleged unlawful activities identified within the organisation. This process envisaged two channels for the anonymous collection of reports, comprising dedicated telephone lines and a web portal, which were both managed by independent operators and available in the 26 languages used by the Group. A management committee (comprising a representative from Human Resources, the Legal Department and the Compliance Function) was also established in order to evaluate reports, assign investigation work to the relevant functions and assess the need for corrective or disciplinary actions.

Again, as part of work to harmonise compliance policies following the acquisition of General Cable, such topics as the reporting of alleged violations of the law, the Code of Ethics or Group policies and, more generally, the reporting of unlawful conduct were revisited during 2019. As a result, in order to facilitate communications between the Group and employees, and between the Group and third parties, making them easier and more open, as well as to reduce the fear of reprisals, the above process has been redesigned and rebranded: from Whistleblowing to Helpline.

In this context, a new Helpline Policy has been issued and a unique, new platform for the management of reports from around the world has been implemented. This platform, administered by independent operators, is available in the 26 languages used by the Group. Three reporting channels are currently available (web, telephone and e-mail). The new policy reiterates the importance of communications within the Group, guaranteed by the anonymity available to the reporter, as well as the ban on reprisals against those who report violations.

Lastly, the management committee mentioned above has been retained (now the Helpline Committee) with the same role and responsibilities.

The Helpline system and the reporting channels described above remained current and in use throughout 2021. Out of 90 reports received during FY 2021, 87 have been closed and 38% were confirmed following investigation. With regard to the corrective and/or mitigating actions taken, 44 were adopted (7 dismissals, 7 coaching, 6 training, 4 policy review, 3 written warnings, 2 verbal warnings, 1 performance improvement plan and 14 other non-disciplinary corrective actions) for cases opened and closed during 2021 and 16 (13 dismissals, 1 coaching, 1 written warning, 1 resignation) for reports received in 2020 and closed in 2021.

Commitments for the future

During 2022, Prysmian Group will strive to strengthen and improve, where necessary, all of the compliance programmes described above, keeping abreast of regulatory updates and the progress made by the relevant best practices. The Group is also considering whether or not to obtain further certification for its existing compliance systems in accordance with such standards as ISO 37302:2021 "*Whistleblowing Management Systems*".

Group's Tax strategy

Our ESG identity and leadership is underpinned by an honest and proper tax strategy, compliant with the regulations, that bases relations with the tax authorities and third parties on cooperation and transparency. Our guiding principles are presented here, together with the governance that Prysmian has decided to adopt.

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.

The above principles of tax strategy are implemented as follows:

- **Constant exchange of information:** the Prysmian tax strategy seeks to ensure that taxes and tax risks are managed in a manner consistent with the strategic and commercial objectives of the Group, and that all tax obligations are satisfied. To this end, the tax department must be involved in all non-recurring or non-routine transactions with possible tax implications. This involvement is additional to the management of routine operations.
- **Tax planning:** aware that tax payments represent an important contribution to the economies and countries in which it operates, Prysmian pays the taxes due in compliance with the objectives of the tax system; conversely, the Group also recognises taxes as costs that must be managed. Based on this awareness and in full compliance with the rules, the Group obtains and seeks to benefit from the tax incentives offered by governments.

The compensation and incentive plans for Prysmian directors and employees are not linked to improper reductions of the tax burden. Prysmian strives to discourage management and personnel in general from making unethical decisions, including those that do not comply with the applicable laws and regulations. The infringement of these principles results in the disciplinary actions envisaged in the Code of Ethics.

- **Mitigation of tax risks:** tax management by complex multinational Groups, such as Prysmian, may give rise to uncertainties about the proper tax treatment of operations that do not fall into clearly defined categories. In these cases, the Group applies the tax treatment deemed most proper 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 solid and reasonable interpretations, adopting a cautious approach in order to avoid any reputational losses for the Group.
- **Transparency and relations with the tax authorities:** 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 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.

Governance and the control of tax risks

The management of taxation is divided between the tax function at the Parent Company (HQ Tax Dept.) and the CFOs in each country, as supported by specific tax teams in selected countries (e.g. Italy, USA). The approach to specific tax matters of particular complexity and/or importance is coordinated by the HQ Tax Dept., with support from tax advisors from leading firms / networks.

Under the Group Taxation and Customs VP, the tax function at the Parent Company is organised as follows:

- **International Tax:** support for the CFOs / tax focal points 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.
- **Italian Tax:** responsibility for compliance with the Italian regulations governing direct and indirect taxation (e.g. calculation of taxes, preparation of tax forms); 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 HQ Tax Dept 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, the HQ Tax Dept has started work on defining and implementing the Tax Control Framework (TCF): a system for managing and monitoring tax risks that has already been applied by the Italian companies in the Group. Prysmian also supports adopting cooperative compliance approaches abroad. In December 2021, the Italian companies in the Prysmian Group were admitted to the cooperative compliance regime operated by the Italian tax authorities.

In addition, the Group Taxation and Customs VP attends the meetings of the Audit Committee at Prysmian S.p.A., in order to report on specific matters.
Via the Group Taxation and Customs VP, the HQ Tax Dept at Prysmian participates - in an expert role - in tax groups organised by the main trade associations.

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.

Tax reporting in our countries

In accordance with the provisions of Disclosure GRI 207-4, as data to which the most recent Consolidated Financial Statements refer is not available, information contained in this section regards the financial year ended 31 December 2020, which is the period to which the Consolidated Financial Statements immediately preceding the most recent one refer.

In 2020, Prysmian Group is present in 67 countries with 179 legal entities and 46 branches. Details of the legal entities and branches, as well as their activities, can be found in the related attachment "TAXES".

Each country has its own tax legislation and tax assessment procedures. It follows that each Group company may be subject to different tax rules and/or tax rates. The taxation of the Group is therefore subject to modifications and changes when the applicable regulations vary in each country, as well as when the profits earned by each company located in each country change. The business activities of Prysmian generate tax revenue for the governments in the countries where the Group is active. Taxes are classified below into five macro categories, distinguishing between those that represent a cost for the company (taxes borne) and those that the company pays as a result of recharge mechanisms, collection agent activities etc. (taxes collected). 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. Specifically, total taxes were determined by summing the taxes paid by the entities within scope in each tax jurisdiction in the year analysed (2020), regardless of the tax year to which the taxes relate.

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).
- **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).
- **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).
- **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 shown in the following graphs is presented in millions of euro (data collected in foreign currency translated using the average rates for 2020).

The data shown in the following graphs is presented in millions of euro (data collected in foreign currency translated using the average rates for 2020).

Total tax contribution

The tax contribution made to the countries in which the Prysmian Group operates totalled 1,361.52 million euros in 2020, of which 68% was tax collected and 32% was tax borne.

TOTAL TAXES PAID: DISTINCTION BETWEEN BORNE AND COLLECTED

Total: 1,361.52 million

- 32% Borne: 440.76€
- 68% Collected: 920.76€
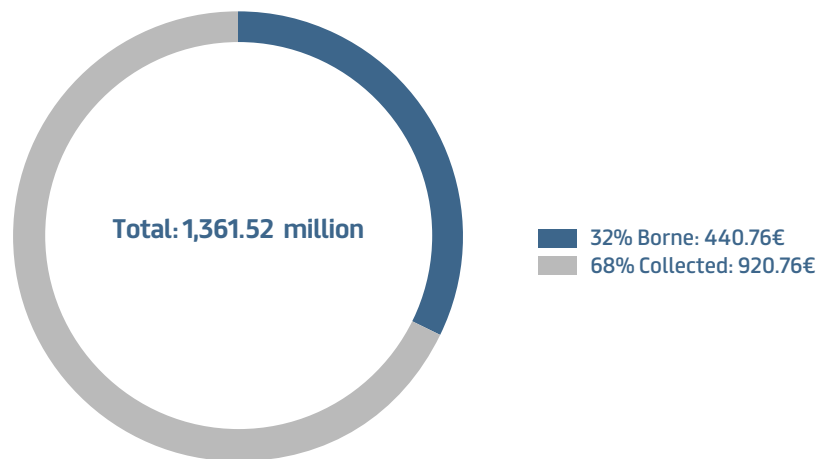
Distribution of the total contribution among the three geographical macro areas identified:

1. Americas (24%),
2. Apac (7%),
3. Emea (69%) is shown in the following charts.

DISTRIBUTION OF THE TOTAL CONTRIBUTION

TOTAL
€ 942.08

TOTAL
€ 98.85

TOTAL
€ 320.60

- EMEA: Collected € 689.53
- EMEA: Borne € 252.54
- APAC: Collected € 74.98
- APAC: Borne € 23.86
- AMERICAS: Collected € 156.24
- AMERICAS: Borne € 164.36

EMEA   APAC   AMERICAS
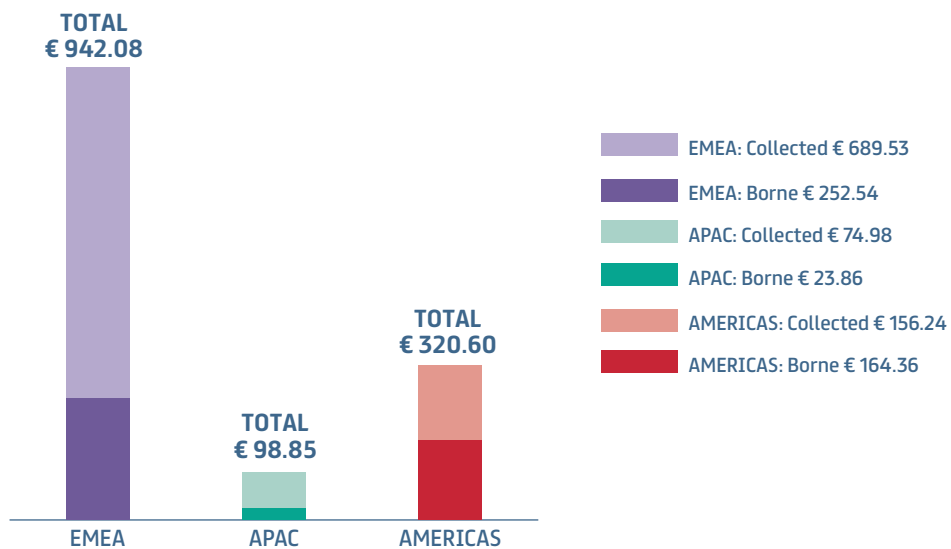
Tax Borne

The total tax borne in 2020 was 440.76 million euros, as analysed below:

- 31% Profit Tax;
- 52% People Tax;
- 11% Product Tax;
- 6% Property Tax;
- 1% Planet Tax.

TAX BORNE

Total Tax Borne:
€ 440.76 million

- 31% Profit Tax
- 52% People Tax
- 11% Product Tax
- 6% Property Tax
- 1% Planet Tax
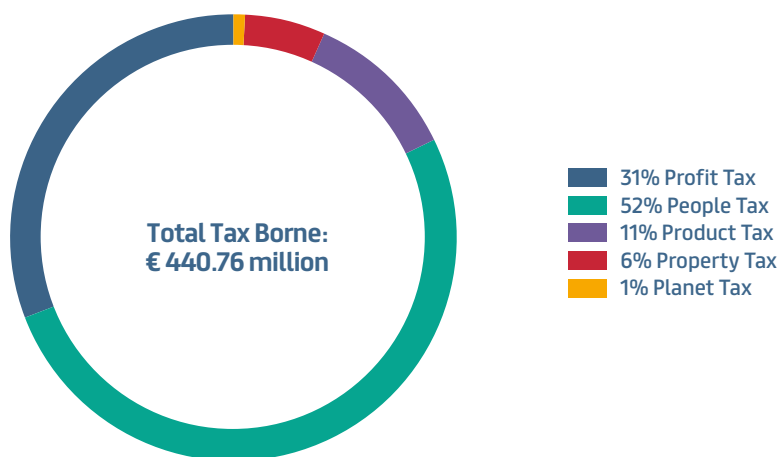
Tax collected

The total tax collected in 2020 was 920.76 million euros, as analysed below:

- 0.5% Profit Tax;
- 29.8% People Tax;
- 69.6% Product Tax;
- 0.1% Planet Tax.

TAX COLLECTED

Total Tax Collected:
€ 920.76 million

- 0.5% Profit Tax: € 5.00
- 29.8% People Tax: € 274.61
- 69.6% Product Tax: € 640.63
- 0.1% Planet Tax: € 0.50
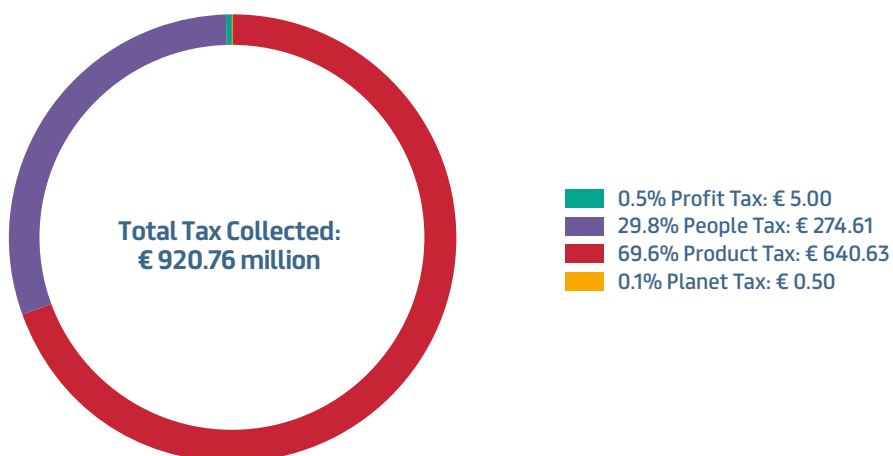
Protecting our data

Creating stakeholder value also means protecting the data of all our stakeholders and adopting operating procedures able to preserve and enhance our information resources."

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. This complexity is particularly relevant for manufacturers continuing to drive extensive innovation in products and services, manufacturing processes, and industrial ecosystem to compete in this changing global marketplace by adopting new technologies to achieve customer centricity and increase value-added services and business efficiency. In this context, Prysmian Group developed an Information Security Strategy, whose main objective is to set an overall direction to efficiently and effectively address the management, control and protection of the Group's information assets.

The structure of Information and IT security management provides a Cyber Security Unit directly reporting to the Chief Information Security Officer (CISO) which is a member of the HQ HR staff. The unit is structured to manage four main capabilities:

- **GOVERNANCE,** ensure the organization has the right governance structures in place to enhance and maintain its preventive, detective and respond & recover security capabilities;
- **PREVENTION,** mitigate cyber exposure surface thanks to preparation and protection of the organization assets;
- **DETECTION,** ensure the organization is aware of the internal and external threats and can proactively mitigate them;
- **RESPONSE & RECOVERY,** defend the organization against successful cyber attacks and recover from the impacts generated.

The organizational structure envisages the involvement of the Business Lines in activities related to IT security through the Information Security Committee, in the figures of the Head of Industrial Relations (CSO), the Group Chief Information Officer (CIO), the Audit & Compliance Director, the Chief Risk Manager Officer (CRO), the Group Chief Operation Officer (COO) and the HR & Organization Senior VP. The Group is provided with a comprehensive set of policies, procedures and operating instructions to address and regulate, at different level of details, Information Security topics and processes, according to the Information Security Strategy and Framework.

Security documents as policies, procedures, operating instruction and recommendations are regularly reviewed and endorsed with employees, published and available on the Corporate intranet or administered through specific online training.

With the first Cyber Security program completed, a new three-year strategic roadmap was designed in 2021, which contains initiatives aimed at strengthening information security and consolidating the maturity achieved through a set of new initiatives to reduce overall cyber and compliance risks.

During the 2021 three main initiatives (streams) were completed:

1. **ISO/IEC 27001:2013:** Prysmian S.p.A. received from Bureau Veritas the certification relating to the information security management system.
   ISO 27001 certification process verified the adequacy of Company processes on the scope of Cyber Security, Information Security and Incident Management to the requirements of the international reference standard for information security management.
   This significantly positive outcome also represents an element of deep integration for the IT safeguards required by the privacy obligations (European Data Protection Regulation, GDPR).
   As regards the foreign subsidiaries, Cyber Essentials certifications were confirmed in 2021 for the UK subsidiaries and the first level CMMC compliance for the US subsidiaries of the Group. The UK entities also obtained the IASME Governance certification, confirming full compliance with the level of reliability required by the GDPR standards.
2. **Technological acquisitions:** the Group has acquired new strategic corporate security technologies that provide enhanced functionality and use innovative paradigms, such as embedded analysis modules, based on machine learning and artificial intelligence algorithms.
   The sophistication of cyber threats, made possible by the increasingly aggressive operations of organized international groups, makes it necessary to constantly adapt company defenses and the processes for safeguarding IT assets, as a further element of protection of industrial know-how and competitiveness of market. Starting from 2021, the new tools for the protection from cyber attacks were introduced in cloud and on-premise IT areas, best in class compared to the solutions available in the reference market.
   The activities will continue in the next year with the consolidation of new Security Operation services aimed at making the most of these solutions and significantly increasing the general level of security of the company.
3. **Cyber Security Culture:** the program of systematic initiatives aimed at all Group employees, aimed at strengthening the corporate culture on the correct behavior to be adopted to deal with Cyber risks, was further strengthened.
   In 2021, training and readiness exercises (simulated attacks targeting the human vector) were provided that are no longer the same for everyone, but specific to clusters of Company users, functions and roles. This approach allows to further encourage learning, processing and consolidation of content, making trainings more engaging and effective.
   During the year, new communications were introduced on a regular basis (training pills) to draw attention to the main cyber security threats.

The Information Security Risk Management process, approved and released at the beginning of 2020, is based on the ISO / IEC 27005 international standard and integrate the Enterprise Risk Management process of Prysmian Group. This process allows the Group to give the proper relevance to security measures, correctly linking them to the threats that affect the scope of analysis and the related risks, also retrieving data sourced from the intelligence process driven by the Threat Model.

After the analysis, the risks that are considered not acceptable, with respect to the Group risk appetite, should be mitigated by means of the definition and implementation of treatment actions, properly prioritized based on risk values.

Reliance on the Group's suppliers as well as all outsourced products and services that support critical IT operations increase the Company's cyber risk and attack surface. The most recent and evolving cyber-attack vectors are turning to suppliers and leading to additional requirements for the supervision and continuous monitoring of the security of the Group's Third Parties.

The pandemic context of 2020 in many cases has accentuated the levels of stress and anxiety, leading to interference with the processes of concentration.

Remote work with an increasing use of devices in the home can reduce the level of attention and perception of risk precisely in relation to the greater confidence that everyone experiences in their own home (comfort zone), exposing to less prudent behavior. Finally, the difficulty of separating family and professional circles for logistical reasons can lead to episodes of distraction that favor imprudent conduct.

Consequently, we have recorded a greater number of incidents and violations throughout 2020, credential theft and intrusion attempts for which the Security has activated in real time in order to contain the effects.
If the risks factors are not properly managed with remediation actions and treatment plan, the confidentiality, integrity and availability of Group Information cannot be properly protected and this can result in damages or loss in financial (loss of competitiveness on the market in terms of margin reduction or cost increase), reputational (loss of brand reputation), operational (interruption or delay of business processes) and legal (lack of compliance to regulations, laws and contractual requirements) domains.

At the beginning of 2019, the Group defined and adopted a set of Key Performance Indicators useful for evaluating the level of Information Security. By using KPIs and periodically monitoring them, Prysmian Group can have a continuous and updated overview of Security, detecting potential deficiencies and addressing them in a timely manner.

The indicators cover all areas of the Information Security framework defined at Group level, targeting two different needs: business-oriented metrics provide management the clearest and most direct possible representation of Prysmian Information Security status, while technically driven metrics measure and improve the posture of the Group technology. As for the Group Cyber Security Program, the Information Security Committee supervised the operating plans for the implementation of the planned initiatives during periodic updates in 2021.

In 2021 over 65 information security events ("incidents") with various severity were monthly handled, 59 suspect internet domains used for malspam, phishing and ransomware campaigns were identified and reported, over 170 monthly security clearances were issued, to authorize significant changes on IT systems or providing access to Company critical assets, 31 investigations were conducted to reduce and prevent theft and fraud activities, business interruption and reputational damage, carried out by insiders and hostile external hacktivists.

Prysmian Group, as a national and European strategic know-how Company, continued the collaborations provided by membership in associations and consortia and by conventions with national and international Institutions, through information sharing activities on relevant cyber events, also recorded on its own IT infrastructures. In 2021, due to the protraction of the pandemic context and the cyber risk scenario linked to the massive adoption of smart working, with the risks associated with the use of devices in the domestic context on more exposed untrusted networks, the Company consolidated the strategies adopted in 2020: monitoring of data exchange, increase in the level of attention to the protection of digital identity, encryption of data flows exchanged by the Group's systems to the outside world.

The new security technologies acquired also meet the current and future needs of remote work that require operational flexibility and a focus on distributed collaboration.
Autonomous indicators:

DESCRIPTION	UM	2021	2020
Number of Information Security training courses	Number	13	11
Avg time for high-risk vulnerability resolution	Weeks	17	33
Percentage of log sources integrated with SIEM solution	Percentage	83	82
Number of Security incidents	Number	780	1,439
Percentage of cyber-attacks on total security incidents	Percentage	7	9
Avg time for forensic activities after an incident	Hours	4	4

04_PEOPLE, CULTURE AND ORGANIZATION

We can only implement our ESG Identity by investing in human capital and the local territory. After a year in which we broadened our efforts to strengthen the resilience of the Group and all its people during the pandemic, we have picked up the pace on our commitment to Social Ambition in 2021 and have given ourselves precise targets in improving diversity, equality and inclusion (DE&I), digital inclusion, community empowerment, employee engagement and upskilling. This is because the main drivers in creating value are our people and the communities in which we work.
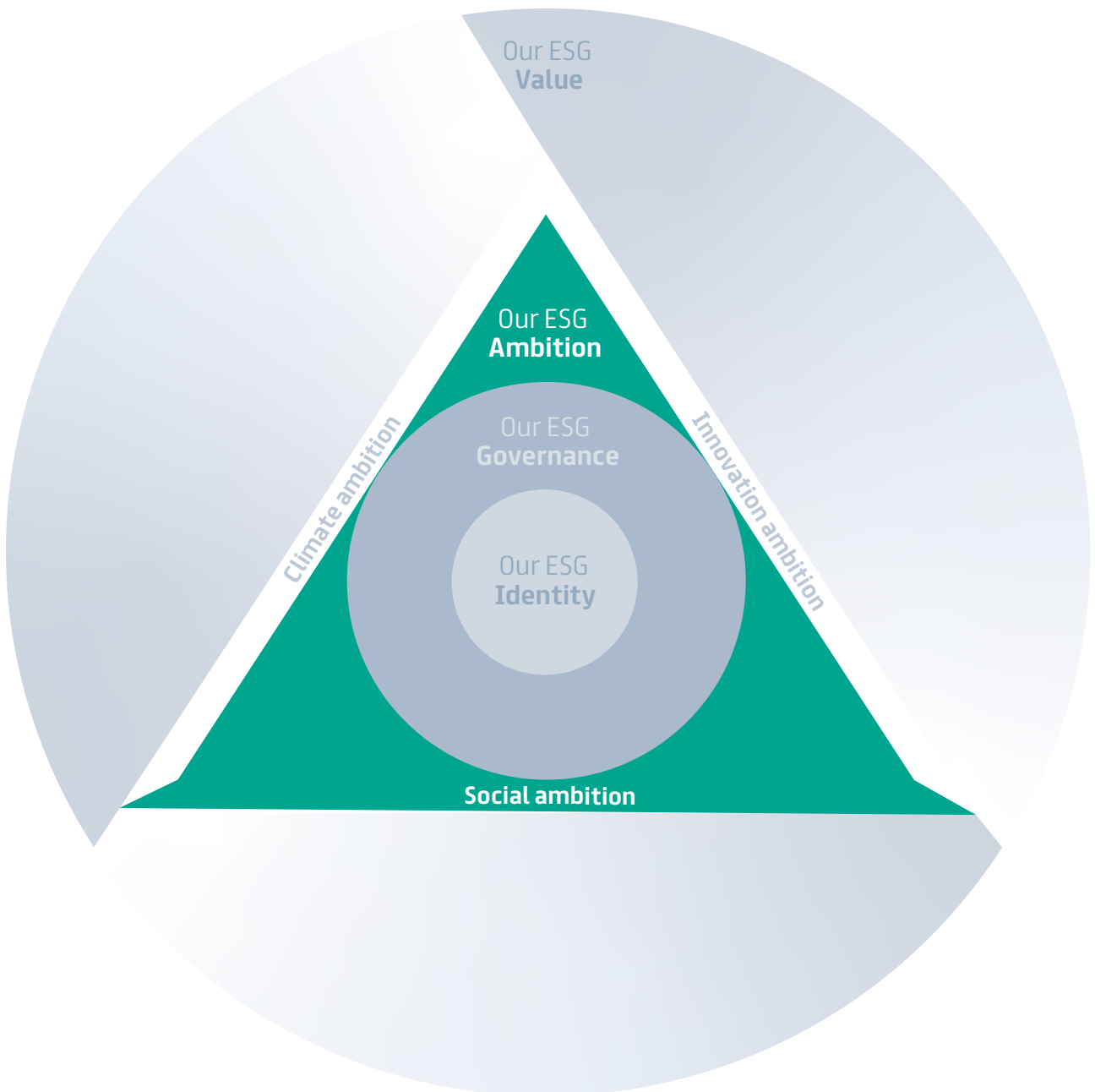
Responsibility Towards People

We believe that combining Social Ambition with environmental objectives is one of the cornerstones of our ESG Identity. Our aim is actively to encourage transition to a fair, more diverse, inclusive and prosperous working environment, and to have a positive impact on development of the communities and societies where we are present. We have implemented salary policies that align and consolidate the long-term interests of employees, management and shareholders, pursuing the priority objective of creating sustainable value over time for all our stakeholders.

The history and the success of the Prysmian Group are the result of the know-how and skills of its people, who have always been the key players in achieving these results. Their ability to transmit values, experience and a sense of belonging at the company to younger colleagues, generation after generation, has proved to be a fundamental driver in the creation of value for the Prysmian Group for almost 140 years. The "human capital strategy", launched in 2015 in support of our business strategy, and growth of the company towards the future, insofar as concerns our sustainability objectives, will guide the development of specific initiatives in this area, based on the following pillars:

- **CONTINUAL IMPROVEMENT** and development of the organisational model, in line with our **BUSINESS STRATEGIES AND PRIORITIES**;
- **STRATEGIC PLANNING** of resources in order to ensure, over the medium term, the compatibility of our human capital with the needs of the company in terms of **ABILITY AND SKILLS**;
- **DEVELOPMENT OF EMPLOYER BRANDING**: increase knowledge and awareness of the Prysmian brand as an employer and develop the positioning of the brand on the international job market, partly via **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 resources to ensure **LONG-TERM SUSTAINABILITY**;
- **DEVELOPMENT OF EMPLOYEE ENGAGEMENT AND A SENSE OF BELONGING**, via a structured approach to measuring the corporate climate, in order to align management and initiatives with the priorities perceived by employees and, in particular, via a broad share ownership program designed to make most of them shareholders.

In 2021, as in 2020, it was decided to extend the survey on engagement (Speak-Up Survey) to all employees, including blue-collar workers. The result in terms of participation was extremely positive: 73% overall (78% WC, 72% BC). Furthermore, the Engagement Index was 60% and the Leadership Impact Index was 54%. Employee satisfaction is hugely important for Prysmian and the survey was conducted this year after implementation of a broad-based action plan involving all countries and Group affiliates, with the aim of consolidating and, where possible, further improving the results achieved with the 2020 survey. In collaboration with SDA Bocconi, which provided its support in performance of the survey once again this year, in order to ensure comparability, confidentiality and consistency, the two indices already mentioned (*Leadership Impact Index and Employee Engagement Index*) were maintained. The Leadership Impact Index is also an integral part of the LTI plan.

2021 was characterised by the ongoing Covid-19 pandemic. The Prysmian Group continued to take all the necessary steps to monitor the emergency and to protect the health and safety of its people. It did so by adopting stringent health measures at its plants and offices and, where possible, by using remote working. At the same time, precisely in consideration of the radical changes that the pandemic has imposed in working methods, the company drafted a global "New Working Policy" that provides for up to a maximum of seven days of remote working per month, depending on the position held and to what extent it depends on presence in the workplace and use of the machinery. The Policy will remain in force until the emergency ends and is subject to a further step of local implementation.

2030 SOCIAL AMBITION

During 2021, Prysmian outlined its Social Ambition 2030 plan, meaning the targets that it intends to achieve over the coming decade in terms of social sustainability and its people.
This ambition of the Prysmian Group is prompted and inspired by a specific mission:

> 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.

The Prysmian Social Ambition 2030 plan does, in fact, comprise objectives relating to Diversity & Inclusion, Digitalisation, Involvement of Local Communities, Engagement & Training, Health & Safety.

OUR HUMAN CAPITAL

The Prysmian workforce[1] at 31 December 2021[2] is 29,763 FTEs, comprising 7,800 white-collar (WC) staff including executives and 21,963 blue-collar (BC) workers.

PRYSMIAN GROUP WORKFORCE IN FT
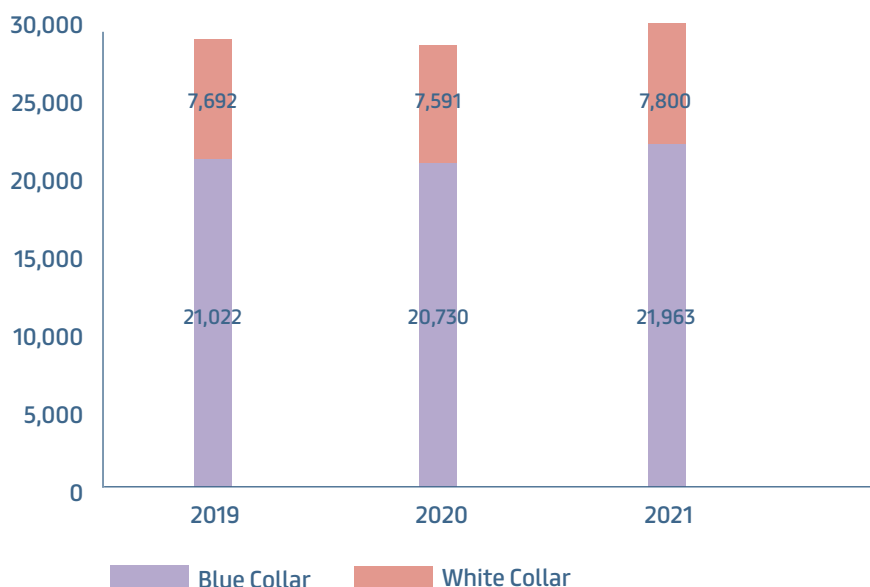
The number of employees at 31 December 2021 amounted to 29,013 people[3].
White-collar staff account for 28%, while blue-collar workers are the majority at 72%.

GROUP EMPLOYEES (No.)

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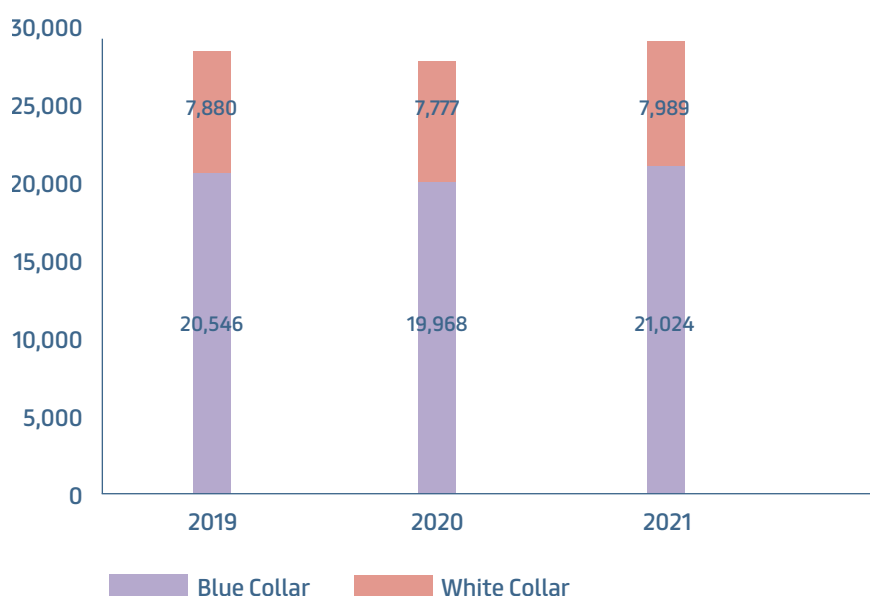
1   The total represents the total workforce of the Prysmian Group, calculated in FTE, and represents 100% of the total of Group employees, meaning all subsidiary companies or companies subject to administration, including the estimated figures of Associated Cables Pvt. Ltd. This calculation also includes the staff of agencies (interns and contractors). Note that, in order to guarantee the reliability of this document and its comparability with previous editions, estimates have been made with regard only to the data of Associated Cables Pvt. Ltd., on the basis of the best available methodologies. In fact, due to a lack of data, the workforce of Associated Cables Pvt. Ltd. has not changed for four years, while the qualitative breakdowns have been estimated with reference to the Prysmian Group average.
2   The total Prysmian workforce at 31 December 2021 includes EHC Global's employees
3   There may be slight misalignments between the headcount data for 2019, 2020 and 2021, due to the internal transformation of contracts and early departures of non-operational personnel.

With regard to geographical distribution, in line with prior years, over half of employees are located in the EMEA area (Europe, Middle East and Africa). North America (US and Canada) and LATAM respectively host 20.1% and 15.4% of employees, while the remaining 9.9%[4] are in the APAC area.

EMPLOYEES BY GEOGRAPHICAL AREA (%)

- 9.9% APAC
- 54.6% EMEA
- 15.4% LATAM
- 20.1% North America
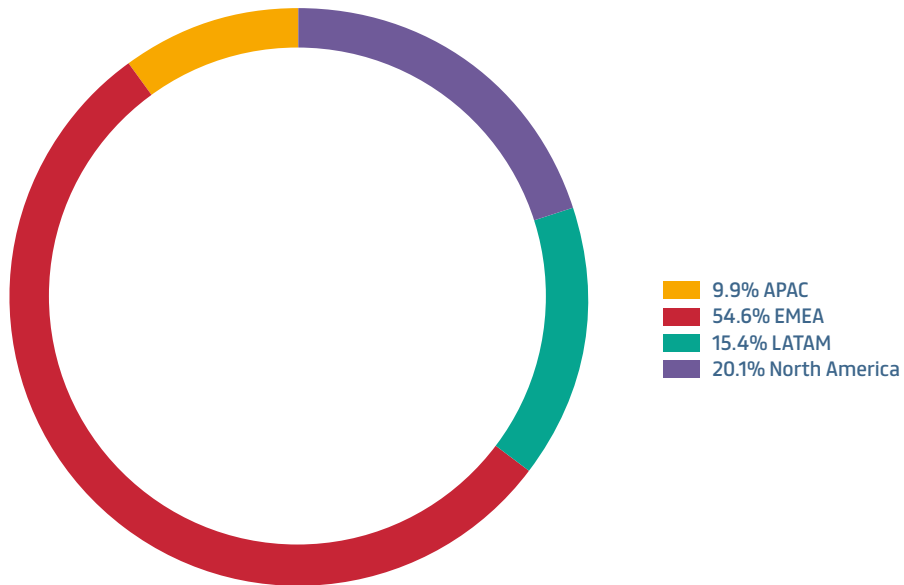
In consideration of the type of business, men made up 81.9% of all employees, and women the remaining 18.1%. The Prysmian Group continually strives to implement equal opportunities programs. See the following section for more information.

EMPLOYEES BY GENDER (No.)

	2019	2020	2021
Men	23,677	22,914	23,757
Women	4,749	4,831	5,256
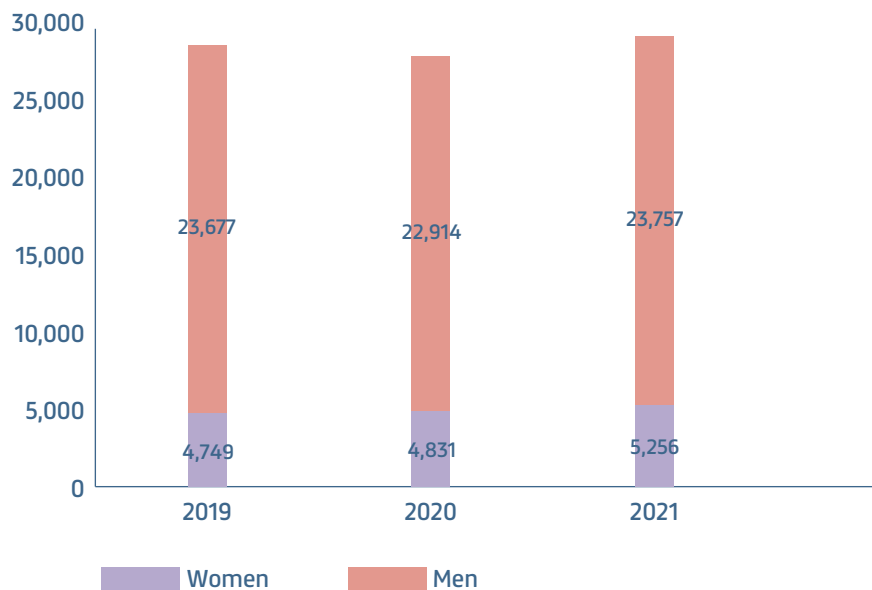
4 For details of the countries included in the geographical regions, please refer to the map of the Prysmian Group plants shown in the "Prysmian Group in the world" section. The countries were reclassified following the inclusion of General Cable in 2018. Accordingly, Mexico has been included in the LATAM region since 2018, having been categorised in the North and Central America region in previous years.

Regarding types of contract, the majority of employees have permanent contracts. The preference for permanent employment contracts demonstrates Prysmian's commitment to creating long-term relationships with its employees, focusing on long-term prospects.

GROUP EMPLOYEES BY TYPE (FIXED-TERM/PERMANENT) AND GENDER
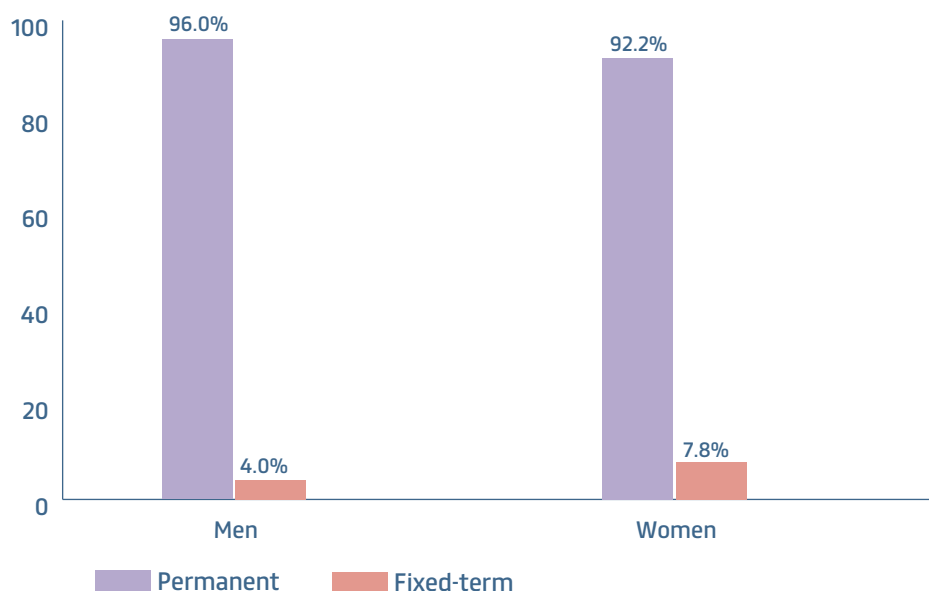
As regards demographics, the majority of employees (54.2%) were aged between 31 and 50 years. Around 29,8% of employees are above the age of 50, while the remaining 16.0% are under 31 years of age. The Prysmian Group constantly strives to attract young recruits, especially through specific programs such as Make It, Sell it and the Graduate Program. The total new employee hires and departures in 2021, for the entire Prysmian Group, are shown in the tables below:[5]

	TOTAL NEW EMPLOYEE HIRES (NO.) - PRYSMIAN GROUP														
2021	**EMEA**			**APAC**			**North America**			**LATAM**			**Grup**		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	569	250	819	147	59	206	641	156	797	563	214	777	1,920	679	2,599
31-50	717	253	970	317	109	426	714	208	922	560	173	733	2,308	743	3,051
>50	116	26	142	39	1	40	273	72	345	29	10	39	457	109	566
Total	1,402	529	1,931	503	169	672	1,628	436	2,064	1,152	397	1,549	4,685	1,531	6,216

	TOTAL EMPLOYEE DEPARTURES (NO.) – PRYSMIAN GROUP														
2021	**EMEA**			**APAC**			**North America**			**LATAM**			**Grup**		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤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	1,592	963	333	1,296	3,834	1,114	4,948

5   Starting from the 2019 reporting year, non-financial reporting has been improved by disclosing all employee turnover, including both white- and blue-collar workers and all departures, not just those that were voluntary.

The overall outgoing turnover rate was: 10.2% in the EMEA area, of which 3.6% voluntary; 15.3% in the APAC area, of which 10.6% voluntary; 27.2% in North America, of which 16.7% voluntary; and 29.0% in LATAM, of which 12.9% voluntary. With regard to outgoing turnover grouped by age, the most significant changes were found in employees under thirty (36.5%, of which 19.3% voluntary), followed by employees aged between thirty and fifty (14.4%, of which 8.0% voluntary) and finally those over fifty (11.5%, of which 3.2% voluntary).

The turnover rate for new hires was 12.2% in the EMEA area, 23.4% in the APAC area, 35.3% in North America and 34.7% in LATAM. In terms of age groups, the new hires turnover rate was 56.1% among the under-thirties, 19.4% between 31 and 50 years, and 6.5% over 50 years.

New hires totalled 6,216, while departures amounted to 4,948, including 2,434 voluntary; see details in the tables above.

INTERNATIONAL MOBILITY

The expat population of the Prysmian Group at 31 December 2021 numbered 184 employees, located in 25 countries. The home country of 31% of the expats is Italy. Employees in international mobility comprised 67% non-executive personnel and 21% women (up by 3% on 2020). There were 71 new departures in 2021, an increase on 2020, a year heavily conditioned by the pandemic. Eighty-four secondments were terminated during the year.

Although the global situation in 2021 was heavily conditioned by the Covid-19 pandemic, with delays in obtaining the necessary immigration permits, the above numbers confirm that international mobility remains an aspect of fundamental importance for Prysmian. On the one hand, it allows the spread of the Prysmian culture and values in all countries and affiliates and, on the other, international mobility helps us meet local organisation requirements, enabling the transfer of managerial and technical know-how from country to country, as well as the spread of multiculturalism, which enhances the benefits of diversity.

DIVERSITY AND EQUAL OPPORTUNITIES

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. In light of this commitment, the Prysmian Group has adopted a global "Diversity & Inclusion Policy" and is developing a number of supporting initiatives. These initiatives form part of the Prysmian Group's Side by Side program. This was launched in 2016 and now focuses on diversity in terms of gender, age and culture, as drivers for the creation of value in line with our business objectives.

The portfolio of activities, mostly launched in 2017 with subsequent consolidation and extensions, includes:

1. **Global Diversity Recruitment Policy.** This procedure, which has been formalised at corporate level, defines an appropriate 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. The Diversity Recruitment Policy was formalised at global level in March 2019 and has been translated into seven languages in addition to English (Italian, German, Spanish, French, Portuguese, Russian and Chinese). It is accompanied by an internal communications campaign entitled "Turn off your bias", the objective of which is to highlight errors that are typically, albeit subconsciously, made during selection processes, raising awareness about them and prompting improved decisions and behaviour.
2. **Inclusion of diversity management in all programs of the School of Management,** i.e. as part of the syllabus of the Prysmian Group Academy, which trains leaders of the Prysmian Group. The first two of five e-learning modules on D&I were also launched during 2021. The first module was launched in early 2021 and the second module was organised in the last quarter of the year. The last three modules will be launched during 2022. The course, which

is intended for all Prysmian Desk and Non-Desk Workers, has been taken by 877 people so far. However, it remains accessible to everyone, at any time, on the Workday platform. The planned launch of the modules in 2022 will offer another opportunity for engaging an increasingly large number of Prysmian people during the course.

3. **Involvement of senior managers as teachers in the Professional School programs**, in order to ensure that the new generations benefit from their experience and knowledge. The fledgling Master HR, which involves around one third of the human resources on a global scale, on appointment of Human Resources Managers of the Regions and Business Units, is heading in the same direction. It has included modules dedicated to the specific topic of D&I, such as Leading Diverse Teams (with reference to cultural and generational gaps) and the e-learning modules already mentioned. In addition, in order to prompt greater sharing of know-how within the company between different figures, countries and generations, the cycle was completed with the drafting and internal providing of a Train-the-trainer course to around 150 colleagues, all of whom train others for different reasons and on different occasions.

4. The "**Women in Leadership Program**" was re-inserted into the training program, after being revised for the Prysmian Group by the Sda Bocconi Business School. The two modules of the program were provided, in late 2021 and early 2022, to 30 talented women. Thanks to the MyMentorship program implemented between 2020 and 2021, with the training of 350 talents, called "Mentors", the participants will have the opportunity to take a personalised path based on the areas of development that emerged in the classroom.

5. In terms of generational and cultural diversity, 2021 saw continuation in the Central-Eastern European Region of a pilot project known as the **Cross-Generational Exchange Program**, through which 42 employees of different ages and nationalities have been examining together how to achieve integration of the multitude of cultural and generational differences.

6. A **Gender Pay Gap Analysis** was performed on the entire population of desk-workers, from which areas of improvement and an action plan for 2022 emerged.

7. **Health and welfare programs for senior employees**, based on local choices, have been developed. One example is the HQ in Milan, where, for anyone over 55 years of age, the two-year check-up is now an annual one

8. **Actions to improve the balance between private life and work** have been implemented, such as flexi-hours and remote working. There was an unprecedented relaunch and extension of these practices, which had already been introduced at several Prysmian Group offices, as a result of the Covid-19 pandemic, particularly remote working. Where compatible with the individual's role, working from home not only protected health and safety, but also offered the chance to try out new digitalised working methods. This led to a strengthening of individual responsibility, trust and remote management of teams. The result was the aforementioned New Working Policy. Remote working was considered as a genuine skill, so there was dedicated training for both clerical staff and managers between the end of 2020 and the beginning of 2021.

9. The **internal and external communications campaigns on issues of Diversity & Inclusion** continued in 2021, as did the success stories based on actual cases (by gender, age and culture), in order to raise awareness of these issues in collaborators and stakeholders.

10. In 2021, the company launched a **Global Policy against any kind 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.

11. The **Global Maternity Policy** launched in May 2020, which established 12 weeks of maternity leave for all female employees in all countries, is still in place. Local implementations are possible.

12. For the first time, a **Global Digital D&I Week** was organised and launched, through which digital events with internal and external guests were provided remotely. These events were developed in and transmitted from over 50 countries, for a total of 4,532 and 2,493 participants.

With regard to the objectives for diversity in its various forms, the Prysmian Group intends to improve the gender balance of the overall workforce by the end of 2022, reaching female recruitment[6] of 40% of the total (from 38.7% in 2021 and 30% in 2016) and increasing the percentage of women in all management positions (from junior to top) from 22.4% at present to 25%.

In addition, there is also a focus on improving the gender balance of executive positions, from 6% in 2016 to 18% in 2022 (currently 13.5%). Side by Side also strives to create an ever more inclusive working environment, in which various generations can understand each other and work well together, and where all employees, regardless of culture and leadership style, are offered equal growth opportunities. Also in line with this strategy, the "We value diversity" is now part of the Prysmian Group's Leadership Model, in recognition of the TRUST business value.

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6   White-collar female employees on a permanent contract, including changes in contract from temporary and agency to permanent.

PRYSMIAN GROUP OBJECTIVES FOR THE IMPROVEMENT OF THE GENDER BALANCE		
KPI	Group (actual 2021)	Side by Side Target Group (2022)
Percentage of women in the Total Workforce	18.1%	17% to 19%
Percentage of White Collar women hired*	38.7%	40%
Percentage of women in Junior Management positions	24.4%	27% to 29%
Percentage of women in Middle Management positions	23.1%	25% to 27%
Percentage of women in all Executive positions	13.5%	14% to 18%
Percentage of women in Top Management positions	7.0%	10% to 12%
Percentage of women in all Management positions	22.4%	25% to 27%
Percentage of women in Management positions in Revenue-generating Functions	15.7%	17% to 19%

* White-collar female employees on a fixed-term contract, including changes in contract from temporary and agency to permanent.

HUMAN RIGHTS DUE DILIGENCE

As an international business operating in many countries and communities, Prysmian strives with passion to respect and safeguard the human rights of all employees and all those affected by our activities.
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 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.

1 ASSESS	2 ACT	3 MONITOR	4 RESOLVE	5 COMMUNICATE
Assessment of the current and potential impact on Human Rights, considering the risk of violations at country and plant level, identified using desk analysis and self-assessment tools	Assessment of the results and performance of audits at high-risk plants; definition of necessary actions to prevent and/or mitigate the potential impact identified	Monitoring of performance via checks and audits over a period of years	Resolution of violations	Communication of performance in the Sustainability Report

Applying this Due Diligence process, an assessment of 100% of production locations[7], that commenced in 2020, was completed during 2021. Following this assessment, six 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 supply chain" section (**page 160**) of this document. Various prevention and mitigation actions have been developed and implemented over the years, in order to manage the principal human rights issues identified in the Policy and prevent any adverse effects for the stakeholders identified and for vulnerable categories.

Furthermore, 27,772.41 hours[8] of training were delivered in 2021 on the topics of Ethics and Human Rights, with a view to raising and disseminating awareness about them within Prysmian.

THE DEVELOPMENT OF TALENT

For Prysmian, human capital and development of talent are strategic assets for the achievement of our profitability and value creation objectives. For this reason, the Prysmian Group has defined and implemented a *People strategy* since 2012, in order to:

- identify talents with technical, functional and behavioural skills aligned with selection, training and development projects and processes;
- establish diversified development paths with a view to covering unplanned and future needs;
- encourage an inclusive and sustainable culture at Prysmian Group level.

The Talent Strategy is based on four main pillars:

1. Employer Branding and Talent Acquisition;
2. Performance Management;
3. Talent Management;
4. Culture, Training and Development.

EMPLOYER BRANDING AND TALENT ACQUISITION

The initiatives undertaken in 2020 were reviewed in 2021, with the aim of creating further business value and simultaneously having an even greater impact on diversity and inclusion issues. As was the case in 2020, the company did not limit the initiatives due to the pandemic, but actually increased and enhanced them, in order to respond even more effectively to requirements and unplanned future events. The objective of attracting and keeping the best talents by maintaining recruiting initiatives remains a priority. The positioning of the Group has further supported the new Employer Branding strategy, with launch of the "Make your mark" campaign in 2019. The aim of the campaign is development of the individual within the company, acknowledging the contribution that people make to the company and how this guarantees its success. There was an even greater drive to propose Prysmian as the "employer of choice" in 2021, as part of the STEM sector. This will culminate with the launch, in 2022, of a new recruiting and professional development initiative entitled "STEM IT" and a chapter on training, development and career support for professionals in the R&D, Operations, Project Service and Installation, Quality, IT and HSE technical skill areas will also be introduced into the STEM IT program.

The Internal Job Posting (IJP) program was also launched in 2019, initially as a pilot scheme in the United States and then extended globally at the end of 2020. Internal recruitments during the US pilot accounted for over 35% and, in the first two months following the global launch, more than 40 internal candidates came forward, resulting in four recruitments. The IJP program highlights the importance for the Prysmian Group of developing the human capital already present even further, focusing on internal mobility and inclusion, while also improving the employee experience. The new Job Posting program was launched in 2021 on the new Workday platform. Launch of the platform allowed over 60 colleagues to change their position thanks to the job posting.

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7   This analysis, based on the perimeter of the Group in 2019, excluded the plants in OCI, Sicable, OAPIL (Sohar) and Chiplun (India).
8   Training hours refers to all the courses held at Prysmian Group and classified as ethics & human rights in 2021.

As already occurred in 2020, the content was revised and a strategic investment was made on Instagram, Facebook and LinkedIn in 2021, in order to reach the employer branding objectives and specific targets, such as new graduates, via these channels. As an example, a new section on the Prysmian Group Instagram page was launched in 2020, dedicated solely to the Graduate Program, which was further improved in 2021. The campaign also saw the launch of the new graduate program called "Empower Your Community" and "Testimonial Stories", the latter as part of a broader employer branding initiative that goes beyond the graduate program.

SOCIAL BRANDING EVOLUTION		
LinkedIn	Facebook	Instagram
265,263	52,890	7,861
209,153 people reached 1,960 clicks 3,845 interactions	69,528 people reached 572 clicks 6,558 interactions	
Social media activities	Campaigns Business testimonials	Update of pages and content with business stories Branding campaigns and testimonials	Campaigns focused on graduates Campaigns dedicated to branding and programs

In addition to increasing its presence on on-line platforms, Prysmian Group has continued to invest in University presentations and dedicated "corners". These were mostly virtual in 2021, with business testimonials, talks and Q&A sessions. Here too, the objective was to describe the characteristics of Prysmian and its talents in concrete terms.

As already said, the specific recruiting programs implemented over the last decade contributed to diversifying the offer portfolio, not only with job offers, but also with programs to attract and integrate talent.

- *Build the Future, Graduate Program*
  Thirty-nine new graduates from over 40,000 candidates, 62% of whom were women.
  "Build the Future, the Prysmian Group Graduate Program" is an international recruiting program that reached its tenth edition in 2021. The objective is to place young graduates with high-potential profiles in various functions and geographical areas. 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. During the first half of 2021, 39 young people from all continents were taken on, while 40,000 applications were received in the second half of 2021. This will lead to the selection and recruitment of another 60 new graduates in 2022. Despite the current difficult situation, the program continued throughout 2020 and was also maintained in 2021. With further innovation in response to current needs, 2020 and 2021 were marked by the implementation of a virtual recruitment process, the related induction program (in collaboration with SDA Bocconi) and training, also making use of new digital platforms. Furthermore, 2021 also saw the launch of a new graduate program called "Empower your community", the objective of which is to recruit new graduates who will support local communities and the teams that hire them on issues of digitalisation and sustainability. This marks a further development of the initiatives that serve both business and the community, with an eye on the social impact. This program contributes to the creation of a pipeline of out-performing talents. On the 2021 graduate program, 58% of the participants in the P4 process are "high potential". This program also includes young professionals, who contribute to the formation of an even more inclusive workforce. The gender balance of recruitment in 2017

was 37% women and 63% men, while this figure was 62% women in 2021, a trend that will be confirmed, if not improved, in 2022. Since the start of the program, 36% of recruits have been new graduates. A summary of the gender balance in recruitments of recent years is provided below.

GENDER BALANCE IN HIRING			
	2019	2020	2021
Men	58%	52%	38%
Women	42%	48%	62%

- *Make It*
  Forty-three professionals, receiving thousands of applications and reaching 40% recruitment of women.
  The "Make It" international recruitment program is aimed at identifying engineers, mainly from other sectors, to cover highly challenging key roles at the most important production plants of the Prysmian Group. The main objective is 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 the Prysmian Group. In addition to an approximately two-month training period ("On-Boarding & Training on the Job"), leading to placement in the specific role at the local unit, the program includes the assignment of a corporate mentor and continuous technical training. The program led to the hiring of over 250 engineers from around the world between 2016 and 2021, during which time 43 new recruits were placed in international locations. The aim of the project is to draw on and differentiate the experiences the people had to offer, thanks to their diverse backgrounds, in order to broaden the interaction between different leadership styles and types of know-how. Despite the Covid-19 situation, both the program and the recruitment plan were confirmed, as they will be in 2022 as well.

- *Sell It*
  Thirty professionals, receiving thousands of applications and reaching 43% recruitment of women.
  The "Sell It" program is aimed at growth and development of the sales force. Following the same steps of the "Make it", program, the project will start with careful selection of the candidates (application, test, Prysmian Group assessment, local and Prysmian Group interviews). This year, "Sell It" allowed the recruitment of 30 salespeople, with about five years of experience, interested in covering key and highly challenging roles in various Energy & Telecom business areas. Recruitment under the Sell It program increased by seven people with respect to 2020 and also in terms of recruitment of women (14% in 2020).

- *Sum It*
  Seven professionals, receiving thousands of applications and reaching 71% recruitment of women.
  The Sum It program launched in 2020 forms part of the Talent Acquisition strategy of the Prysmian Group and is dedicated entirely to professionals working within the industrial control and business function. This function is central to the Prysmian Group strategy and to the further improvement of operations at plant level. The program, which continued in 2021, led to the recruitment of four professionals in its first year and seven in 2021. Sum It is also a global program, following similar recruiting, induction, training and management logic to that of the Make It and Sell It programs. All the communication materials and campaign details for the three Prysmian Group programs described above have been revised, in order to improve the effectiveness of the recruiting system.
  In line with the People strategy, the Talent Acquisition priorities for 2021 were focused on the employer branding strategy and on the employee value proposition linked to the Group's values and leadership model. The objective was to promote greater visibility and transparency of what the Prysmian Group offers in terms of experience, culture, benefits and development, for both the current and future people of the Group. In addition, we will continue to give priority to the quality of recruitment and the diversity of backgrounds and skills. A brief summary of the gender balance on the Prysmian Group programs is provided below.

GENDER BALANCE IN HIRING			
	2019	2020	2021
Men	81%	80%	56%
Women	19%	20%	44%

PERFORMANCE AND TALENT MANAGEMENT – P3 AND P4

People Performance (P3)

In order to achieve our business objectives and continue to improve our 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 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, thereby motivating each employee to do **THEIR BEST** and produce value for the entire organisation, creating a **SINGLE BUSINESS IDENTITY**;
- guide **LEADERSHIP BEHAVIOUR**;
- **FACILITATE COMMUNICATION** between managers and staff, so that the **RESULTS ACHIEVED** can be shared;
- train those deemed **MOST DESERVING**, based on objective appraisals.

The P3 program currently involves the entire white-collar population of the Prysmian Group, which numbered 7,531[9] employees in 2021. 100% of the population was periodically assessed with P3, front line included. 2021 also saw the launch of the same process (Performance Management) on the Workday platform, which allowed simplification of its management and reporting, as well as greater integration of the other HR processes. The potential of the portal also allowed the possibility of the other managers assessing the resource to be added, thus implementing the same process. The data defined below as P3 2021 indicates full involvement in the process, divided by gender.

PERFORMANCE MANAGEMENT PROCESS - P3 - 2021	MEN	WOMEN	TOTAL
Gender (no., %) of WC employees included in the P3 programme	69.3% (5,219)	30.7% (2,312)	7,531

The cycle of the previous year (P3 2020), which involved 7,000 desk workers, was completed in March 2021. Since the cycle has been completed, the results in % points, given by distribution between "poor/solid/outstanding" and gender, are shown below.

	4% poor	**82%** solid	**14%** outstanding
	6% poor	**78%** solid	**16%** outstanding

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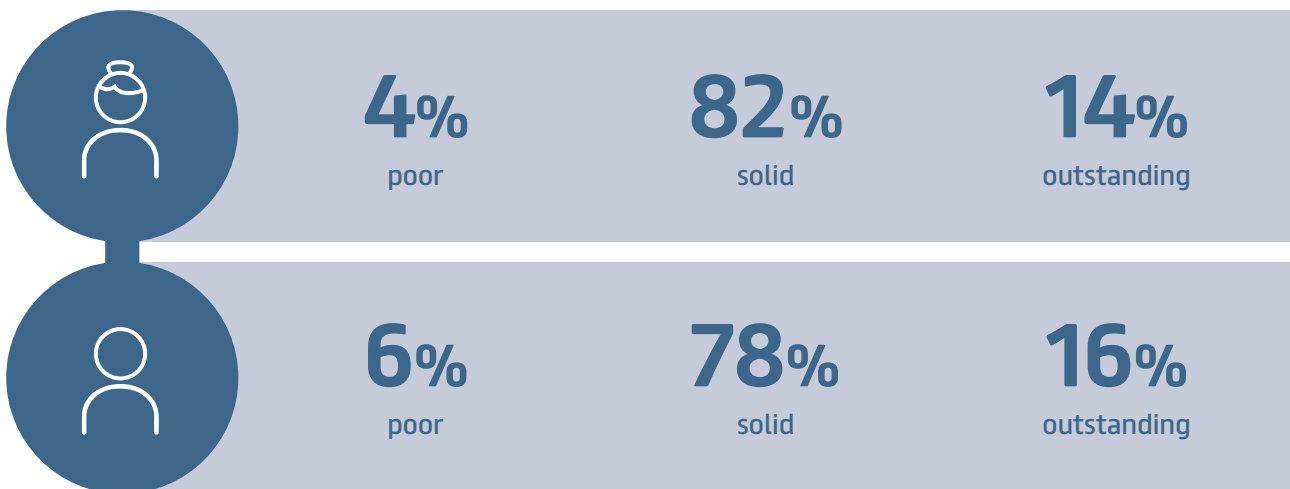
9   The figure reported includes only permanent and fixed-term employees who joined the company by 08/31/2021. excluding OAPIL (Oman Aluminum Processing Industries LLC), Associated Cables Pvt. Ltd., Nantong Haixun Draka Elevator Products Co. Ltd. and Nantong Zhongyao Draka Elevator Products Co. Ltd.

The assessment 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 customer 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 rationalising the assessment of potential and establishing a process for the identification of talent and the preparation of succession plans, Prysmian Group introduced a structured talent identification process known as the "Prysmian People Performance Potential (P4)" in 2017. The P4 process takes two years.
The first year is dedicated to assessing the potential of talents (those who were high performers in P3 during the previous two years). The second year is dedicated to communication of the potential and the definition of development plans.

In 2021, 27% of desk workers were given the P4 assessment, the same percentage of those who had the corresponding assessment for two years.

TALENT MANAGEMENT PROCESS - P4 - 2021	Men	Women	Totale
% of desk workers included in the performance assessment program	72.1% (1,460)	27.9% (565)	27.0% (2,025)

TALENT

The focus was placed on establishing targeted paths of development of talent and the related processes in 2021. Fifteen training sessions were provided for P4 managers on how to manage the "feed-forward meeting P4", in addition to the 40 sessions in 2020, with the aim of nurturing potential and discussing growth prospects. A new assessment for high-potential middle managers is planned in 2022, for whom a new assessment system functional to any succession plans and targeted development plans will be available.

TRAINING AND DEVELOPMENT

2021 saw the launch of Workday and preparation of the Local Schools initiative. Workday aligns the training offer and global data. It provides access to training for non-desk workers for the first time, through use of their smartphones, marking a major cultural change. The start of Local Schools was supported by a schedule of proceduralised initiatives on:
- Workday;
- Organisational aspects;
- Sharing of knowledge between Regions that already had training plans underway and those that are preparing them.

Created to relaunch local training, the Local Schools have rebalanced the Prysmian training offer between future and global needs (growth), on the one hand, and contingent needs (role, local business), on the other. Up until 2020, the training offer was concentrated mainly on the selection process of the Corporate Academy, whereas local training activities were associated mainly with non-desk workers and never in communication with each other. However, thanks to the breakthrough of 2021, the Learning & Development program is now based on two complementary areas:
- Primarily selective training from a managerial, strategic and functional perspective at global level, with the focus on a technical career and Leadership, as well as a network of Prysmian international relations
- Continuous and local interventions linked to the needs and language of the location, in response to contingent market challenges.

As a result of the developments and updates, the Academy has therefore once again become a genuine Corporate University that consolidates three areas of global training, but that nonetheless continues to develop due to the activities undertaken by the new Local Schools:
1. **business**, with around ten universities and business schools worldwide;
2. **professional**, with around 70 internal teachers and the addition of the Master HR and Train-the-Trainer courses for internal teachers;
3. **digital**, a school accessible for the first time to all employees and offering increasing support to and integration of the Professional School.

The Group Academy and Local Schools will work increasingly together with the objective of never overlapping, but always intensifying an exchange of methods and processes to promote a **glocal** offer that brings together 55 countries in terms of processes, methods, tools and objectives, while still allowing each one to customise their own local training plans.

PRYSMIAN BUSINESS SCHOOL

The School of Management focuses on the development of "High-potential talents (P4)", on Graduate training (Global Program), on cross-country regional programs (RLP, a full four in 2021) and on Women in Leadership (WLP). The activities are performed in close collaboration with a pool of international business schools and universities. A radical reform of the Leadership courses was undertaken in 2021 and implemented from mid-2022 onwards, while the paths currently in progress will continue until they are completed. The purpose of the reform is to:
a. update the programs and offer
b. increase the number of P4 participants
c. customise the paths
d. increase ROI
e. involve appointing managers

Furthermore, in order to develop the Local Schools, the Business School provided support to a project of the new Local School HQ in Milan, started for the first time in 2021, in order to certify the new internal teachers worldwide, on courses linked to the four behavioural aspects (soft skills), in line with the Leadership Model, to ensure that every Region benefits from them. The TTT (Train-the-Trainer) courses will take place in the early months of 2022.

PRYSMIAN PROFESSIONAL SCHOOL

The Professional School is linked to development of technical careers for high performers (P3, Experienced Global Programs, HQ appointments and/or local Training Managers). It is organised into HQ expertise centres comprising around 40 courses and a teaching staff of over 50 colleagues. In 2021:
- A Design Lab was set up to optimise and consolidate the content of the remote training with the teachers.
- The transfer of several basis courses to the Local Schools was planned, in order to clear the relative waiting lists and strengthen the schools. The relative TTT courses will start in 2022
- Eight internal Train-the-Trainer courses were held for 108 teachers, in order to facilitate sharing of information
- The HR Master was created and provided to around 68 HR colleagues, with around 20 teachers (90% internal) trained with TTT (as above), and the new edition for 2022 was planned
- A Safety Week was organised with around 70 digital modules prepared by all countries, in English and in the original language

PRYSMIAN DIGITAL SCHOOL

The Digital School has a full 20 courses and now represents an important on-demand asset. It is the only area of the Group Academy open to everyone and has been reinvigorated with the addition of both the Local Schools and Workday. This is because the modules will be translatable into the local language and can also be subtitled, and, due to being accessible through a smartphone, are available to all employees. The offer has almost doubled compared with 2020 (thanks mainly to the possibility of publishing the course records on WD in asynchronous mode), whereas the number of hours has almost quadrupled, partly due to the continuing pandemic. The modules have further improved the Professional School and Diversity in particular. The modularity of the courses in the virtual classroom has thus been enhanced, leaving them more blended and therefore less binding and dense. As in 2020, a total of ten Leadership Harvard licenses were awarded to Senior and Executive Leaders, maintaining the same level of feedback.

Thanks to Workday, the business and professional schools of the Academy will be able to connect to the P3 and P4 processes more efficiently, integrating and harmonising the training outputs desired by the Managers by assessment cluster. The training assessment criteria are in the process of approval. The hours of training provided by the Prysmian Group Academy in 2021 are shown below.

PRYSMIAN ACADEMY HOURS OF TRAINING*							
Academy Training 2021 Hrs				Academy Training 2021/Head Count Medio 2021			
School	Hrs Male	Hrs Female	Grand Total	School	Hrs Male	Hrs Female	Grand Total
Business	7,284.5	3,357.5	10,642	Business	1.33	1.38	1.34
Professional + Digital	28,668.72	15,081	43,749.72	Professional + Digital	5.23	6,19	5.52
Grand Total	35,953.22	18,438.5	**54,391.72**	Grand Total	6.56	7.57	**6.87**

* Includes mandatory courses of the DS (e.g. Compliance)

LOCAL HOURS OF TRAINING (ON AVERAGE HEAD COUNT)			
Local Training HRS 2021/Head Count			
	Men	Women	Total
Blue Collar	17.71	17.78	17.72
White Collar	10.07	12.69	10.88
Total	15.94	15.37	**15.84**

ACADEMY + LOCAL HOURS OF TRAINING (ON AVERAGE HEAD COUNT)		
Total HRS Academy + Local Training 2021		
Academy Training HRS	Local Training HRS	Total per Head Count
54,391.72	456,183.71	**17.7**

THE WELLBEING OF OUR EMPLOYEES

REMUNERATION POLICIES [10]

The remuneration policy adopted by the 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 competitive international 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.

Participation in the creation of sustainable value over time is open to all employees, via the broad Group share ownership plan that enables employees to become stable shareholders. The objectives pursued by Prysmian through the plan are to increase the participation, involvement, 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", creating a stable base for employees/ shareholders. Via the YES - Your Employee Shares plan, around one third of employees are also stable shareholders of the Prysmian Group and own around 3% of the share capital.[11]

Sustainability is playing an increasingly important role in the remuneration policy of Prysmian. Part of the variable remuneration of the entire management is linked to the achievement of sustainability targets, which are monitored using both internal indicators (gender diversity in management, culture of safety in the workplace, reduction of emissions) and the third-party assessments provided by the main sustainability indexes.

The remuneration policy is defined at central level for executives and expatriates while, for the rest of the population, local programs are implemented in compliance with guidelines for remuneration systems defined centrally. The remuneration policy for executive directors and executives with strategic responsibilities is determined as the result of an agreed and transparent process, during which the Remuneration and Nominations Committee 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. The pay structure for executive directors and managers with strategic responsibilities and for executives comprises a fixed component, a short-term variable component and a medium-long-term variable component. The remuneration policy has been well received by shareholders. Feedback and suggestions regarding the remuneration policy are sought regularly from investors and shareholders, and considered when preparing the policy itself, which is periodically submitted to a vote at the annual general meeting.

In the context of transparency on remuneration issues, Prysmian has issued guidelines, in compliance with local laws, that link pay measures to all levels of the organisation and variable remuneration plans to the assessment of individual performance. 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 therefore based on a global system of assessment of organisational role and performance, applied on a consistent basis throughout the entire Group.

THE PRYSMIAN GROUP WELFARE SYSTEM

The monetary-equity offer of the entire Group is supplemented by additional benefits, such as supplementary welfare, additional medical insurance, personal accident policies, a company car for staff who are entitled to one, 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 the Prysmian Group's commitment to investing in the development of employee-company relations, via numerous initiatives designed to encourage involvement. The Group also signs agreements with external partners for the supply of products and services at special rates to employees, such as discounts on theatre tickets, gym subscriptions, magazines and products purchased in shops. These benefits are equally valid for full-time and part-time employees.

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10   Further information is available in the 2021 Remuneration Report.
11   It includes the shares held by the management as per the incentive plants.

Once again this year, the Prysmian Group has implemented national initiatives (Italy/HQ) that make it possible to:

- obtain a free flu jab, delivered on company premises;
- obtain telephone triage consultations, finger-prick tests and molecular tests for Covid-19 screening and prevention;
- participate in blood drives in collaboration with the Avis blood donors' association;
- obtain a free check-up in collaboration with Niguarda Hospital, for purposes of prevention and focus on employee health in the Milan Bicocca area;
- obtain insurance coverage at special rates with AON;
- participate in the assignment of 80 study grants for high-school pupils and 20 study grants for the university education of the children of employees. These grants were set aside in 2021 and will be awarded in early 2022;
- receive an annual season ticket for public means of transport, under a special agreement with ATM.

Also at Corporate level and to tackle the emergency caused by the Covid-19 pandemic, Prysmian has launched various initiatives focused on People Care for employees and their families.

PEOPLE HEALTH – COVID-19

Right from the start of the pandemic, one of the priorities of the Prysmian Group has always been to protect the health of all its people. For this reason and aware of the difficulty of sourcing personal protective equipment (PPE), especially during the lockdown, Prysmian sent a Prevention Kit comprising face masks, face shields and disinfectant gel to the home addresses of all Milan HQ employees.

BACK TOGETHER

As it did at the start of the pandemic, the Group continued to consider the health of its people as a priority throughout 2021 as well. The protocol for return to the office created in 2020, called **"Back Together"**, was also applied during 2021, adapting the percentage of people present in the office to the situation of the pandemic. Thanks to the guidelines contained in the "Back Together" plan, and based on the indicators of the CTS (Government Technical and Scientific Committee), the HR team, in collaboration with HSE, was able to schedule the return to the office by applying 33%, 50% or 66% of maximum capacity. The Covid-19 prevention and protection measures were the subject of an information campaign, consisting of specific communication material. A webinar on internal channels was also organised for all the employees of the Milan HQ, in collaboration with **Antonio Traversi, Prysmian Group HSE Director**, and **Prof. Paolo Galli, infectious disease specialist of the Sacco Hospital in Milan**.

Furthermore, in addition to the usual controls before each entry onto the site (temperature scanner, triage, test, lateral flow tests), a new and more extensive version of the mobile app for booking the triage and medical check-ups was provided. In detail, the "Back Together" plan has been devised to plan specific shifts and different entry times, in order to limit attendance by setting maximum thresholds for the number of people in the building at any one time. Again as part of the prevention and protection initiatives, all employees were provided with additional packs of FFP2 masks for their free time and for family members, in addition to the weekly ones needed for use in the workplace. A special digital communication was prepared, together with signs, explaining how to use PPE correctly, the importance of sanitisation and use of meeting rooms with all the further prevention and protection measures designed to safeguard employees' health and ensure the correct social distancing.

In order to improve the initiatives dedicated to employees even further, the **"We Care"** campaign was launched in 2021, in order to offer **psychological and professional support in a series of appointments and meetings**. The initiative continued into the early months of the year and has highlighted the need people have to be heard and to talk about things. A pool of therapists specialised in dealing with trauma was provided for all employees to help them deal with the impacts of the so-called "pandemic fatigue", obviously in respect for their privacy.

As part of the "We Care" project, **a Covid-19 vaccination campaign for all employees and their family members was launched in July 2021** at the Milan HQ, followed by the **seasonal flu vaccination campaign** in November. This great example was also followed in other Regions.
The **New Global Working Policy** "Back to office", dedicated to remote working, was launched in September 2021. The policy, which will come into effect when the health emergency ceases, allows for use of remote working for up to 30% of the time (up to seven days a month) for eligible employees at global level. The internal communication campaign was promoted on the Intranet and on Workday through multilingual videos, surveys and follow-ups.
Video messages from the CEO, Valerio Battista, and the Senior Leadership Team (Business Update, Security Week, Sofa Talk) were broadcast periodically, in order to keep the community of 30,000 people informed about the Group's activities, through digital tools such as the Intranet and Workday, the platform that is also available on a mobile telephone and accessible to all non-desk workers.

DIALOGUE WITH SOCIAL PARTNERS AND COLLECTIVE BARGAINING

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.

In many of the countries where the Group operates, 2021, the second year of the Covid-19 pandemic, was again marked by the signing of agreements with workers' representatives and trade unions: all corporate processes or projects with an HR impact requiring union consultation were generally completed, with the formalisation of an agreement or, in any case, a report on the discussions held.

The union agreements covered the routine renewal of the economic and regulatory terms of current collective contracts, as well as new working hours and shift work where required by specific market conditions. During 2021, a year dramatically impacted by the Covid-19 pandemic, just as the previous year was, there was an intensive use of union consultations and negotiations, in order to share the best plan for prevention and protection of people in all workplaces, which, in compliance with local regulations, allowed the Group to fight the spread of the virus in its factories and workplaces.

2021 was, in fact, marked by strong union involvement in Italy, as at all affiliates abroad, in the Covid-19 prevention and protection plan: a set of health and safety measures with global guidelines, carefully coordinated centrally by the corporate HE and HSE functions, together with Top Management, that required a commitment and an unprecedented expenditure of energy and resources for the Group, in order to combat the invisible enemy that is the Covid-19 pandemic.

Around 62% of Group employees were covered by collective bargaining agreements in 2021.
As always with reference to organisational changes and the relative minimum notice period, the Group complies in each country with the relevant local regulations.

In addition, at European level, Prysmian managed to maintain discussions with the European Works Council (EWC), despite the general ban on travel continuing into 2021 as well, making it impossible to hold in-person meetings. The pandemic did, in fact, force the replacement of in-person meetings with remote meetings, which were made possible using a sophisticated video-meeting platform with support from "live" interpreters. This facilitated understanding of the interactions and discussion of the items on the agenda.

This was truly an important achievement in terms of technological innovation in a field, that of industrial relations, which is always reluctant to change established and traditional ways of working.

A new EWC was established within the Prysmian Group in March 2019, following the acquisition of General Cable in 2018. Starting from 2020, this Council comprises 29 union representatives from every European country in which the Prysmian Group operates.

The EWC executive body (known as the Executive Committee) comprises seven members, elected by the 29 members of the General Committee, from the following countries: Italy (chair), France (secretary), Netherlands (deputy chair), Germany, the United Kingdom, Spain and Sweden. There were no changes during 2021.

Collective conflict within the Group at global level was insignificant in 2021 and even less than in prior years, due to pursuit of the above industrial relations policy designed to prevent - through constant and constructive dialogue accompanied, usually, by proactive union consultation - any source of controversy that could potentially generate conflict at different levels.

OCCUPATIONAL HEALTH AND SAFETY

The Prysmian Group has always been committed to ensuring that the of the integrity, health and welfare of workers are safeguarded in their workplaces. The Group has a Policy for Health, Safety, the Environment and Energy that guarantees a commitment to compliance with good management procedures to ensure a safe workplace.

To ensure a systematic and concrete approach to safety, the Group adopts the OHSAS 18001/ISO 45001 health and safety management system at a number of locations. That document nevertheless represents a point of reference for production plants.

Aware that rules, training, information and technical aspects play a key role in the determination and management of risks and the prevention of injuries, the corporate HSE function directs activities and regulates key work phases with Procedures, Operating Instructions and Guidelines that are agreed with the Regions, Countries and Plants.

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 paths for the various categories of worker, depending on their roles, duties, levels of responsibility and working environment.

The commitment to unite all Prysmian employees around "Zero and Beyond", a shared vision of our Safety Culture, was strengthened during 2021. This campaign was launched in December 2020 and is supported by numerous initiatives at local level.

The Leadership in Health & Safety (LiHS) training programme continued during 2021, making a further contribution to the development of our Safety Culture. To date, 47 plants have participated in this training, with the involvement of 457 top managers and over 9,000 associates. Each training course has a duration of 3 days, with a view to strengthening leadership skills on safety matters and provide tools and methodologies for taking action in unsafe conditions. The following strategic objectives have been established for our Safety Culture:

- **IMPROVE** managerial commitment and involvement;
- **IMPROVE THE CROSS-FUNCTIONAL SKILLS** of HSE leaders and professionals;
- **REDUCE CULTURAL DIFFERENCES** and align practices;
- take steps to ensure that everyone **LOOKS AFTER THEMSELVES AND OTHERS.**

Training courses and targeted events have also been held for specific roles, such as regional, national and plant HSE managers, via the creation of a learning programme within the Prysmian Group Academy that has made it possible to hone the skills of our safety professionals, enabling them to reach higher levels of knowledge and know-how in the HSE prevention and control area. The "refresher training" provided throughout the year covered existing procedures, the work in progress and key safety concepts, with participation by HSE representatives from all levels of the organisation.

Monthly safety reviews were carried out at both plant and regional level in order to monitor the Group's safety KPIs and carry out in-depth analyses of the safety culture. These reviews identified weaknesses to strengthen via structured action plans and best practices to share with other plants. Each plant and Region reviewed was 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 has been consolidated.

All occupational health and safety projects presented to the Investment Committee were approved. These projects focused on 3 areas: Fire detection system, Water treatment management and Waste Management

The Group has taken a pro-active approach in continuing to tackle the Covid-19 pandemic. Preventive measures and actions were maintained throughout 2021, in order to safeguard occupational health and safety while guaranteeing business continuity.

Accidents at two Prysmian plants resulted in two deaths linked to the use of forklift trucks. In addition to informing the entire Group in order to raise employee awareness, Prysmian also developed an ad hoc risk assessment covering traffic management that was implemented at all plants. Having identified various risks, a campaign targeting traffic management was launched at all plants and will continue in the coming years.
The results presented in NFS 2021 comprise data for both the production plants and the shipping fleet. The data about injuries and hours worked was sourced from HSEDM - Safety, a section created during the year, in accordance with OSHA methodology, to differentiate the information about Prysmian employees (fixed contract and permanent) from that regarding Temporary Agency Workers. The HSE Event – Blumatica tool was used to collect the analyses of injuries and obtain detailed information about the types of injury and the types of lesion.
The ambition for 2022 is to manage to implement a single software application that can manage the quantitative and analytical parts in a combined manner.

The 2021 numbers include the vessels and EHC, the company acquired in January 2021. The numerical analysis of injuries during 2021 identified 443 events with a loss of working days[12], comprising 394 affecting Prysmian employees and 49[13] suffered by temporary agency workers. Among all injuries, 11 to Prysmian employees and 1 to a Temporary Agency Worker resulted as accidents with serious consequences[14]. Injuries are also monitored with reference to their severity, considering days absent from work; a total of 13,452 days were lost, of which 12,449 among internal personnel and 1,003 among Temporary Agency Workers. The overall 2021 health and safety data for the Group is provided below, distinguishing between Prysmian employees and Temporary Agency Workers.

	PRYSMIAN GROUP (2021)*	PRYSMIAN	TEMPORARY AGENCY WORKERS
Severity rate (IG)	47.19	46.98	49.92
Frequency rate (IF)	1.55	1.49	2.44
Hours worked**	57,015,618	52,997,509	4,018,110

*   Figures refer to Prysmian employees and external personnel, also including Prysmian Group's fleet
**   Since 2021, data regarding hours worked is available and, unlike in previous years, is not based on estimates.

12 In calculating accidents, only those that occurred at the workplace were considered, excluding commuting accidents, except in cases where transport was organised by the company. In accordance with Prysmian's internal procedures, the accidents presented (recordable accidents) are those that resulted in an absence from the workplace for more than 24 hours.
13 The death, included among the 49 events, regarded a contractor and not a temporary agency worker.
14 Accidents with serious consequences are all those in which the worker does not recover within six months or is not reasonably expected to recover within six months.

The most frequent types of injury for Prysmian employees and temporary agency workers are shown in the table. In most cases, they affected: Hands, 42.49%; Back, 18.94%; Lower limbs, 9.9%, and Feet, 9.47%.

TYPES OF INJURY	%
Wounds	30.95
Bruising	24.48
Twists, pulled muscles	20.79
Fractures	11.78

With regard to the number of occupational diseases, a total of 58 cases were identified within the Prysmian Group perimeter during 2021. These affected the respiratory system (55%), the hearing system (29%) and the musculoskeletal system (16%). Only cases closed and recognised in 2021 as positive have been counted.

2021				
	Argentina	France	Portugal	Total
Respiratory system diseases (COVID-19)	32	-	-	32
Hearing system diseases	17	-	-	17
Musculoskeletal system diseases	-	8	1	9
Total	49	8	1	58
%	84%	14%	2%	100%

2021			
Hazards[1]	Associated risk	No. occupational diseases	Actions taken to eliminate the hazard and minimise the risks[2]
Covid-19 pandemic		32	Implementation of the Prysmian Covid-19 Protocol
Noise	Hearing system damage	17	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[1]
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	9	Ergonomic analysis of the plant to minimise physical effort and repetitions
Total		58	-

1   Consult the specific plant RADs for the relevant hazards.
2   Consult the improvement plans linked to the RADs for the relevant actions.

See the information provided in the Annexes for further details about the health and safety data.

Commitment to the Communities

Creating value for stakeholders requires the direct involvement of people. Our people are not just employees, but also the communities and territories in which we operate and interact, consistent with our values, mission and vision.

One of the drivers of the sustainability strategy consistently adopted by the Prysmian Group over the years is "Community Involvement", in order to create value for all stakeholders and contribute to the sustainable development of the territories.

The Group has therefore adopted a Corporate Citizenship and Philanthropy policy since 2019, currently being updated, 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 deliverable contributions, the guiding principles and operating methods, as well as monitoring and the methods of communication of the activities. **In 2021, around Euro 1,705,000[15] was donated to local communities** in contributions in cash, in kind and in the form of time.

TYPE OF INITIATIVE

- 82.4% Communities
- 14.4% Charitable gifts
- 3.3% Business initiatives

TYPE OF ASSISTANCE

- 93% Donations in cash
- 1.2% Donations of time
- 5.8% Donations in kind
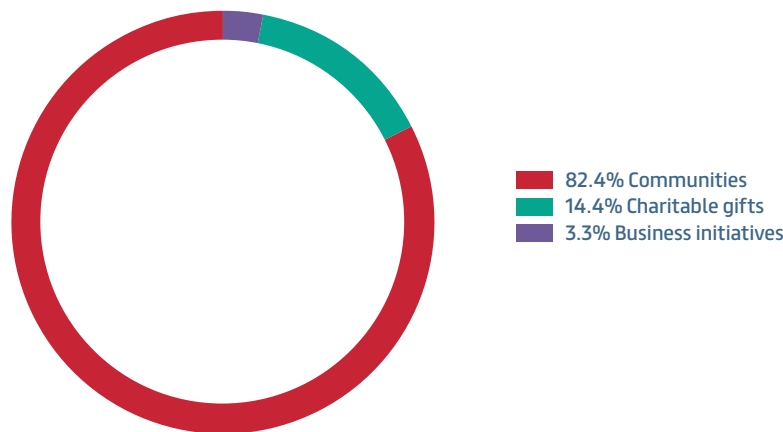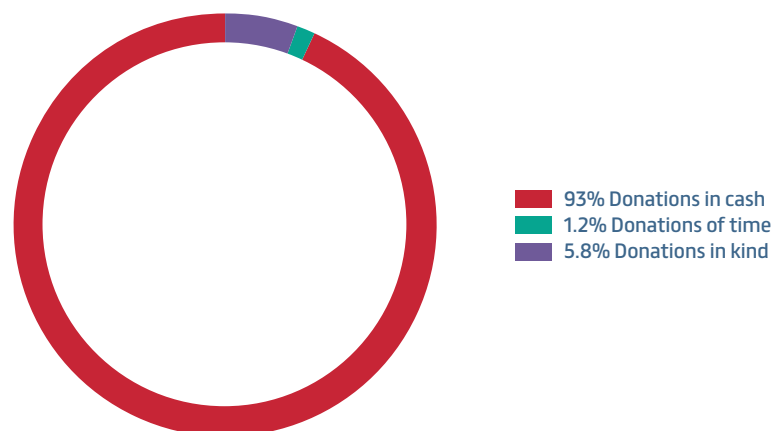
15   The figure refers to the main initiatives undertaken in the following countries: Portugal, Czech Republic, France, Spain, Romania, Germany, Hungary, Slovakia, Estonia, Norway, Sweden, Finland, North America, Turkey, Italy, China, Costa Rica, Mexico, Colombia, Brazil, Australia (to be confirmed), and therefore differs from the value of donations and sponsorships used within the added value, which considers all the transactions undertaken by the group as donations and sponsorships.

RECIPIENTS OF INITIATIVES

- 8.3% Education and youth
- 3.2% Health
- 71.3% Economic development
- 1.8% Environment
- 4.2% Arts and culture
- 4.4% Social welfare
- 2.8% Humanitarian aid
- 0.1% Sport
- 3.9% Other
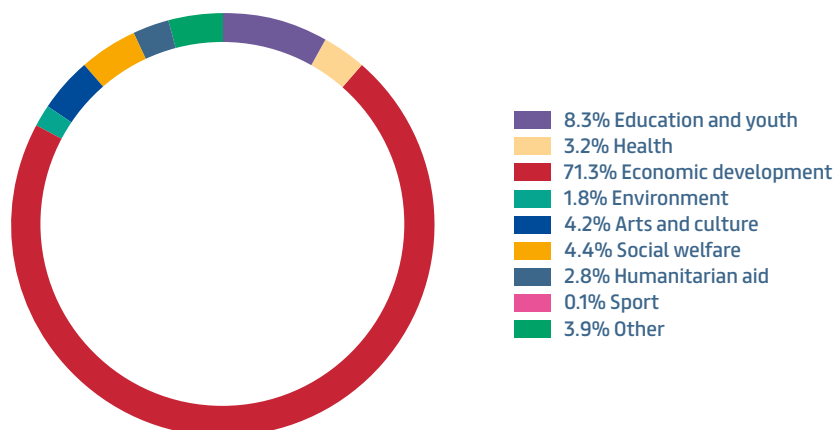
AID FOR COMMUNITIES

In the context of the Prysmian Group's Corporate Citizenship and Philanthropy Policy, the company has joined the Business Volunteer project, activating a series of social initiatives that provide for the active contribution of its employees through the "donation of working hours". The main voluntary work initiatives carried out worldwide included:

The "Protezione Associazione Nazionale Alpini" initiative in Italy

In 2021, the Prysmian Group donated yellow and blue uniforms to a team of emergency responders.
Fourteen volunteers of the Italian Civil Protection Agency in Cernusco Lombardone, a small town between Milan and Lake Como, who helped their town during the outbreak of the Covid-19 pandemic, received a windbreaker, a thermal jacket, shirts, trousers, turtle-neck jumpers and caps. The donation, worth Euro 5,000, forms part of the Prysmian Group commitment to contributing to the communities in which it operates. These Civil Protection teams primarily serve their local communities, but also operate during national and international disasters.
After the intensive experience at the field hospital of the Alpine Regiment in Bergamo during the second wave of the Covid-19 pandemic, the situation gradually improved for the Cernusco Lombardone unit, which is part of the Alessandro Merlini unit of the Associazione Nazionale degli Alpini (National Association of Alpine Soldiers), Lecco Section. One of the most recent duties was providing protection during weekend religious ceremonies, together with other members of the Alpine Regiment. The team's main project was creating a specialised group dedicated to the use of drones for surveillance purposes. These flying robots have heat cameras installed and can be used to find missing people or to manage evacuations, explains Longoni.

The "Rewrite the Future" campaign of Save the Children

Prysmian Group once again supported the "Rewrite the Future" campaign of Save The Children in 2021, continuing a commitment with this non-profit organisation that started in 2020. The Group's donation contributes to supporting 26 "Spotlights" present in the country, which are high-density educational spaces located on the outskirts of 20 cities, in 15 regions. This network offers girls and boys between the ages of 6 and 17 the opportunity to participate, free of charge, in training and educational activities, such as assisted study, art and recreational workshops, innovative workshops for the development of digital skills, physical activities, workshops dedicated to environmental education and healthy lifestyles. Support for parents and legal advisory, psychological and paediatric services are also offered in these spaces. Thanks to the involvement of various sponsors, Save the Children has achieved the following objectives:

- 62,218 vulnerable children and adolescents helped, with direct and indirect interventions involving families and teachers throughout Italy;
- 1,670 vulnerable families have received "care packages", or material assistance (vouchers, payment of utilities, expenses, etc.) and assistance in achieving long-term independence;

- 2,699 children and adolescents have received "educational packages" and digital devices (tablets and connections);
- training of 4,040 teachers in 623 schools on innovative educational and teaching approaches;
- over 15,000 teachers reached through initiatives supporting remote teaching.

The donations to "Pane Quotidiano" in Italy

Prysmian Group, driven as ever by a spirit of solidarity, supports people in difficulty, the less well-off and the needy and vulnerable.

During the 2021 Christmas festivities, the Prysmian Group organised a donation open to the employees at HQ. For each Euro donated by its employees, the Group donated the same sum to the Onlus Pane Quotidiano non-profit organisation in Milan, which has been operating in the social area for years and has now become a point of reference for many families in difficulty, particularly as a result of the pandemic.

Support for the "Amici di Brera" cultural association in Italy

The initiative has been developed to promote the artistic, cultural and civil heritage of the Brera Academy in Milan, an institution that forms a vital part of the city of Milan and its identity.

The Prysmian Group has made a simple gesture to participate in the socio-economic development of the Milanese community, as part of the Group's sustainability initiatives.

Creation of value for our stakeholders and for the communities where Prysmian operates represents the end goal behind the Group's commitment to pursuing sustainable growth.

Donation to the "Tema foundation" in Turkey

In 2021, the Prysmian Group made a donation to the Tema Foundation in Turkey for protection of the natural habitat and to prevent soil erosion.

05_SUSTAINABLE INNOVATION & LEAN MANUFACTURING

Being a low-carbon transition and digitalisation enabler requires an ability to constantly promote innovation. This has always been a distinctive feature of ours and represents the foundation of all our environmental and Social Ambitions. We are steadily committed to developing not only innovative technologies and products, but also leaner production processes that have an increasingly lower environmental impact.
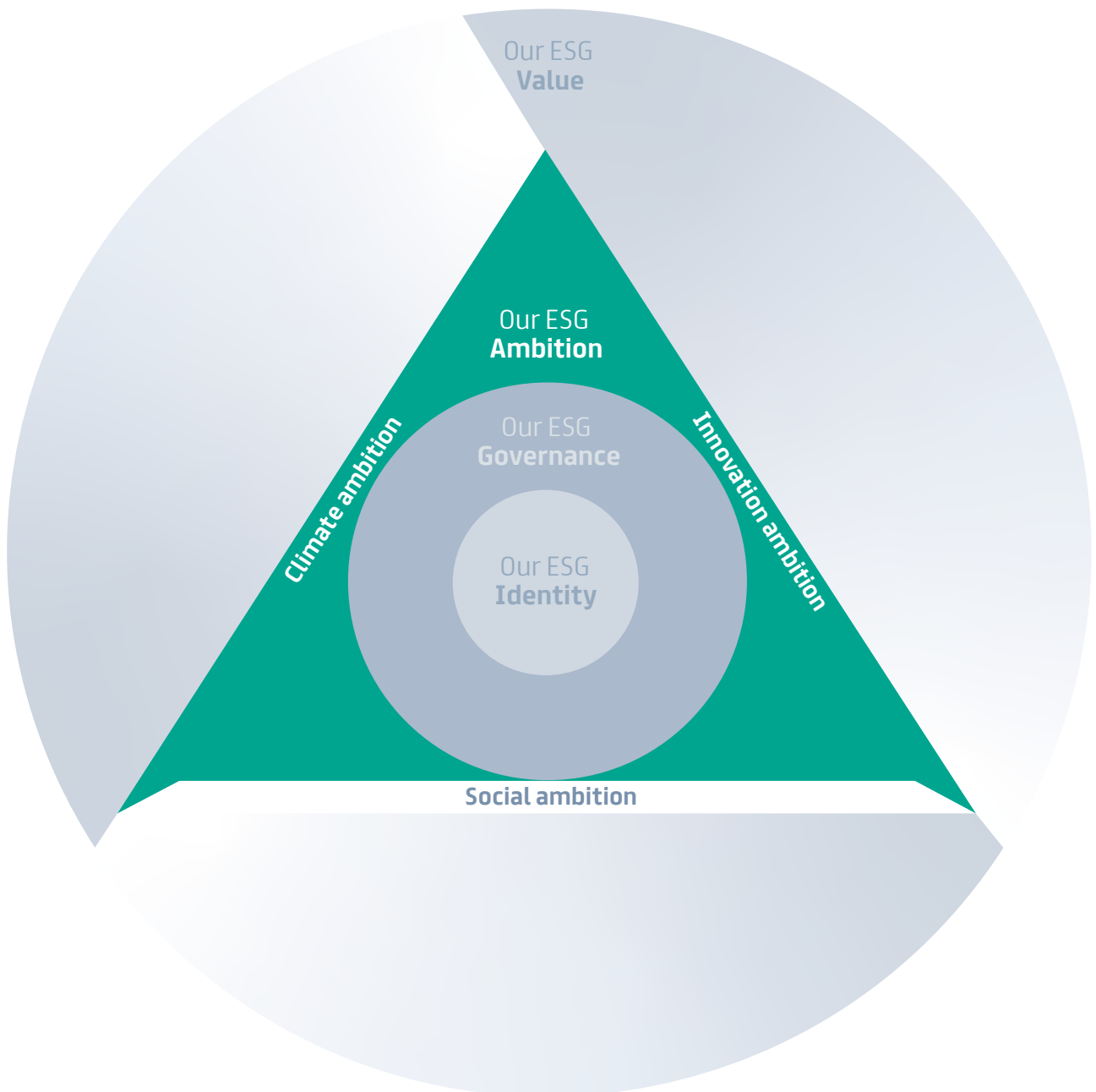
Sustainable Innovation

Our journey has led us to consider innovation and sustainability as two inextricably intertwined elements that are pushing us towards a holistic and integrated approach: our innovation efforts reinforce our purpose and long-term ambitions.
In 2021, we also incorporated sustainability into the creation of customer value, making it tangible and visible, thanks to the Eco Cable green label.

Globally Prysmian Group R&D consists of more than 900 professionals, spread in 26 R&D centers in the world. The HQ R&D located near the Headquarters in Milan, acts as coordinator of the activities performed in the local R&D centers and as promoter of special breakthrough innovation projects, oriented on a medium- and long-term perspective.
It includes laboratories where development of new cables and technologies can be performed in full autonomy, being able to count on an experimental prototype room for production of cables and compounds, on an electrical testing facility, equipped with the most advanced systems for EHV cables testing, and a physical-chemical lab gifted with cutting-edge instruments dedicated to deeply analyze cables and materials properties.

Local R&D centers act operatively on new products development, design to cost and product family rationalization.

2021 NUMBERS

107*
million euros
invested in R&D

about **5,600**
patens covering
the main innovations

26
research centres

298
product families
launched in 2021

50
collaborations with research
centres and universities

900
professionals

*94 million euros in operative expenses and 13 million euros in investment expenditure.

2021 HIGHLIGHTS

- Reinforced role of Sustainability in the R&D activity, acting as leading force for the whole Innovation process of the Company. Strong focus on decarbonizing the product portfolio in all segments / businesses and working closely with our customers / suppliers to cut the emissions in the supply chain.

- Covid-19 situation properly managed in almost all the countries, with not relevant impact in daily activities and operations. The company learned how to deal with the pandemic, by putting in place all the necessary measures in order to preserve the health of people, considered the leading priority in all regions and at all company levels.

- Materials Shortage was a sever issue for the Company starting in Q2 and is still far from the normalization. The supply chain disruptions and the strong growth of raw materials prices was properly managed by putting in place fast track procedures for qualification of alternative materials, leveraging on the strength of the company and the global presence.

- **2021 was an exceptional year in terms of DTC, both activities and related results. Final result (48.4 Mln €) is the highest ever achieved**, overcoming 7% the Company best year results (2019, 45.4 Mln €). DTC helped to mitigate variable cost inefficiencies (shortages and raw materials price volatility related for the most part) and enhance product competitiveness across several segments.

- New products introduction (NPI) activity showed a significant increase, with 14% vitality (was 13% in 2020) and almost 300 new product families launched in the year (were 200 in 2020).

- Following the success of the Innovation Contest launched in 2019 and awarded in 2020, a new edition has been launched in 2021 in collaboration with an important customer and channel partner operating in Multimedia & Enterprise Solutions.

INNOVATION ECO-SYSTEM

When carrying out research, the Prysmian Group is aware that today - as evidenced by the SDGs - it is essential to develop partnerships with all relevant stakeholders: from the academic world to independent research centres, from suppliers and all supply chain counterparties to our customers, whose collaboration and feedback are extremely important for the identification of those requirements that need the greatest attention.

ECOSISTEMA DELL'INNOVAZIONE

ACADEMIC CENTRES　　　　**CUSTOMERS**　　　　**SUPPLIERS**

PARTNERSHIP

Prysmian and General Cable have established consolidated collaborative relations with more than 50 major universities and research centres around the world. These collaborations, strategic for the Prysmian Group, support cutting-edge technological research and allow the adoption of state-of-the-art innovations in all areas relevant to the wire and cable industry.

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

Politecnico di Milano (Italy)	Wuhan China Electric Power Research Institute (China)
Università degli Studi di Salerno (Italy)	Polytechnical University of Bucharest (Romania)
Università di Palermo	Technische Universitat Berlin (Germany)
Università di Bologna	Technische Universitat Dresden (Germany)
Università di Padova (Italy)	Oulu university (Finland)
National Electrical Energy Research & Application Center (USA)	Yaroslavl State Technical University (Russia)
Rice University (USA)	Saint -Petersburg State University (Russia)
Purdue University (USA)	National Research Tomsk Polytechnic University (Russia)
University of Central Florida (USA)	Tallinn university (Estonia)
Oak Ridge National Laboratory (USA)	CIDET - Centro de investigación y Desarrollo del Sector Eléctrico Colombiano (Colombia)
Centro de Pesquisa e Desenvolvimento em Telecomunicações (Brazil)	UFAL – Universidade Federal De Alagos (Brazil)
Universitat Politecnica de Catalunya (Spain)	CEPEL - Centro de Pesquisas de Energia Elétrica (Brazil)
Shanghai TICW (China)	LACTEC - Instituto de Tecnologia Para o Desenvolvimento (Brazil)
Infosys Advanced Engineering Laboratory (India)	Virginia Polytechnic Institute and State University (USA)
Fraunhofer Institute (Germany)	SCITEC - Istituto di scienze e tecnologie chimiche "Giulio Natta"
University of Lille (France)	
Nokia Bell Labs (USA)	National Institute of Information and Communications Technology (NICT - Japan)
Università di Strasburgo (France)	Università degli studi dell'Aquila (Italy)
Universidad de Cantabria (Spain)	University of Ontario Institute of Technology (UOIT) – Canada
Technical University Of Delft (The Netherlands)	University of Toronto (UoT) – Canada
University Of Groningen (The Netherlands)	Shanghai Jiao Tong University – China
Universidad Nacional de la plata (Argentina)	

The specific research carried out includes:

- **Carbon Hub**: in 2021 CH awarded 7 research projects to 6 different research centres and universities for a total budget of about 700 kUS$ and a possible extension in 2022 of the same of other 600 kUS$. At the end of the year CH started the selection of new projects among the 17 proposals with a cumulated budget to be allocated of about 1 mUS$. The activities on the different projects have shown significant progresses and promising results. The CH Consortium has also grown with two new important partners who have joined the initiative.

- **Multiple institutes**, among which Università di Salerno, Politecnico di Milano and SCITEC, carried out the study of thermoplastic polymeric mixtures for enhanced HVDC application, under the coordination of HQ R&D. New polymeric mixtures and additives have been proposed in view of optimization of special characteristics like hydrophobicity, electrical resistivity and thermo-mechanical resistance. Special attention has been dedicated to the study of the dynamic-mechanical properties of the newly developed polymeric mixtures, in view of optimization of their rheology and finally their processability in the extrusion machinery.

- **NICT**: collaboration for development of large-capacity transmission using a single-core few-mode fibre; new speed record set of 1 Petabit per second in optical fiber data transmission, 5.7 times more than previous rate with single mode fiber.

- **UFAL**: 3 projects/activities performed in collaboration with UFAL in 2021. Reduction of inspection costs at Prysmian's production plants with the development of software to facilitate scheduling, reporting and enable remote inspections; execution of research activities and the development of a computer machine vision system capable of identifying normalized visual aspects in automobile cables; execution of research activities and the development of a web software system that allows Prysmian to carry out the training of employees in a virtual way, including a 3D environment

- **Infosys**: E3X technology is related to high performance coating to be applied on OHL conductors in order to improve the power transmission efficiency (more power or less losses). With Infosys PG has developed a set of robots able to apply the E3X coating on live lines, upgrading them to about 20% of their capacity. In 2021 the first full scale field trial has been successfully performed with one of the most important utilities in NA

- **TU Delft**: in 2021 we worked with TU Delft about design and development of LVDC cables, modelling LV energy cables in bipolar and monopolar DC systems. Key active parameters of DC cables that were expected to have an influence on the system performance and the line current during short circuit were taken into consideration

- **Electric motorway**: The project, started in 2020 by BreBeMi, has the target to study and assess on a real scale circuit the dynamic wireless EV charging solution. On this 1 km circuit there is the opportunity to test many different materials, components, vehicles and solutions to validate this technology. PG is part of the consortium led by BreBeMi as provider of the LVDC power cables, the installation and the associated monitoring system. In Dec 2021 the first complete trial of the system has been successfully executed with one E-Bus and one E-Car running on the circuit

- **Politecnico di Milano**: Since few years PG 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. Moreover this study has opened other streams of research on the armoring materials and related measurement techniques to develop a new generation of steels specific for this application.

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 in virtual mode due to the anti-Covid-19 restrictions - with a view to outlining the active role played by the Group in implementing the changes underway.

The Group took part in the following conferences:

- **FTTH Council Europe Conference, December 2021**: workshop on how to enable fibre densification using advanced optical cables; presentation during the "Voice of the Industry" session: "Improving TCO and Network Sustainability With Advanced High Density Cable Systems"; (A. Amezcua - Prysmian Group Technical Sales Support Manager) panel "Sustainability Strategies: Is Fibre the Solution, or Part of the Problem?" (P. Vanhille - Prysmian Group Telecom Division Executive VP)
- **CRU World Optical Fibre & Cable conference, November 2021**: panel "Optical Fibre and Cable Leadership" (P. Vanhille - Prysmian Group Telecom Division Executive VP)
- presentation on fibre/cable innovation/sustainability thanks to Sirocco HD (A. Amezcua - Prysmian Group Technical Sales Support Manager)
- **CRU Cable and Wire Conference, May 2021**: 2 keynote presentations:
  Energy session - F. Fanciulli (Prysmian Group Energy Division Executive VP)
  Telecom Session - P. Vanhille (Prysmian Group Telecom Division Executive VP)
- **FT ETNO Tech and Politics Forum, November 2021**: participation in the panel: "Europe's Digital Infrastructure Investment Challenge"
- **EUEW Conference, November 2021**: panel on innovation and sustainability (S. Siripurapu - Prysmian Group Chief Innovation Officer)
- **US Department of Energy CABLE R&D Workshop, April 2021**: Supply Chain Panel for Manufacturing Initiative for Improved Conductors that support Widespread Electrification (S. Siripurapu - Prysmian Group Chief Innovation Officer)
- **IOTHINGS WORLD, September 2021**: presentation by R. Candela (Prysmian Electronics BU VP) of a white paper on data-driven monitoring solutions for electrical systems in the "Data Analytics" and "Internet of Energy" sessions.

- **CIGRE (Paris) - 18-19 August 2021**: "We Are Redefining the Possibilities in Power Transmission Cable Technology"; Prysmian attended as sponsor and panelist in the person of M. Marelli (Prysmian Group Projects System Engineering VP).
- **OFFSHORE WIND JOURNAL - 6 September**, panel "Next Generation Cable-Lay Vessels and Technology"; panelist: H. Ozmen (Prysmian Group Projects Division Executive VP (IA))
- **AWEA Offshore Wind Power Conference 2021 (Boston) - 13-14 October**: presentation of a cutting-edge product and service range (66 kV inter-array cables; 275 kV (three-core) and 400 kV (single-core) AC export cables; 525 kV DC cable solutions)
- **Wind Europe (Copenhagen)** - 24 November, speaker: D. Waimann (Prysmian Group Projects CCO SVP (IA)) - "Future Outlook of HVDC Cables" and how international targets for wind power and other sources of renewable energy are driving HVDC energy transmission; - 25 November, speaker: H. Ozmen (Prysmian Group Projects Division Executive VP (IA)) - access to main materials as volumes increase; auction design and local value creation in "How to Improve the Competitiveness of Europe's Wind Industry".
- **FINANCIAL TIMES DIGITAL DIALOGUE** - "Ensuring This is the Decade of Delivery for the Energy Industry", 2 December, panelist: H. Ozmen (Prysmian Group Projects Division Executive VP (IA)
- **REUTERS EVENTS** - "Energy Transition Europe 2021" - 23 November, panel "New Energy, New Challenges: Electrification, Flexibility, and the Grid", panelist: H. Ozmen (Prysmian Group Projects Division Executive VP (IA))
- **Il Salone della CSR e dell'innovazione sociale** - "Rinascere Sostenibili": M.C. Bifulco (Prysmian Group CSO and IR Director), 12 -13 October 2021; F. Rutschmann (Prysmian Group CHRO) 12 October 2021
- **"Il tempo delle donne"**: C. Farisè (Prysmian Group MEAT Regional CEO (IA)), 7 April 2021; topic: gender equity
- **Corriere.it** - "Capitale Umano", Corriere della Sera - M.C. Bifulco (Prysmian Group CSO and IR Director), 16 July,
- F. Rutschmann (Prysmian Group CHRO) 23 July
- **Bloomberg Green** - H. Ozmen (Prysmian Group Projects Division Executive VP (IA)), M.C. Bifulco (Prysmian Group CSO and IR Director), F. Rutschmann (Prysmian Group CHRO), S. Siripurapu (Prysmian Group Chief Innovation Officer)
- **National Geographic** - H. Ozmen (Prysmian Group Projects Division Executive VP (IA)), S. Siripurapu (Prysmian Group Chief Innovation Officer)
- **Il Sole 24 Ore** - Global Inclusion, F. Rutschmann (Prysmian Group CHRO), 29 November 2021
- **Il Sole 24 Ore** - Italian Energy Summit, V. Battista (Prysmian Group CEO) 29 September 2021
- **RCS Academy** - Corriere della Sera - Green Talks: "Transizione Green e Investimenti: verso una Nuova Energia", 19-21 October 2021 - V. Battista (Prysmian Group CEO), M.C. Bifulco (Prysmian Group CSO and IR Director),
- **Il Sole 24 Ore**, M. Battaini (Prysmian Group COO) "Made in Italy Summit", 11 June 2021 and 6 October 2021
- **La Vita Sott'acqua for Strategy Innovation Forum** - L'impatto degli SDG sui modelli di business, September 2021 with Fulvio Lino Di Blasio, President of the North Adriatic Sea Port Authority, Fabio Gallia, General Manager at Fincantieri, Jan Pachner, Secretary General at One Ocean Foundation, Giulio Bonazzi, Chairman and CEO at Aquafil, Stefano Brandinali, Chief Digital Officer & Group CIO at Prysmian Group
- **Gender Equality, Diversity and Inclusion in Manufacturing** - World Manufacturing Forum 2021, Cernobbio (CO) - Young Manufacturing Leaders' Main Event, October 2021 with Carlotta Dainese Prysmian Group as Keynote Speaker
- **Think Summit Italy for IBM** - Creare Piattaforme Di Ecosistema, October 2021 with Stefano Brandinali, Chief Digital Officer & Group CIO at Prysmian Group, Marco Ballan, Public Cloud Sales Leader at IBM Italia, Claudia Vanni, Giornalista at TGCOM24, Mediaset Group
- **La visione strategica dell'ICT come chiave della trasformazione sostenibile e della ripartenza delle nostre Imprese** Digital Italy Summit 2021, La resilienza del digitale, October 2021 with Stefano Brandinali, Chief Digital Officer & Group CIO at Prysmian Group, Nicoletta Mastropietro, Chief Information Officer at Leonardo, Massimo Rosso, ICT Director at Rai
- **FINANCIAL TIMES DIGITAL DIALOGUE** - "Delivering Green Energy through Finance and Innovation", 16 December 2021, Keynote Presentation (S. Siripurapu - Prysmian Group Chief Innovation Officer)

AREAS OF INNOVATION IN PRYSMIAN GROUP

1. R&D

The key areas in which the Group primarily invested relate to factors fostering the development of cabled infrastructure for power and data transmission: extra-high voltage underground systems for power transmission, increasingly longer and efficient cables capable of being installed at increasingly greater depths, fibre optic solutions that can contain the largest number of cables in a miniaturised space and that can be used easily in the field.

ENABLING ENERGY TRANSITION & DIGITALIZATION

PUSHING THE BOUNDARIES OF UHVDC

▶ Industry first to qualify both 525kV XLPE and P Laser solutions

GOING DEEPER INTO THE SEA WITH LONGER LENGTHS

▶ 1° high depth submarine cable with synthetic armor

TRANSFORMING THE OPTICAL FIBER LANDSCAPE

▶ Sirocco Extreme with 180μm Fiber Nano Cables Super high density FlexRibbon up to 6912f

DIGITIZATION OF PROCESS AND PRODUCTS

▶ Smart cable solutions From Data to Insight Augmented user experience

ACCELERATING INNOVATION WITH CORPORATE HANGAR START-UPS

▶ Alesea Kablee Cultifutura

MONITORING THE GRIDS WITH PRYSMIAN ELECTRONICS

▶ Pry-Cam HOME Pry-Cam DTS

2. DIGITAL AMBITION

Providing solutions for the energy and telecom sector is the next step for Prysmian Group's future, guided by the "digital ambition" principle that will expand on the current leading position as cabling system manufacturer. Digital tools and solutions are being currently leveraged to optimize business performance: digital products and services will help in sustaining the Group's growth strategy, supporting collective intelligence by digitalizing the company's culture. This ambition is based on 3 pillars:

- efficiency through data, to reduce waste and improve performance.
- develop value-added digital products, by extracting and generating value from enterprise data.
- foster new digital practices in the organization, to empower the entire workforce.

Innovative digital technologies play a central role in making room for growth that both benefits the customer, the Group and external stakeholders, by optimizing the use of resources and guaranteeing accountability in tracking our results and guaranteeing high quality standards by leveraging the vast amounts of data that is already present. With more than 10 technologies in exploration, 5 projects in experimentation, 5 projects in integration and more than 30 Digital Local Partners all around the world, Digital Innovation brings us closer to a holistically approached sustainable development, addressing economic sustainability by amplifying outputs from the same amount of inputs, social sustainability by bringing people closer from afar and environmental sustainability by allowing for the most efficient use of resources.
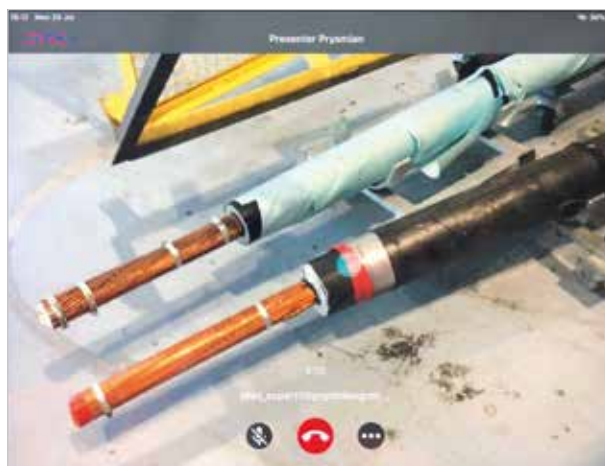
3. PRYSMIAN'S OPEN INNOVATION INFRASTRUCTURE: CORPORATE HANGAR

Prysmian Group confirmed its commitment with Corporate Hangar for an additional 3 years to accelerate its path towards innovation and sustainability. In 2021, Corporate Hangar enlarged the projects base with Prysmian and the startups started delivering solid and measurable results.

Alesea, a virtual assistant for cable management, sold 8.000 devices for HV cables and it has been included by Enel in a global tender for cable supply in 2022-2025. Moreover, Alesea has generated a family of IoT solutions with the aim of monitoring locations for different purposes. The main spin-off Reviot, an IoT solution to monitor in real time the position and status of logistic assets, started generating revenues in 2021 and will be fully deployed in 2022.

Kablee, a digital user-friendly marketplace for cable and electrical component purchases, reached more than half a million of sales in 2021 and it is enlarging its presence towards other markets and product catalogues. Kablee has generated new projects also: Kablee CARE, a two-sided marketplace for cable scraps and short lengths with a strong commitment to reducing scope 3 emissions by avoiding waste and disposing in a sustainable way, and Kablee RURAL, a solution to bring FTTH to rural communities.

Cultifutura is a vertical farming solution with the mission to "unite people through the experience of growing their own food and the desire to make our world more sustainable". The startup has sold 4 pilot projects and has delivered the first one in 2021 with very good results. Prysmian will start its Cultifutura project in Spring 2022.

SUSTAINABILITY BY DEFAULT

In 2021, Corporate Hangar introduced a new core value based on an input by its employees: "Sustainability by default". Corporate Hangar has started many sustainability projects like Green Hangar, a project aimed at separating mixed plastic waste and enhancing it with a patented additive to generate high-quality recycled plastic; or Pry-Cam Industrial & energy efficiency, a platform designed for industrial customers to manage energy quality and efficiency through IoT devices installed in the plant. These and other projects will contribute to Prysmian reaching its sustainable goals.

4. PRYSMIAN ELECTRONICS

In 2021 Prysmian Electronics focused on the completion of the development of the three-phase version of PRY-CAM HOME, a monitoring system for low voltage applications both residential and commercial based on PRY-CAM technology and that allows to measure the main parameters of low voltage electrical installations. Another important accomplishment is the large-scale production of PRY-CAM DTS, successfully certified for all cable market applications and massively installed since the end of 2021 in a large number of power transmission cable systems.

This successful development is fully in line with the Group's R&D roadmap that finds its fulfilment in the acquisition of Omnisens S.A. at the end of the year. The acquisition does not only complete Prysmian Group's product portfolio of monitoring solutions, but it also creates a true technological pole fully dedicated to asset management solutions, inside the company. The merge is aimed also at increasing the focus on new developments related to the cable industry and in particular in submarine cable applications, thanks to patents owned by Omnisens S.A that could create added value in synergy with a cable maker. With the acquisition the Group aims at using Prysmian Electronics' AI expertise to strengthen and expand the application of the DAS, technology acquired with Omnisens, in markets that currently are not targeted at all (railways, military, etc.). The technologies owned by Prysmian Electronics and by Omnisens are integrated within a new business entity, EOSS – Electronics and Optical Sensing Solutions - that represents the only player in the market able to provide a complete monitoring solution for cable applications (wind, solar, power transmission and distribution).

Innovation Steering Committee

In 2021, the Prysmian Group Innovation Steering Committee created an operating rhythm to consolidate our innovation focus areas and enhance the entrepreneurial culture of our employees. The following measures were instituted combining the strengths of R&D, Prysmian Electronics, Corporate Hangar and Digital Innovation:

- Creation of a global INNOVATION PORTFOLIO aligned with the group goals to be an innovation LEADER IN ENERGY TRANSITION AND DIGITALIZATION, ensuring high potential projects are accelerated with the right resources;
- Increasing our R&D spend linking our Innovation efforts to Sustainability in support of our CLIMATE AMBITION;
- Enhancing collaboration both internally and externally to deliver HIGHER VALUE ADD PRODUCTS AND SERVICES that transform Prysmian as a wire and cable solution provider to address our customer needs.

INTRODUCTION OF NEW PRODUCTS

The introduction of new products (NP) is tracked as a routine activity, to highlight the effectiveness of our R&D departments. The main purpose of this process is to increase awareness of the growing importance of innovation as a success factor and the development of new products as a driver for improving the performance of the organization.

The consolidation of the New products process, together with GC Legacy, provides a new value in order to sustain the business, overcome competitors and acquire new customers.

Main New Products Activities:

- **New Products Tool** (created internally on Qlikview and updated automatically) developed to support analysing economics of new products and to track the top projects during the three-year vitality period. The Tool is currently used globally for all Regions and Businesses.

- **Global Innovation data management software (Sopheon Accolade®) implementation (2021-2022)** standardizes the new product development work process for Prysmian globally. It provides a unique platform for prioritizing the projects with highest value, decision making on the projects during execution and driving project execution.

During 2021 the R&D function executed a large number of new product development projects resulting in:

Over **90** new products in the Innovation category

Over **700** new products in the Development category

The **Group Vitality Result 3Q 2021** compared to 3Q-2020 **increased** from **13.0% to 14.0%**:

PRYSMIAN GROUP	NET TURNOVER TOTAL RESULT (K€)	NET TURNOVER NP (K€)	%
3Q2021	7,750,532	1,083,244	14.0
3Q2020	6,429,117	836,668	13.0

NP CATEGORY	NET TURNOVER NP (K€)	%
Innovation	52,159	0.7
Product Development	575,223	7.4
Technology Transfer	455,864	59

OVERALL NP RESULT – 2021 ACTIVE NEW PRODUCT FAMILIES BY BUSINESS UNIT
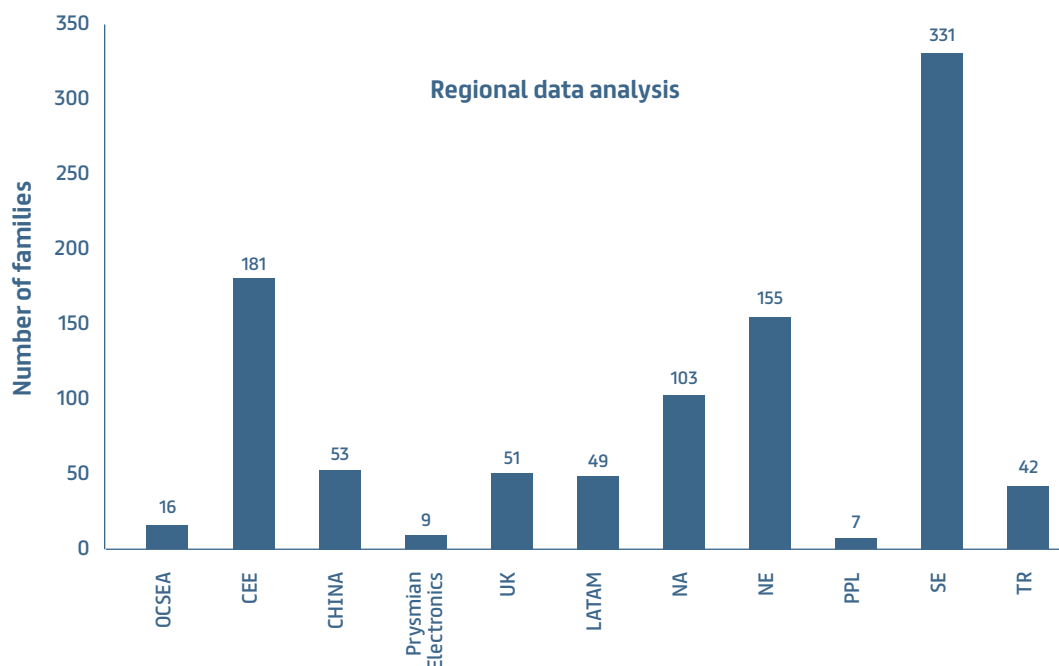
MONITORING OF HAZARDOUS SUBSTANCES

- Tracked Hazardous Substances according to Reach / Rohs regulation
- List of Hazardous Substances updated according to ECHA publications in Jan and July 2021
- Application of the new system for tracking of Hazardous Substances content in Energy cables in following countries : Italy, France, Spain, Portugal, The Netherlands, Finland, Sweden, UK, Germany, Australia.
- Materials containing Hazardous Substances used in the a.m. countries fully mapped and flagged
- Calculation of overall Hazardous Substances content in each Energy cable item completed in Italy, France, Spain, Portugal, The Netherlands, Germany.

CARBON FOOTPRINT (CFP)

- CFP calculation enabled for cables produced in Oman Cable Industries (OCI) facilities.
- CFP calculation still missing in ex GCC areas of : North America, Costarica, Mexico, Colombia.
- Planned 2023 in North America, with the launch of the new Cable Builder kernel.

ECO-LABEL FOR CABLES

- Eco Cable labelling system launched in the market for Italian Energy products in May 2021
- Very positive rection from the Italian market; main interest from Distributors and installers working in Renewable Energy area
- Eco Cable criteria fully calculated for the complete Energy cables portfolios of following countries : Spain, Germany, France, The Netherlands
- Calculation limited to cables pertaining to E&I portfolios in following countries : Finland, Sweden, United Kingdom, Australia
- Defined an enhanced score for transmission efficiency criteria, considering more detailed cable design parameters, to be launched in 2022.
- Under definition the parameters for TLC cables, including MMS; to be launched in this area in 2022.

PROJECTS

R&D PROJECTS - SUBMARINE

500kV DC solution for very high depth
Key development to enable de-carbonization projects in Italy and better use of energy from renewable sources
Prysmian continued the work to realize a system able to transfer 1 GW at a voltage of 500kV with MI technology and to be installed at the record depth of more than 2200m.
Energy Transition

High power AC solutions for connecting high power offshore wind farm to the shore (400kV AC single core, 275kV 3-core)
Strategic project to push for an effective transition towards renewable energy.
Prysmian actively worked on this in 2021, completing a qualification of a single core cable up to 400kV with large copper cross section (max power 1200 MVA with 3 single cables) and 3-core cable operating at 275kV (max power 500 MVA).
Energy Transition

525kV DC extruded submarine
Key project in order to meet the new climate objectives in Europe through installation of windfarms very distant from the shore.
Prysmian is fully involved to develop and qualify a submarine system at 525kV using extruded insulation technology and related accessories, integrating the work already started with the land solutions developed for German TSO.
Energy Transition

R&D PROJECTS – LAND

EHVDC solutions for German corridors
Breakthrough technology for realizing vital German corridor energy transition projects
Prysmian has completed an extensive industrialization program for both technologies (P-Laser and XLPE) spanning over 2 years.
A cross functional team has implemented a disciplined management system to ensure reliability of the supply chain and robustness of the production process.
P-Laser production started in August 2021 on schedule and 40kms of cable produced with good quality.
Energy Transition – Enhanced Circularity

R&D ENERGY PRODUCTS

Pry-ID
Cables' digital identification system based on RFID technology which enables quick and easy cable recognition, link to the installation information and providing full tracking cable path.
Pilot installations in PD network (North Europe, The Netherlands).
Reduced CFP

EV Charging Cables
Develop, certify and approve the full range of AC and DC cables and connectors for Electric Vehicles (EV) charging in order to meet the rapid evolution of charging systems toward higher power.
Enablement of faster charging requires development of DC cooled solutions including the integration of chilling unit.
AC and DC range developed and qualified.
Energy Transition

PRY-CAM HOME three-phase
Already mentioned in the section of Electronics
Industrial evolution of the PRY-CAM Home for household. This technology allows to monitor continuously the main parameters of a low voltage electrical system, ensuring its correct functionality, safety and proper management. Development completed.
Reduced CFP - Energy Transition

Bio P-Laser
To further enhance the sustainable value proposition with the P-Laser range through use of bio-derived materials. Qualified in Italy and awarded for local PD market.
Reduced CFP - Energy Transition – Enhanced Circularity

Water Sensor for HV Joint Monitoring
Develop a full monitoring system (sensors, monitoring architecture and SW) to detect water ingress in HV land joints which may result in a failure and a service interruption.
Under development for application in the HVDC German Corridor link.
Energy Transition

Strain Monitoring
Develop a full system to monitor the mechanical stress on dynamic cables and to enable predictive maintenance or limit the outage time due to failure. The "digitalization" of a passive component like a power cable provides remarkable benefits in terms of efficiency, energy consumption and TCO.
Developed for mobile heavy-duty cables (crane and mining), 2 solutions of on-board monitoring equipment.
Energy Transition – CFP Reduction

E3X – Coating Solutions to Enhance OHL Performance
Coating solution to improve thermal dissipation and radiation absorption of overhead line conductors, enabling either more power transmission or lower losses with the same conductor. Retrofitting existing lines is also possible by means of two robots able to apply the coating on live lines.
Pilot for retrofitting solution successfully performed with important customer in NA.
Reduced CFP

Electric Motorway
To support the development of wireless dynamic charging on a test circuit of BreBeMi, Prysmian has developed innovative LVDC P-Laser cable to power the management units of the charging coils. In this project we have applied P-Laser recyclable technology to enable transition toward EV wider utilization and to develop the related infrastructure. Cable for pilot circuit installed and successfully tested, to be operational in 2022.
Energy Transition – Reduced CFP – Enhanced Circularity

Auto powertrain
The rapid evolution of the EV market requires always new products with more performances and complying to different specification. The full range of solution of power cables (large conductor cross section, Screened solution etc.) have to be developed and qualified to support the technological trend.
Development and qualification in progress.
Energy Transition

R&D TLC

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 supplied on the drum.First 6912f cable made in 2021. Installation trial with the customer to take place in Q1 2022. Next steps to develop the other cable sizes 1728f and 3456f in 2022.
Reduced CFP - Digitalization

Sirocco Extreme Microduct Cables
A new range of extremely dense fibre optical cables that utilise the world's first commercially available 180µm optical fibre. The cables offer the highest fibre densities on the market enabling them to be blown into smaller ducts, or for more fibres to be installed into a current duct. 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. Three cables 96f, 144f and 432f to be launched in 2022.
Reduced CFP - Digitalization

Micro Blowable Cables
A range of mini blowable cables with fibre counts from 12 to 48 fibres, that can be blown into small ducts of 5.5mm and below. These solutions aim to be smaller in diameter than the current cables enabling them to be blown into smaller ducts, or for more fibres to be installed into a current duct.
12f Pico TX and 48f Sirocco HD launched in '21. 24f Pico TX and 36f Sirocco HD to be launched in 2022.
Reduced CFP - Digitalization

FlexTube Cables without Aramid
The removal of Aramid yarns from FlexTube cables containing one or two micro-modules to provide a lower cost solution. The removal of the Aramid yarns will also provide a reduction in the carbon footprint of the cable by the use of less raw materials. Prototypes made and tested of two module cables in Q4 2021. Prototypes of one module cables to be made in Q1 2022.
Reduced CFP - Digitalization

Hybrid Cables
The onset 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. First blowable cable launched in 2021 with 6 conductors and 36f. Internal / External hybrid with 8 cores and 12f launched in 2021. Hybrid drop cable with 2 cores and 4f launched in 2021. Range to be expanded in 2022.
Reduced CFP - Digitalization
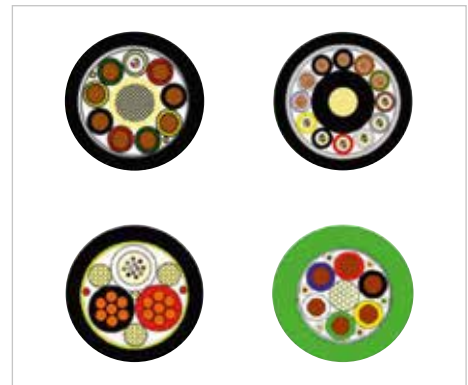
Multi Core Fibre
Development of a multi-core fibre where each fibre contains four separate cores. This offers four times the capacity of a standard fibre within the same space, enabling cables to be manufactured with four times the capacity in the same diameter. First multi-core fibre drawn and evaluated in Q2 2021. New fibre specification received in Q3 2021. Next set of fibre and first cable trial to be completed Q2 2022.
Reduced CFP - Digitalization
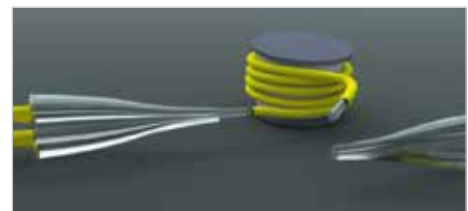
Pre-terminated Very High Fibre Count Cables
Development of fully pre-terminate very high fibre count FlexRibbon cable with ultra-compact 144f expanded beam connectors. This would enable customers to simply install the cable through the duct and plug it into a patch panel without the need for splicing in the field.
First prototypes of 144f produced in Q3 2021. A full production prototype of 6912f cable to be made in Q2 2022. First installation trial with a customer targeted for Q4 2022.
Reduced CFP - Digitalization

QR Codes
Project aimed to remove paper copies of installation guides that are supplied with Connectivity products, and replacing them with a QR code on the product. The installer can simply scan the QR code to call up the installation instructions on a mobile device.
The QR codes system was implemented in February 2021. All paper installation guides have been removed from Connectivity products. In 10 months of 2021 there were 2.1m sheets of paper saved. This equates to a CO_2 saving of 18038Kg.
Reduced CFP

R&D NETWORK COMPONENTS

400 & 525 kV DC Asymmetric joints "Twin-plug"
A new DC asymmetric joint at 400 kV and 525 kV is key to optimize the cable system connections, providing a solution as sea-land joint and as joint between cables insulated with different materials and design. The introduction of gas-free solutions, as the Twin-plug, will avoid completely any CO_2 emission.
Prequalification successfully completed in Q1 2021. Performance tests on P-Laser cable to be performed Q2 2022. Next steps to assess the feasibility of PQT/EQT between 3500 AL P-Laser and 3000 CU XLPE Q3 2022.
Energy Transition – Reduced CFP

Rigid Repair Joint (RRJ) 275kV shallow water Symmetric
To develop a new RRJ 275 kV for shallow water in submarine application. The outer protection concept is inspired from the solution successfully qualified for the deep-water application.
Type tests qualification successfully completed in October 2021. Develop a sleeve able to accommodate the asymmetric connection. Design and production of the RRJ Asymmetric Q3-22.
Energy Transition

EHV AC & HVDC DRY-TYPE Outdoor Sealing Ends (ODSE)
Development and qualification of a full range of self-supporting EHV Dry-Type ODSE up to 420 kV AC and 320 kV DC technologies.
Type test successfully completed on Dry-Type ODSE for Umax 245kV AC. Click-Fit Outer cone Technology (Jan 2022). PQ test planned to be started Q1'22. Design and Prototyping 320kV HVDC (Q1-22). Design and Prototyping 420kV AC (Q4-22).
Energy Transition

PROTECTION OF INTELLECTUAL PROPERTY

Protecting the portfolio of patents and trademarks is a key part of the Group's business, particularly given the growth strategy adopted in high-tech market segments. At the end of 2021 Prysmian Group has essentially the same number of patents and patent applications as in previous years.
The number of patents increased in 2018 because of the General Cable acquisition.
The same behavior can be found in the number of families of patents representative of the number of inventions patented:

NUMBER OF PATENTS AND APPLICATIONS

Year	Value
2015	4,785
2016	4,651
2017	4,871
2018	5,627
2019	5,881
2020	5,581
2021	5,539

NUMBER OF FAMILIES

Year	Value
2015	771
2016	749
2017	746
2018	853
2019	905
2020	806
2021	780
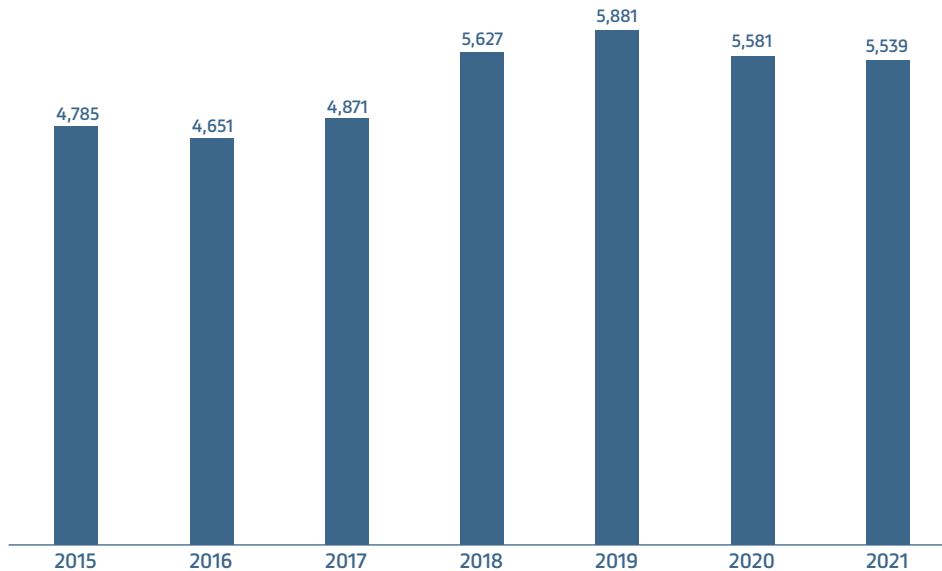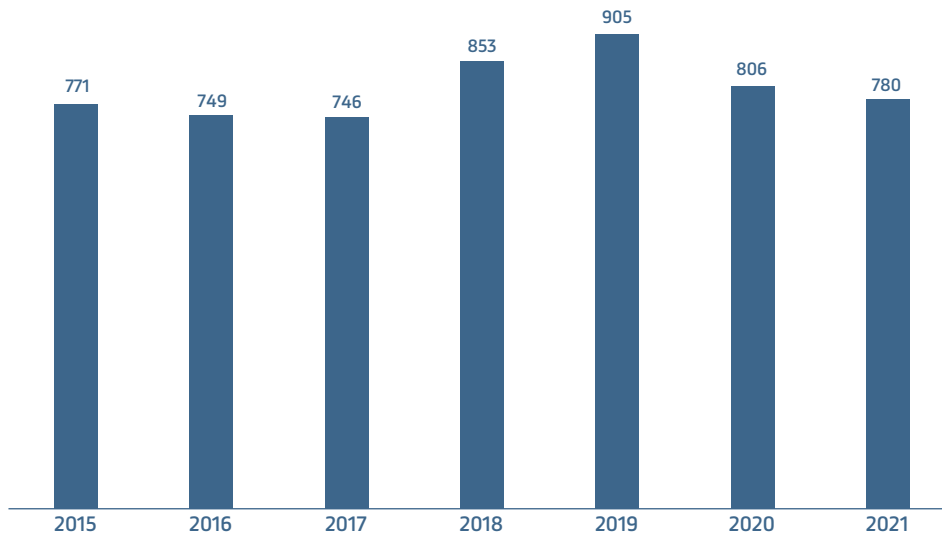
Prysmian has implemented a change in the filing strategy, consistent with the market strategies of the Group. Further, the portfolio of patents is reviewed continuously, with a view to abandoning those no longer used by the Group. This explains why the total number of patents and families is declining. Analysis of the patents in the Telecom sector makes this trend clear.
The number of patents in the Energy sector appears to be behaving differently, although the strategies implemented are broadly similar to those adopted by the Telecom sector. The difference is explained by the acquisition of General Cable, which mostly influenced the total number of patents in the Energy sector.

NUMBER OF PATENTS FOR THE ENERGY AND TELECOM SECTORS

Year	2015	2016	2017	2018	2019	2020	2021
Telecom	543	527	520	574	589	518	473
Energy	228	222	226	279	316	288	308
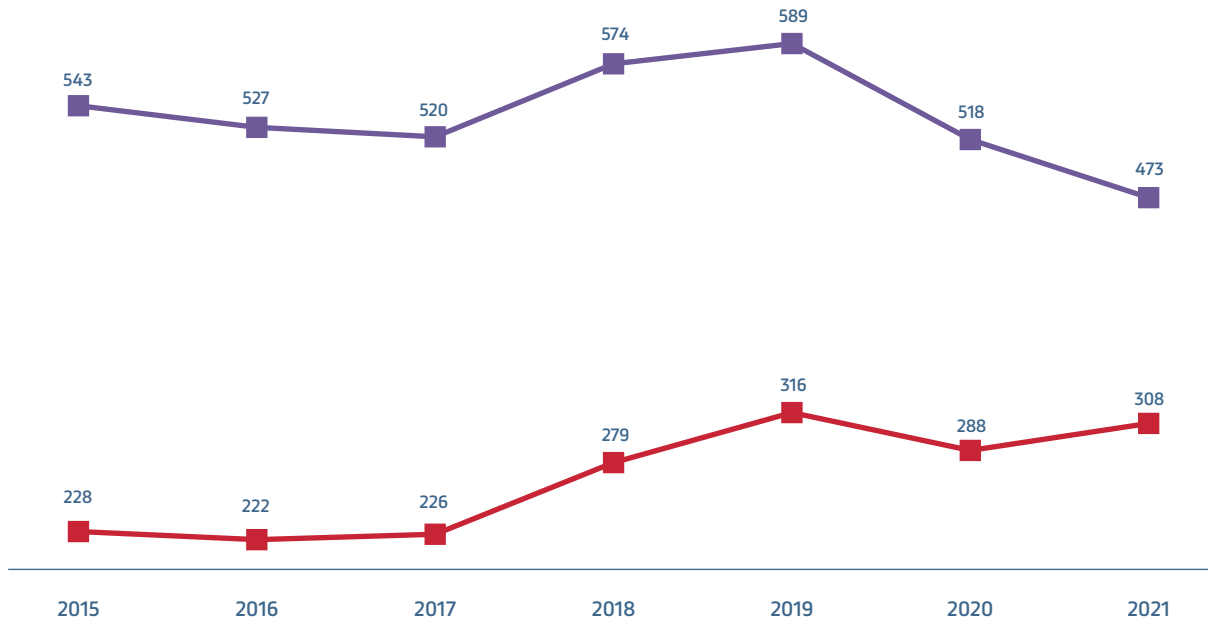
The annual number of new filings is decreasing despite the marked increase in Records of Invention (ROI) received, which reflects the volume of inventions submitted to the patents office.
The ratio of patentable inventions to ROI received is clearly lower than in the past.

NEW FIRST FILINGS

Year	2015	2016	2017	2018	2019	2020	2021
Total	29	31	28	50	41	29	24
Energy	9	11	10	26	17	11	10
Telecom	20	20	18	24	24	18	13

Energy — Telecom — Total
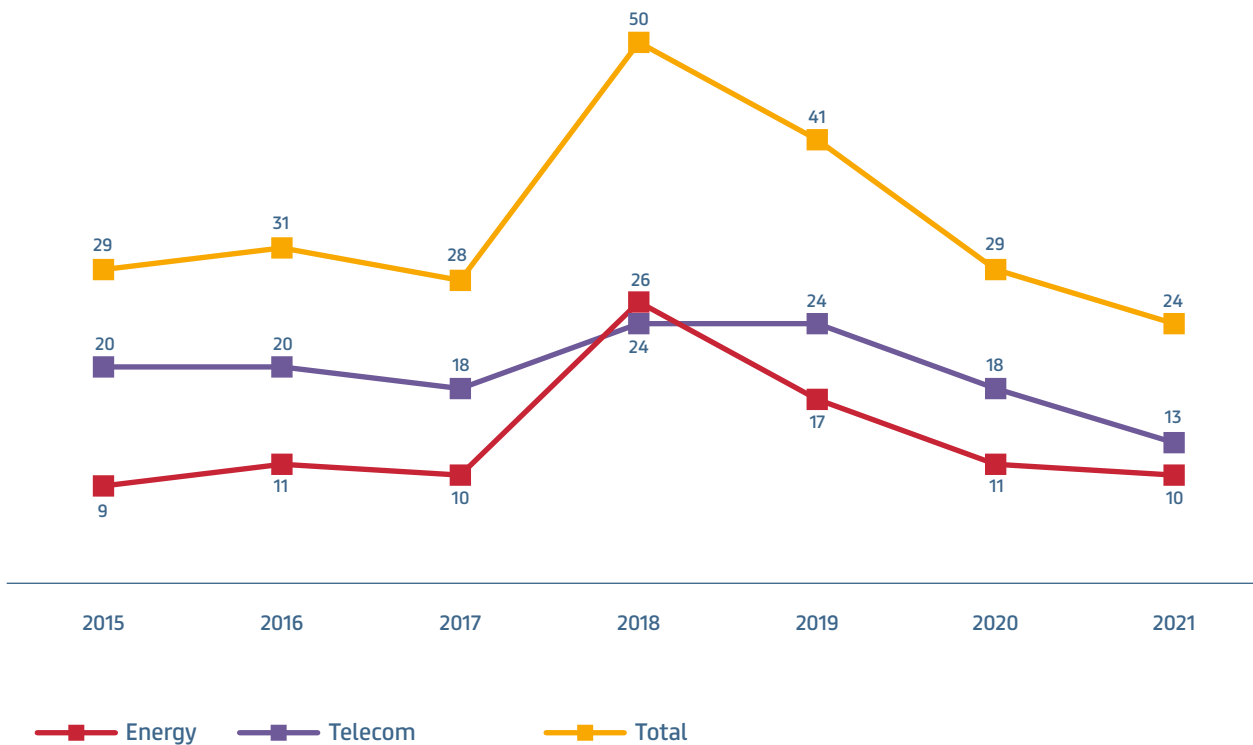
NUMBER OF ROI
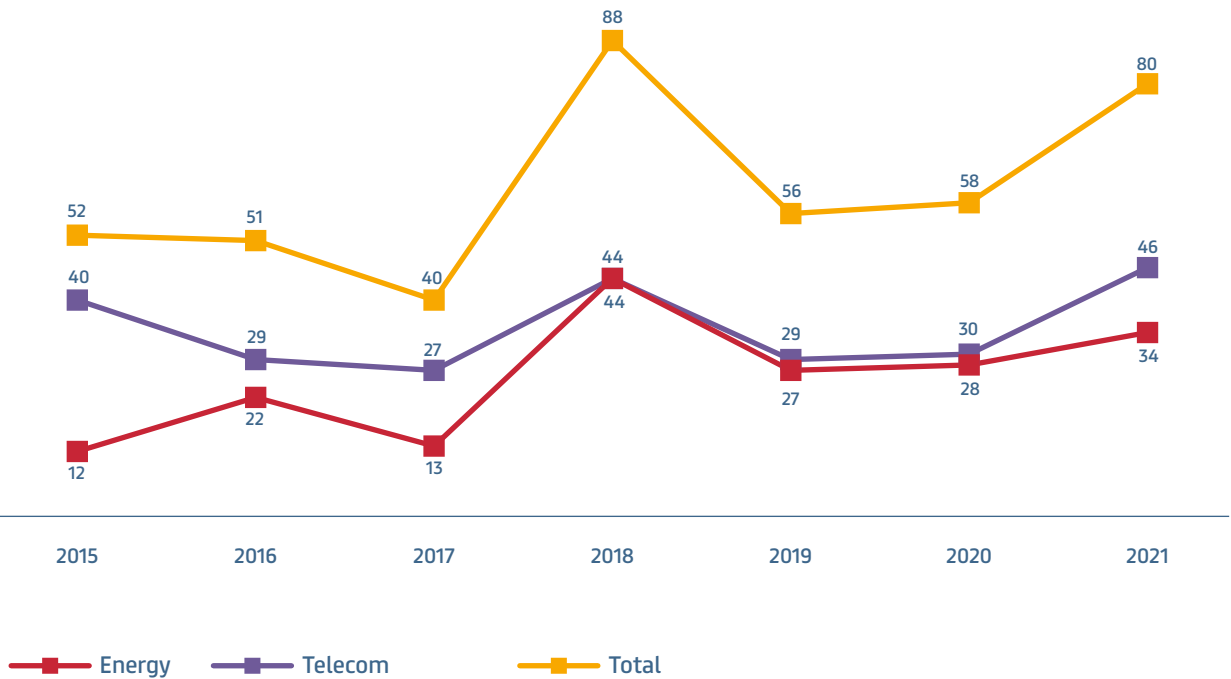
In the Telecom sector, this phenomenon reflects a temporary decline in the activity of the Optical Fibre domain. This domain was probably one of those most affected by the pandemic, given that research is mainly carried out in laboratories and at plants. The pandemic reduced considerably the ability to conduct validation tests and try out innovative solutions.

NEW FILINGS TELECOM

NEW ROI TELECOM

Optical Fiber   Telecom Cable   FTTx / connectivity
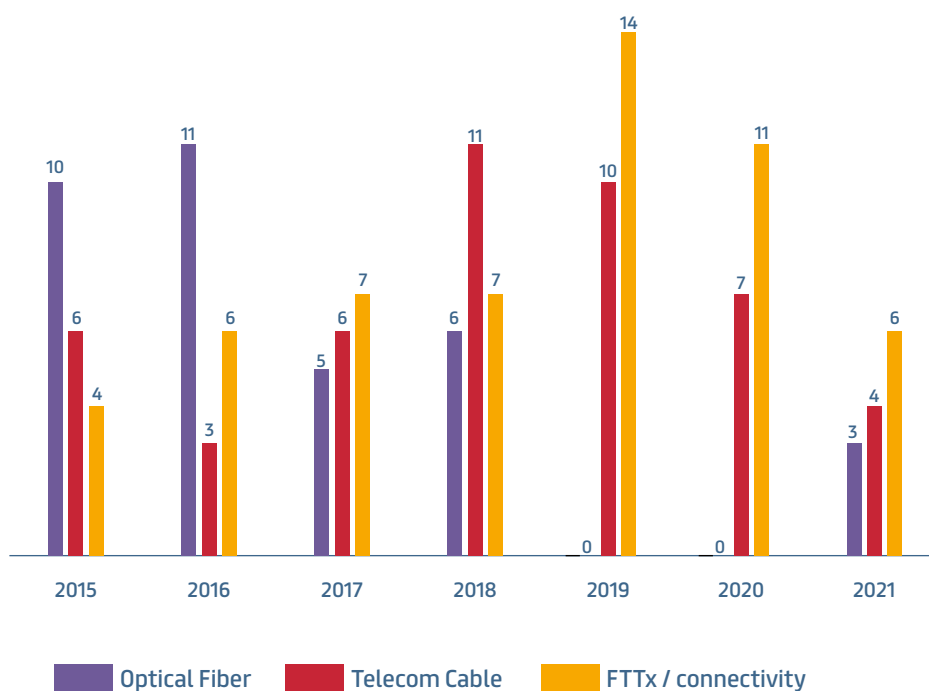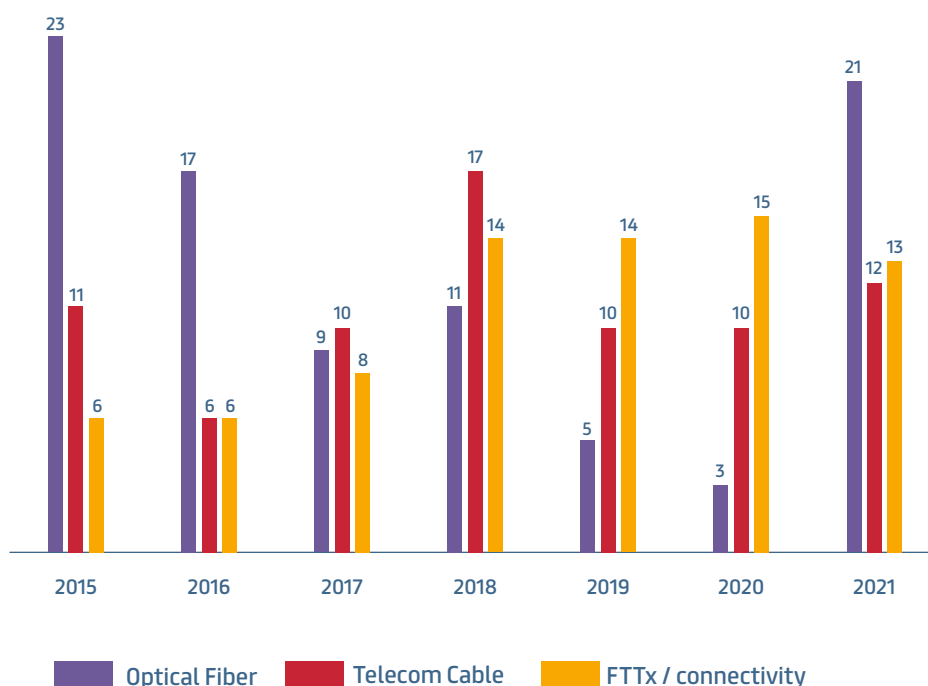
Importantly, once again, Group patents were enforced in counterfeiting cases brought in Italy, Germany, the United Kingdom and France during 2021. These legal initiatives are integral to a broader strategy adopted by the Group to safeguard the investment made in research and development.

Turning to trademarks, the Prysmian Group filed 123 new trademarks during the year and abandoned 282 that are no longer used. As a consequence of Brexit, the Group had to register 190 trademarks in the UK that were previously registered as European trademarks, inclusive of the UK.

The data has been extracted from our internal database, which is constantly updated by the IP team for consistency with the main databases of available patents. The tools used by the IP team also include a new website for the collection of ROI and new trademark applications.

The internal database is regularly cross-checked against the databases maintained by the patent and trademark offices. This data is also checked against the databases held by the external legal advisors that manage certain steps in the process of obtaining patents and trademarks.

	2021	2020
Total number of patents and patent applications worldwide undergoing evaluation	5539	5581
Inventions covered by patent and patent applications worldwide undergoing evaluation	780	806
Inventions related to the Energy Projects and Energy Products segments	308	289
Inventions related to the Telecom sector	472	517
Patent applications filed during the reporting period	24	29
Patent applications in the Projects and Energy sectors	11	11
Patent applications in the Telecom sector	13	18
Patents granted during the year	224	194
Patents granted by the European Patent Office (EPO)	33	52
Patents granted in the United States	58	40
Number of trademarks owned	900	877
Number of registrations	4799	5068

Lean Manufacturing

In 2021, we increased investments in order to support our ambition to be an enabler of energy transition, responding to the acceleration in demand for digitalisation and electrification solutions. Interpreting our role in a low-carbon future as well as possible also means minimising waste and achieving operational excellence through lean and efficient organisational models, which also involves reducing energy and water consumption at our plants and reducing greenhouse gas emissions. That is why we will be investing 100 million euros in a CO_2 emissions reduction plan over the next ten years.

During the year, Prysmian completed the construction of the new Leonardo Da Vinci cable-laying ship, to support Group activities on the underwater cable systems market, in addition to the investments needed to strengthen its position of leadership in the other value-added segment of high-voltage terrestrial cables. In the Energy and Telecom business, Prysmian has confirmed its commitment to global transformation based on digitalisation and electrification.

INDUSTRIAL ACTIVITIES

The Prysmian Group's manufacturing operations are carried out at 108 plants over more than 50 countries. This enables the company to react in good time to the various requests received from world markets. The geographical distribution and capabilities of the various plants have allowed the Prysmian Group to consolidate its industrial strategy even further during 2021. This strategy is based on the following factors:

1. creation of products with higher added value and technological content in a limited number of plants, destined to become centres of excellence with high technological skills and, where possible, the ability to leverage economies of scale, with consequent improvement in production efficiency and reduction of capital invested;
2. constant search for greater manufacturing efficiency in the commodities sector, while maintaining a well-diversified geographical presence in order to minimise distribution costs.

The value of gross investments in 2021 was 283 million euros, an increase on the previous year (246 million euros). This is the result of the natural recommencing of activities after the suspension imposed by the Covid-19 pandemic, but is also absolutely essential to keep pace with the growing demand for digitalisation and electrification solutions, as several of the most important requirements of the so-called energy transition.

Capacity / Product mix

Investment to increase production capacity and take account of changes in mix accounted for 66% of the total.

Energy Projects. The most significant investment is the one linked to completion of the work started in 2020 on a new, state-of-the-art cable-laying ship, the "Leonardo da Vinci", for which the total planned investment is in excess of 180 million euros in 3 years. The new cable-laying ship has been designed to be the best on the market and will guarantee greater capacity and versatility in the implementation of projects, due to advanced features such as: installation capacity in waters deeper than 2,000 metres, higher cable load capacity thanks to large rotating drums, the ability to undertake complex installation operations supporting diverse equipment for cable burial, cutting-edge systems for holding position at sea, and propulsion systems designed specifically to assure a reduced environmental impact. The Leonardo da Vinci will, in fact, be performing all offshore cable installation operations for the "Viking Link" contract, which is providing the first underwater cable interconnection between the United Kingdom and Denmark and involves the design, manufacture and "turn-key" installation of an interconnection of around 1,250 km of cable for the entire underwater section and 135 km of 525 kV HVDC terrestrial power transmission lines, using single-core cables sheathed in mass impregnated paper.

All the cables will be produced at the Arco Felice (Naples) centre of excellence. In the high-voltage terrestrial cables business, the investments associated with the three "German Corridors" contracts (SuedOst Link, A - Nord, Sud Link) have started, for a total of over 2,500km of 525kV DC cables, insulated partly in XLPE and partly with the P-Laser proprietary technology, completely recyclable, sustainable and high-performance, thanks to the HPTE (High Performance Thermoplastic Elastomer) material, which offers superior thermal performance, a high intrinsic reliability and a superior environmental performance to the more traditional technologies. The cables will be manufactured at the plants in Gron and Montereau (France), Pikkala (Finland) and Abbeville (USA).

Energy Products. Investment in this business segment addressed a number of niche markets in order to meet growing demand in certain value-adding sectors. In the USA, at Battleboro (North Carolina), the production capacity was increased to serve the growing demand for products and services for the escalator and elevator industry. Also in the USA, at Marshall (Texas), investments were started to increase the production of medium-voltage cables for the energy transmission and distribution sectors, partly as a result of the national infrastructures plan launched by the US government. There was also growth in demand for medium-voltage cables in the Northern European regions, and the Group decided to investment in Sweden, at Nassjo, to meet this demand. Lastly, in Latin America, and particularly in Brazil, at Pocos de Caldas, in the State of Minas Gerais, to be precise, investments were made to equip the plant with the capability needed to manufacture cables for wind turbines, in anticipation of growing demand for renewable energy in this geographical area as well.

Telecom. In the Telecom business, Claremont in North Carolina confirmed itself as a centre of excellence in the USA for the manufacture of cables and optical fibres. In detail, the Group completed a series of investments in the manufacture of ADSS (All Dielectric Self-Supporting) cables, which are used in outdoor applications and installed primarily on the transmission towers needed to reach the vast rural areas of North America. Investments started, at the same time, to increase the capacity of Loose Tube cables in Durango (Mexico), which will become a service centre for the entire Central and North American region.

Efficiency and Industrial Footprint

Around 17% of total investments was allocated to achieving efficiency improvements for the reduction of fixed and variable costs (mainly product design and material usage). The Group is continuing to perform an important cost optimisation activity for the entire production chain of the Telecom business segment. In detail, the focus in 2021 was concentrated on the optical fibre sector and particularly on Claremont, where the investments needed to adapt the machinery to the best production technologies currently present in the Group were started.
The main activities for the Energy business related to:

- Europe: following reorganisation of production capacity, the investments in several Italian (Pignataro and Merlino) and Spanish (Abrera, Vilanova and Santa Perpetua) plants were completed.
- North America: in order to pursue the objectives of optimising the production costs of the aluminium cables used for special applications, the company continued to invest in the Sedalia plant (Missouri).

Lastly, Prysmian Group started a 100 million euros investment plan this year, stretching over the next ten years, as part of the overall plan for reduction of CO_2 equivalent emissions by 46% by 2030 (compared with the 2019 levels) and with the target of achieving Zero emissions (Scope 1 and 2) by 2035.
These emission reduction targets have been approved by the Science Based Targets Initiative (SBTI), an initiative based on collaboration between the CDP (Carbon Disclosure Project), the United Nations Global Compact, the World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF).

IT, R&D
Around 10% of investment expenditure was dedicated to further development of the Group's IT systems, Digital Transformation initiatives and R&D.
In 2021, the group ERP[1] system (SAP 1C) was successfully migrated to the new SAP S4/HANA platform.
The system, which currently manages 78 plants, in 28 countries, is now entirely on a Cloud infrastructure and has a simplified database.
This technological upgrade will allow an acceleration, over the coming months, towards the concept of "Intelligent ERP", through the use of Real Time data, Advanced Analytics and a better User Experience.

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1   ERP: Enterprise Resource Planning.

In the Operations area, projects were started for implementation of the new Corporate MES (FastTrack), in Pikkala (Finland) and at Slatina Energy (Romania), with the go-live planned for April 2022.

A further two business areas that received significant IT investment were the HR function, for which the project to digitalise the Workday platform was completed, and the Treasury function, with consolidation of the new SAP Treasury S4 platform. In the R&D segment, the project for implementation of the new "Cable Builder" global platform for design of cables, which will go-live in 2022, continued. Investments in the Customer Centricity program continue and have increased. A new initiative was started here, as part of the plan to strengthen the company "eServices strategy" through introduction of a new B2B portal.

In a year in which the pandemic has stressed global IT systems and infrastructures, Prysmian IT has played a fundamental role in increasing the digital competitive edge of the Group, also strengthening the Cybersecurity protection measures, thanks to renewal of the contract with Microsoft.

A digital strategy ("Digital Ambition"), serving to guide innovation and support the transition of Prysmian from a pure manufacturer of cables to a supplier of solutions, was simultaneously developed. The Predictive Quality project was completed in 2021 at three production sites: FOS, Douvrin and Clermont.

A new "Data Science Lab" was also created in this area, involving 30 employees and six plants. Lastly, in the augmented reality area, the PG Connect project, which involved over 150 employees and 50 plants, was started and completed.

Base-load

Capital investment to maintain capacity amounted to around 17% of the total, with a slight increase on the previous year. A significant part of this amount is related to the start of work to remove all asbestos present at every Group plant around the world.

Our environmental responsibility

We have undertaken a rigorous long-term commitment to reduce our environmental impact, in terms of both our production systems and supply chain. Our targets were approved this year by the Science Based Target Initiative and will take us to Net Zero for our operations by 2035 and for other indirect emissions by 2050.

ENVIRONMENTAL PROTECTION

The Group strives actively to safeguard and protect the environment and conserve natural resources, in order to create sustainable value for the benefit of both the organisation and our stakeholders.
The Group's commitment to safeguarding the environment and conserving natural resources 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.

This commitment is manifested primarily through application of the Group's Health, Safety and Environment Policy, which was updated in 2020 to better represent the Group's Vision, its commitment to consolidating the culture of Health and Safety and protecting the environment also through biodiversity safeguards in sites where the Group operates and the systematic management of Energy.
The group sees these steps as essential for the achievement of its goals and the creation of value for all the Group's stakeholders.

In 2021, the ongoing COVID-19 emergency affected all the Group's geographical areas at different times. As a consequence, the activities of the HSE function were concentrated on central coordination, planning, support and reporting activities for all initiatives and actions.
These measures were adopted both centrally and locally, with the aim of progressively achieving the environmental targets for 2022.

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 check 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.

Notable in this context are the energy efficiency projects to reduce energy consumption and greenhouse gas emissions[2] (GHG) at Group level, the waste management improvement initiatives to increase recycled percentages, and the continuous improvement of Health, Safety, Environment and Energy management systems and tools, both at production unit and organisational level.

In view of the above, the Prysmian Group also participated in the CDP - Climate Change and Water Security section in 2021, reporting greenhouse gas emissions and water consumption for the year 2020. It maintained or improved its CDP rating in the Water section.

The energy efficiency projects launched in 2021 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.

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2   The emissions reduction targets refer to all "direct" Scope 1 emissions (i.e. resulting from production processes) and "indirect" Scope 2 emissions (deriving from the purchase of energy).

With regard to the selected priority areas of common interest to the group's business units, the following significant actions are underway:

- The "Relamping with LED" project: in 2021, work began on replacing lighting systems at more than 30 sites in 10 different countries, saving around 2000 tonnes of CO_2 annually. The project was 70% completed overall at the end of 2021, with many sites having finished relamping and others expecting to conclude work in the first half of 2022. The Relamping project will carry on in 2022 for the completion of the work begun in 2021 and the involvement of additional Group business units, working towards the central coordination of the programme to achieve further benefits in terms of energy savings and greenhouse gas emissions.
- Efficiency of compressed air production and distribution systems: in several of the Group's units, research was carried out on the potential for reducing electricity consumption from the use of compressors and distribution of compressed air. In addition to renewing obsolete compressors, several projects were launched to recover thermal energy from compressors and to optimise compressed air networks by pinpointing and correcting losses and/or inefficiencies in compressed air distribution systems.
- Efficiency of heating systems. Measurements and evaluations have been carried out in many units and more are under way to replace obsolete equipment with newly developed systems and to identify possible lower environmental impact alternatives.
- In particular, around a dozen projects have been launched in as many business units in 2021, aimed at replacing obsolete equipment, changing fuel or optimising thermal power plant management by introducing economisers or maintaining steam production systems.
- In many cases, possible alternative energy sources were evaluated with a view to reducing CO_2 emissions, in line with the Group's objectives.
- Consumption monitoring systems (smart metering)
- The German operating units are exceptional in terms of continual improvements in energy performance and judicious cost management. This is partly thanks to a mature and well-managed Energy Management System in accordance with the ISO 50001 standard. Consumption monitoring is a valuable management tool that allows increasingly detailed knowledge of energy performance in all buildings and production areas.
- Of particular note is the Neustadt plant, where the monitoring system was doubled in 2021 with the installation of 125 new meters. The data is collected in a server and allows very detailed readings covering all the critical energy-hungry areas/lines and enabling rapid assessments of actual consumption and identification of areas of improvement.

In 2021, an Energy Management project in collaboration with Accenture was implemented in the Italian plant at Pignataro Maggiore. The project served as a Pilot Project for energy consumption optimisation through a series of actions to be implemented, monitored and consolidated in the Pignataro plant, with a view to possible further implementation at group level. Each step of the project would involve:

- central control for monitoring the energy consumption

- checks at plant level to identify opportunities for optimisation

- definition of investments to be made within a specific budget

- evaluation of each investment, using performance indicators, including the Environmental Index [ton CO_2/k€]

energy savings and reduction of environmental impact were calculated, to be achieved through a series of energy efficiency measures and selected on the basis of the improvement envisaged, feasibility and cost. They were also designed to act on a range of issues and processes common to the Group's operating units.

Some actions had already been recommended in the 2019 Energy Diagnosis or previously considered by site staff. Multiple optimisation proposals were also identified as part of the project, based on a model of forecast consumption that took numerous variables into account.

Other actions worth mentioning are:

- Extension of the monitoring system and of the variables measured;
- Optimisation of the LED lighting system by installing twilight switches;
- Optimisation of the system for the production and distribution of compressed air;
- Optimisation of the heating/cooling systems;
- Optimisation of the industrial ventilation systems;
- Evaluation of engine efficiency and functioning, with replacements and optimisation work.

Work to evaluate the targets reached began 6 months after launching the project, in order to confirm the savings forecasts. By the end of 2021, the actions and measurements carried out showed results in line with forecasts, both in terms of energy savings (over 6%) and CO_2 savings (over 400 tCO_2/year). Further actions are already planned at the Pignataro plant; in view of the good results obtained at this site, Prysmian and Accenture will evaluate how to extend and implement the Energy Management project to other Prysmian operating units.

Finally, note that from 2021 onwards, the performance indicators used by the operational functions to evaluate investments and industrial projects shall include not only energy and economic efficiency, but also GHG savings (where applicable) as an indicator of the actual environmental benefit of the projects.

These evaluations do not only concern major centrally-promoted investments (e.g. the project to modify and relocate the Aluminium Rolling Mill in the Brazilian plant of Poços de Caldas, whose productivity and safety benefits are accompanied by significant CO_2 emissions savings), but also the management of local initiatives, projects or plant solutions.

In order to encourage local functions to include the environmental variable in their evaluation criteria, the HSE function worked with the Manufacturing function in 2021 to provide operational units with a simple tool called the CO_2 Calculator for calculating the GHG emissions associated with a given project or plant solution.
The tool, incorporating Emission and Conversion Factors extracted from internationally recognised reporting databases, allows the calculation of consumption and related GHG emissions, before and after the action, taking into account the country and the energy sources involved.

HSE has delivered a number of training sessions for HSE and Manufacturing personnel in various places and plans to periodically update the tool and training schemes, in line with Group-level sustainability targets and initiatives.

Generation of waste and impacts of the waste produced
This theme is significant, not only in terms of process efficiency, but also for its association with potential impacts on the various environmental matrices, and from there linked to processes of origin and disposal methods.

Therefore, as part of the Environmental Management System, specific procedures and operating instructions have been drawn up and are constantly updated, also on the basis of 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, 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 staff training for the proper handling of waste in the group's business 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 NFD), 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 HSE sample audits to verify waste operations, in accordance with contractual agreements and regulatory requirements.

In this regard, Prysmian is also testing different types of actions, which when combined will help reduce the environmental impacts of materials procured, production processes and waste produced. These actions involve its own units, the upstream supply chain, and downstream disposal operations.
the current percentage of recycled waste – one of the Group's improvement targets – highlights some of the successful actions already carried out.

In 2021, Group-level investments in all health, safety and environmental projects, including energy efficiency, water and waste activities, amounted to approximately 33 million euro.

The Prysmian Group has continued to manage various activities, including active participation in working groups and committees of trade associations, such as EuropaCable's ECOE Committee and its dedicated Task Forces.
In view of the growing importance of sustainability in Europe and the new EU greenhouse gas regulations, a special Sustainability Committee was set up within EuropaCable in 2021, in which Prysmian is actively involved. The various preceding working groups have been renamed in order to continue to contribute on the basis of specific issues. Technical elements have been brought into the Sustainability Committee to give further support to the decision-making flow and any applications or requests to legislative bodies, within the appropriate categories of origin.

Management systems

In order to achieve the goal of certifying the Environmental Management System in all the Group's units, the HSE function continued to coordinate and monitor the Certification programme, adding a further nine plants to the list of ISO 14001 certified sites. By the end of 2021, a total of 90% of Prysmian plants were certified under ISO 14001.

The group's percentage of ISO 45001 standards on Health and Safety Management Systems fell slightly from the previous year, mainly due to the acquisition of some uncertified operating units. The figure was 69% at the end of 2021.The above percentages relate to production sites only. Various types of Group entities have also been certified, such as R&D, installation and assembly and distribution centres, etc., for a total of a further five ISO 14001 certificates and six ISO 45001 certificates.

The Group promotes the integrated use of Management Systems (ISO 9001-45001-14001-50001), 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 affiliates, in line with the commitments undertaken at Group level.

Science-based targets

The targets set by Prysmian for the reduction of greenhouse gas emissions were presented to the Science Based Target Initiative (SBTi) in 2021. The SBTi assessed these targets against the suitability criteria identified in the Call to Action and, after close examination, confirmed the targets in a validation report and an approval letter.

Our ambition for the targets:

- The Prysmian Group commits **TO ACHIEVING A 46% REDUCTION IN TOTAL SCOPE 1 AND 2 GHG EMISSIONS,** with respect to 2019 levels, **BY 2030**.
- The Prysmian Group also commits **TO ACHIEVING A 21% REDUCTION IN TOTAL SCOPE 3 GHG EMISSIONS** deriving from the goods and services purchased and the use of products sold.

The Prysmian Group ambition for Scope 1 and 2 targets was considered consistent with the SBTi criteria and recommendations (version 4.2); indeed, the SBTi target validation team established that this ambition is in line with the commitment to contain the rise in global temperature to less than 1.5°C, which is currently the most ambitious target in the context of our activities.

The Scope 3 target was considered to be especially ambitious, because the objective exceeds the requirements for containing the rise in global temperature to less than 2°C, based on the Absolute Contraction Approach.

Decarbonisation

Working together with Carbon Trust, Prysmian has commenced an in-depth analysis of the energy audits carried out in all business areas, the action plans adopted to increase energy efficiency and the specific self-audit questionnaires completed. This work has defined a range of possible additional emission-reduction initiatives to be implemented and their individual contributions to achievement of the science-based targets, as well as the extent of the decarbonisation obtainable by adopting the planned measures and any gaps between the targets and the overall impact of the measures identified.

This analysis has contributed to the preparation of a decarbonisation roadmap for the Prysmian Group, with the definition of a programme of priority activities and forecasts of the investment needed and the energy savings that may be obtained over the time period considered.

Scope 3 emission reduction factors

Since 2013, Prysmian has published its environment management initiatives, participating in the CDP global environmental reporting system. Prysmian uses CDP to report in GHG emissions throughout the value chain. In particular, the 2021 Scope 3 emissions of the Group will be reported in the 2022 CDP Climate Change questionnaire, which is published and made public every year.

The majority of the GHG emissions generated by Prysmian are classified as Scope 3, representing more than 99% of the total ecological footprint of the Group. 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, during 2021 Prysmian decided to extend the monitoring and reporting of Scope 3 emissions by redefining the calculation of all Scope 3 categories. Detailed quantification of the Scope 3 emissions, carried out with reference to the Scope 3 standard of the GHG Protocol, highlighted that these emissions are mainly attributable to the "use of products sold", representing over 97% of the total ecological footprint of the Group and the total emissions generated throughout the value chain, as shown in the following chart.

INCIDENCE OF SCOPE 3 EMISSIONS

- 97.8% Use of sold products
- 1.9% Purchased goods and services
- 0.3% Other Scope 3 emissions
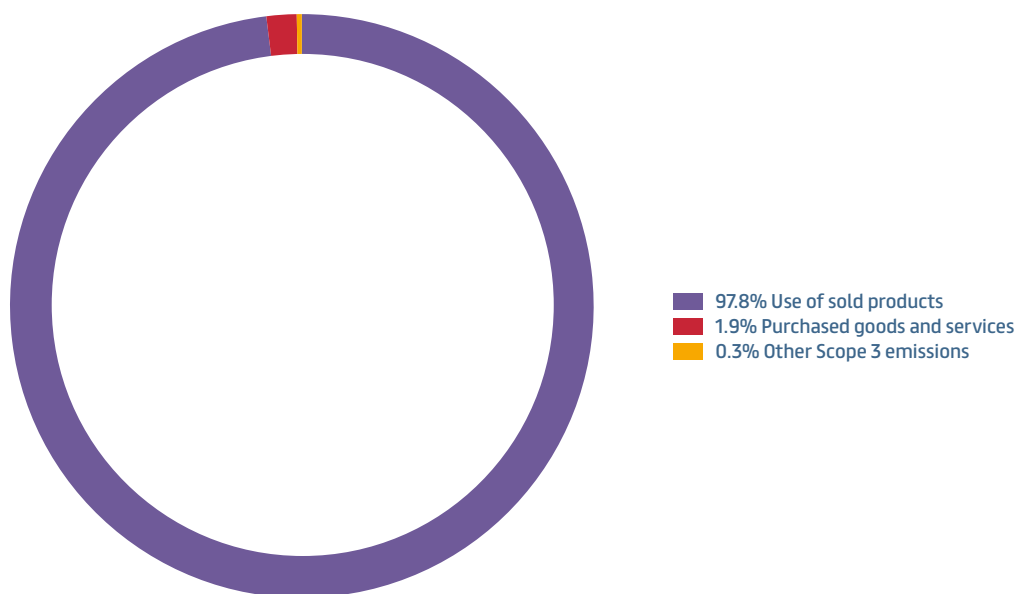
Despite the difficulties posed by the management of indirect emissions, the definition of Scope 3 targets will enable the Group to increase participation throughout the entire value chain and mitigate risks, as well as to propose innovative solutions and initiate new collaborations, thus responding effectively to the related pressures applied by investors, customers and civil society.

In 2021 Prysmian again identified suppliers deemed significant according to Group-defined sustainability criteria and included them in the reporting and allocation to Prysmian of their emissions, in collaboration with CDP.

In 2021, the Group has significantly increased its' CDP reach to over 50% of its total spend resulting in an improved response rate, which gives a clear indication of the efforts made to reduce GHG emissions within the supply chain.

Prysmian is considering broadening the scope of supply chain enquiries in order to be able to evaluate all types of supply chain risks, and in 2022 plans to analyse water issues as well as climate change.

Environmental assessment of products, customer requirements and customer satisfaction

The commitment of Prysmian to preventing and reducing the environmental impact associated with Group activities and products is evidenced, in particular, by the responsible management of the various phases in the life cycle of each product.
This ranges from the efficient use of energy resources and raw materials, to the optimisation of logistics flows and the enhancement of production process efficiency, as well as to the reduction of emissions and the responsible management of waste that, taken together, comprise the carbon footprint of the product.

Since 2018 the Prysmian Group has included calculation of the carbon footprint of its products (from the extraction of raw materials to shipment of the finished products from the plant) in the management systems used throughout the world for product development activities.
This functionality summarises the overall CO_2 footprint for each design of cable, from the extraction of raw materials to shipment of the finished products from the plant, taking into consideration the contributions made by the related production processes and by the metals and other materials used. The carbon footprint amounts associated with the unit weight of each material are available from EcoInvent database, which is widely used around the world.

During 2021 Prysmian continued to collaborate with a number of customers and specialist external companies, and the HSE and R&D functions carried out studies to quantify the environmental aspects and impacts of its products. These studies were based on the principles and methodology of the Life Cycle Assessment (LCA), in accordance with ISO 14040 and 14044, and used sector specific performance criteria, methodologies and indicators (Product Category Rules - PCRs).

In 2021, the following notable recognitions were obtained in cooperation with major customers:

- certification of the EPD studies carried out in accordance with ISO 14025 & EN 15804 for MV underground cables produced at the Swedish plant;
- certificate of compliance with the ISO 14067:2018 standard, for studies on two types of Accessory, produced in some of the Group's operating units in Italy, France and Spain, as requested by an important customer.

This work has broadened the vision of the product environmental assessment, enabling us to understand better the environmental aspects and impacts of an ever broader range of products.
Further studies are in fact already underway in response to growing market and customer demand, and in 2022 will lead to the completion of EPD and CFP studies for a large number of products, involving business units in several countries.

The commitment of Prysmian and the improvement initiatives launched over the years, with a view to using resources more efficiently and reducing the environmental impact of production processes and products, have already resulted in environmental benefits and cost reductions and, accordingly, the Group will continue efforts to improve continuously its HSE performance.
In particular, the HSE function, with the cooperation of other central functions and the operating units, will endeavour to ensure:

- the reporting of increasingly precise and reliable data and information, at Group level, about consumption and greenhouse gas emissions;
- the growing involvement of Group suppliers in monitoring and quantifying the impacts of climate change associated with the Prysmian supply chain;
- increasingly detailed quantification of the environmental impact of our products throughout their entire life cycle, paying particular attention to the impact of the materials and services acquired;
- the precise collection of data and information about the consumption of specific cable production processes;
- the systematic application of methodologies for calculating the footprint of products (e.g. EPD or carbon footprint/ISO 14067);
- the monitoring of improvement objectives for the future and their eventual updating, with the involvement of all levels of the organisation in the planning of the initiatives and activities necessary for the achievement of the stated commitments;
- ongoing implementation of energy efficiency initiatives in compliance with regulations (e.g. Directive 2012/27/EU on Energy Efficiency as amended and related national transpositions), the specific campaigns promoted nationally and, the commitments undertaken at the Paris COP 21 Conference on Climate Change;
- the selection and coordination of specific projects to be implemented in the Group's operating units, with their efforts carefully calibrated towards local operating requirements.

ENVIRONMENTAL PERFORMANCE

In terms of environmental impacts, the Group reports in this document those that are most significant in terms of responsibility towards employees, local communities and as a competitiveness and value factor for the Group. These aspects are:

- energy consumption, obtained as the sum of all energy sources used in manufacturing and service activities;
- water consumption, which is significant due to the large volumes needed for cooling in the various production cycles;
- hazardous and non-hazardous waste, significant for its potential impacts on the various environmental matrices, depending on the processes of origin and disposal methods, but for some categories process efficiency is also relevant;
- recycled waste – hazardous and non-hazardous: increasing the percentage of recycled waste helps reduce the environmental impact associated with waste disposal operations;
- emissions of greenhouse gases, primarily linked to the use of sources of energy and, to a very limited extent, to the use of greenhouse gases at certain stages of production;
- biodiversity: the impact of operations on the natural habitats in which the Group operates.

Based on assessments and past experience, the Group does not report on the following aspects, which are considered to be less significant:

- waste water originating from cooling systems, if not contained within a closed-circuit system and if not requiring special treatment;
- atmospheric emissions generated by production processes, which are not especially significant in most cases.

Further details on performance indicators, perimeter and reporting methods are available in the "Notes on the data and information".
During the period 2019-2021, the Group did not receive any significant penalties (monetary[3] or other) for regulatory non-compliance in the environmental field.

The matters identified during periodic internal checks or visits from external bodies or customers are managed directly by the sites concerned, which determine the actions to be implemented and the related timing.
Should it not be possible to meet the deadline for the restoration of conformity, the management of the sites concerned arrange, 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 to extend the deadline dates established by them.
It should be noted that in 2021, pandemic management measures and actual cases of Covid infection lead to periods of closure for some of the Group's production units, in accordance with the requirements of the individual competent authorities.

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3   For monetary penalties, significant means fines above 10,000 euro.

As in the prior year, environmental data was estimated for those plants (2 in 2021,around 2%) that do not have reliable information. In addition, the 2021 environmental data reported here below also includes the EHC Group's production units of the accessory product line, which are still undergoing a gradual integration into the Group's centralised HSE data collection system and therefore reported 2021 data in some cases only partially. The data related to waste production and water withdrawals for the Sicable production site (Côte d'Ivoire) has been estimated using the data collected in the 2019 reporting year.

Energy consumption

Total energy consumption by the Group in 2021 was higher than in 2020 due, in part, to expansion of the reporting perimeter on acquisition of the EHC plants and the increase in production after the Covid-19 pandemic.

PRYSMIAN GROUP			
Energy Consumed (GJ)	Total 2021*	Total 2020	Total 2019
Electricity	3,588,272	3,800,896	4,667,246
Electricity from renewable sources	2,593,155	2,099,436	1,721,844
Natural gas	3,121,660	3,144,106	3,256,405
LPG	136,024	111,009	118,990
Petrol	5,905	13,232	11,965
Diesel	127,883	124,474	112,545
Fuel oil	6,050	24,659	31,321
Steam (purchased, not produced internally)	6,977	3,381	8,242
Steam (purchased from distribution networks)	150,491	126,872	104,937
Chilled water	281	374	1,054
Total	9,736,699	9,448,439	10,034,549

*   The Energy Consumption data for 2021 of the Chiplun and Sohar plants have been estimated, as already done in 2020 and 2019. The values reported in the Prysmian Scorecard (page 41) do not contain the estimates for such sites

As can be seen from the charts below, power cable production is the most energy-intensive product line: consuming 68.67% of the total energy.

	POWER CABLES	TELECOM CABLES	ACCESSORIES	OPTICAL FIBRE	WIRE ROD
Energy Consumption per Product line	68.67%	8.41%	1.64%	18.42%	2.87%

With regard to energy intensity in comparison to 2021 production volumes, the following table shows the values for individual Product Lines:

PRYSMIAN GROUP				
2021	Power cables GJ/Ton	Telecom cables GJ/km	Optical fibre GJ/km	Wire rod GJ/ton
Energy consumed per km/ton of product	3.38	0.02	0.04	2.24
2020	Power cables GJ/Ton	Telecom cables GJ/km	Optical fibre GJ/km	Wire rod GJ/ton
Energy consumed per km/ton of product	3.56	0.02	0.04	2.18

Greenhouse gas emissions

Greenhouse gas emissions, measured in tonnes of CO_2 equivalent, were calculated using the methodologies indicated in "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition, 2004)" considering, for the Scope 1 GHG emissions (direct greenhouse gas emissions), the consumption of fuels, the release of overflow refrigerant gas and the release of SF6 and, for the Scope 2 GHG emissions (indirect emissions of greenhouse gases), the consumption of purchased energy (mainly electricity).

The Prysmian Group is a multinational and diversified concern; for this reason, and consistent with the requirements of the reporting standard, two main methods for accounting for emissions in Scope 2 are used: 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 programme" starting in 2016.

LOCATION BASED METHOD	MARKET BASED METHOD
This is a method for quantifying Scope 2 CO_2 emissions based on average emission factors for energy generation by well-defined geographical boundaries, including local, sub-national or national boundaries.	This is a method for quantifying Scope 2 CO_2 emissions based on the CO_2 emissions of the energy suppliers from which the reporter (company that compiles the report) 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: guarantee certificates of energy 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"); regional or sub-national medium or national emission factors.

In 2021, total (location-based) emissions within Prysmian Group's scope were 824,458 tCO2, down compared to 2020 (-1.02%).
The Prysmian Group purchased Guarantee of Origin certificates from several European suppliers once again in 2021, with the aim of reducing the corresponding CO_2 emissions in accordance with the Market-based calculation method.

PRYSMIAN GROUP 2021				
Emissions of tCO$_2$		Total 2021*	Total 2020	Total 2019
Scope 1	Direct emissions from combustion	195,234	197,113	204,069
	Emissions from refrigerant gas leaks	7,047	7,626	9,724
	Emissions from SF6 gas leaks	117,186	108,610	116,123
	Total Scope 1	319,467	313,349	329,916
Scope 2	Location-based	504,991	519,589	588,983
	Market-based	358,395	422,675	540,565
Totale	Scope 1 and Scope 2 (Location-based)	824,458	832,938	918,899
	Scope 1 and Scope 2 (Market-based)	677,862	736,024	870,481

*   The CO2 emissions for 2021 of the Chiplun and Sohar plants have been estimated, as already done in 2020 and 2019. The values reported in the Prysmian Scorecard (page 41) do not contain the estimates for such sites.

Emissions by product line (2021)

TOTAL	POWER CABLES	TELECOM CABLES	ACCESSORIES	OPTICAL FIBRE	WIRE ROD
Scope 1 and Scope 2 (Location Based)	67.52%	8.55%	9.50%	12.66%	1.78%
Scope 1 and Scope 2 (Market Based)	65.21%	9.12%	11.27%	12.10%	2.30%

With regard to emissions intensity with respect to 2021 production volume, the following table shows the values for the individual product lines:

PRYSMIAN GROUP				
Emissions per Km/Ton of product 2021	Power cables tCO$_2$ eq/Ton	Telecom cables tCO$_2$ eq/Km	Optical Fibre tCO$_2$ eq/Km	Wire rod tCO$_2$ eq/Ton
Scope 1 — Total Scope 1	0.09378	0.00019	0.00110	0.10271
Scope 2 — Location-based	0.18755	0.00136	0.00140	0.01529
Market-based	0.12868	0.00116	0.00086	0.02233
Total — Scope 1 and Scope 2 (Location Based)	**0.28143**	**0.00156**	**0.00250**	**0.11800**
Scope 1 and Scope 2 (Market Based)	**0.22246**	**0.00136**	**0.00195**	**0.12504**
Emissions per Km/Ton of product 2020				
Scope 1 — Total Scope 1	0.10081	0.00019	0.00114	0.09998
Scope 2 — Location-based	0.20906	0.00156	0.00146	0.01518
Market-based	0.16807	0.00154	0.00092	0.02357
Total — Scope 1 and Scope 2 (Location Based)	**0.30987**	**0.00175**	**0.0026**	**0.11516**
Scope 1 and Scope 2 (Market Based)	**0.26887**	**0.00173**	**0.00205**	**0.12355**
Emissions per Km/Ton of product 2019				
Scope 1 — Total Scope 1	0.10954	0.00038	0.00095	0.09521
Scope 2 — Location-based	0.21600	0.00144	0.00146	0.01570
Market-based	0.19500	0.00154	0.00121	0.00977
Total — Scope 1 and Scope 2 (Location Based)	**0.32554**	**0.00182**	**0.00241**	**0.11091**
Scope 1 and Scope 2 (Market Based)	**0.30454**	**0.00192**	**0.00216**	**0.10497**

Also, with regard to Scope 1 emissions, it should be noted that refrigerant gas refills, which are considered in order to quantify the relative fugitive emissions, do not occur consistently every year but are instead carried out intermittently (according to need) even at long-term intervals, resulting in a minimally linear trend, with possible jumps up and down.

Waste

The main types of waste generated by productive activities have been split into specific categories, classifying their level of danger (hazardous waste and non-hazardous waste) according to the related classification system, 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 allocation among the categories depends on local regulatory requirements. Overall, the quantity of waste produced by the Prysmian Group in 2021 totalled 212,703,640 kilograms, +11.4% with respect to 2020; hazardous waste represented 6.3 % of the total waste produced .

In order to track and assess the sustainability of the supply chain with regard to waste management processes and activities, in 2021 certain affiliates 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. In general, there were marked fluctuations in the quantities of hazardous waste produced in 2021, compared with 2020, due to changing, renewing and related emptying of certain types of classified fluids, such as extruded oil, lubricants and solvents, which happens when necessary and depending on maintenance needs.

PRYSMIAN GROUP			
Waste produced by type (kg)	Total 2021*	Total 2020	Total 2019
Hazardous	13,466,833	10,957,352	14,184,343
Non-hazardous	199,236,807	180,026,709	155,434,381
Total	212,703,640	190,984,061	169,618,723

* The waste production data of the Chiplun and Sohar plants has been estimated, as already done in 2020 and 2019.

As can be seen from the following tables, the production of power cables generates the majority of hazardous waste: 53.6%. With regard to non-hazardous waste, the types considered depend on the production needs of each plant. In addition, since certain types of waste are production performance indicators, especially scrap metals, the central functions (HSE and Manufacturing) are carrying out ever more detailed checks to align at Group level the way that waste is collected and reported.

In particular, from 2020 reports include a specific "Scrap cable" caption in order to improve the tracking of that material.

WASTE PRODUCED BY PRODUCT LINE 2021					
	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
% non-hazardous waste	84.66%	11.86%	1.50%	1.79%	0.18%
% hazardous waste	53.59%	8.83%	1.22%	23.77%	12.59%

The quantities of waste produced by unit of production are presented below. The values for hazardous waste by product line are virtually unchanged; by contrast, there is a significant difference in the non-hazardous waste produced, especially by the power cables business. This is explained by introduction of the specific "Scrap cable" caption.

PRYSMIAN GROUP				
Hazardous waste per km/Ton	Power cables kg waste/Ton	Telecom cables kg waste/km	Optical fibre kg waste/km	Wire rod kg waste/Ton
2021	3,65	0.03	0.08	13.64
2020	3.35	0.01	0.06	12.92
2019	3.79	0.01	0.10	11.18
Non-hazardous waste per km/Ton	Power cables kg waste/Ton	Telecom cables kg waste/km	Optical fibre kg waste/km	Wire rod kg waste/Ton
2021	85.27	0.52	0.09	2.89
2020	83.43	0.49	0.07	2.39
2019	63.59	0.43	0.13	2.07

As mentioned in previous Consolidated non-financial statements, Prysmian has carried out a more in-depth analysis of the disposal method used for different categories of waste produced.
Downstream of the analysis, it emerges that 69% of the waste is recycled, in line with 2020, while 21% is sent to landfills.

PRYSMIAN GROUP 2021			
Waste by disposal method (kg)[1]	Hazardous	Non-hazardous	Total 2021
Landfill	2,419,302	42,212,602	44,631,904
Incinerator	3,134,748	11,686,255	14,821,003
Recycled	6,492,312	140,297,687	146,789,999
Other	1,420,471	5,040,263	6,460,734
Total	13,466,833	199,236,807	212,703,640

1 Waste production data for the Chiplun and Sohar plants were estimated as done in 2020 and 2019. The values reported in the Group Scorecard (page 41) do not contain estimates for these values

PRYSMIAN GROUP 2020			
Waste by disposal method (kg)[1]	Hazardous	Non-hazardous	Total 2021
Landfill	1,320,485	37,254,607	38,575,092
Incinerator	2,706,586	12,656,806	15,363,392
Recycled	5,815,559	126,358,829	132,174,389
Other	1,114,722	3,756,466	4,871,188
Total	10,957,352	180,026,709	190,984,061

PRYSMIAN GROUP 2019			
Waste by disposal method (kg)[1]	Hazardous	Non-hazardous	Total 2021
Landfill	1,479,197	36,188,777	37,667,973
Incinerator	4,085,358	8,503,737	12,589,096
Recycled	7,336,840	99,350,854	106,687,693
Other	1,282,948	11,391,013	12,673,961
Total	14,184,343	155,434,381	169,618,723

WASTE BY DISPOSAL METHOD (2021)

- 69% Recycled
- 21% Landfill
- 7% Incinerator
- 3% Other
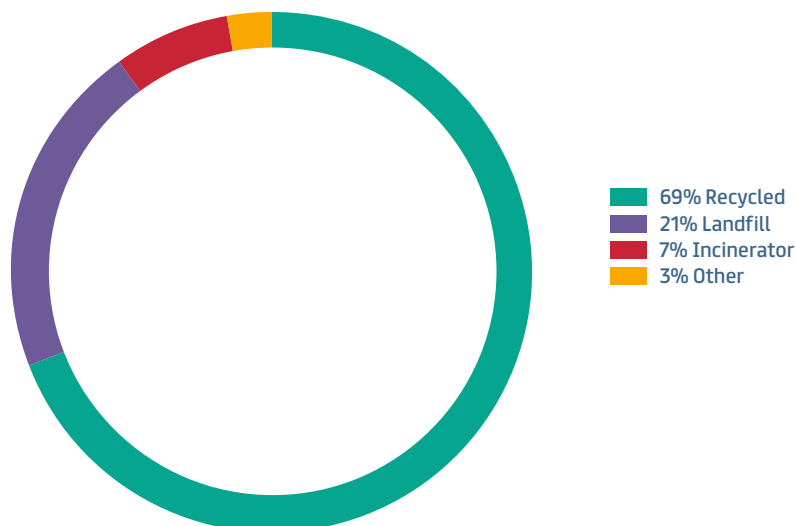
Management of water resources

Prysmian plants principally 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.

Local 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, in whole or in part, depending on the situation. As a result, the volume of water drawn is low in many cases.

As a precaution, Prysmian assumes that water consumption is equal to the volume of water drawn. Water volumes at plants are monitored regularly at country/region level and reported at business level.

Incoming water is also monitored at local level, to guarantee correct and optimal use of this resource. For waste water, the type of measurements performed and their frequency are established locally and are not tracked at Group level, partly in consideration of the fact that, in many cases, industrial discharges are virtually zero, due to use of recirculating systems.

In fact, at the plants where a closed cooling water recirculating system is present, the industrial water discharges are virtually absent. In contrast, where there are open or partially open cooling systems, the cooling water is discharged into a sewer system or surface waters. Treatment units are installed upstream of discharges, if necessary, in order to guarantee regulatory compliance, minimise the potential impact on the receiving body of water and avoid incidents of any kind. The quality of discharged water is monitored periodically and checked by external bodies, which carry out regular inspections or audits.

The Group is considering supplementing the water resource reporting, in order to highlight the systems and procedures already in operation, thanks to which the significance of water management is limited, as are the assessments performed, making them even more transparent for all stakeholders.

Considering the quantity and quality of water sources, the type of usage, the recycling systems used and, in general, assessment of the environmental aspects and impacts as part of the Environmental management system, it is clear 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 base metal suppliers. For this reason, in addition to continuing to track and audit "critical" suppliers with reference to sustainability criteria and indices, Prysmian extended assessment of the risks related to the availability of water to the entire supply chain in 2021 and is considering the introduction of specific rating systems, including the CDP Water Security Questionnaire, in order to assess the management of water resources within the supply chain.

Consumption of water resources

Power cables represent the product line with the greatest impact on the consumption of water, drawing 76% of the Group's water resources in 2021.

All areas in which Group plants are located were evaluated during 2021 in order to identify possible water-stress conditions. Water stress refers to the ability or inability to satisfy the demand for water for human and ecological needs. This stress may derive from the availability, quality or accessibility of water. Assessments are made using the Aqueduct Water Risk Atlas, which is a tool that identifies water-stressed areas where the total volume of water drawn annually exceeds 80% of the total annual renewable supply. The water drawn by the Group is analysed below, distinguishing between water stress areas and other areas. In 2021, the water drawn from water stress areas represented about 28% of the total volume drawn by the Group.

PRYSMIAN GROUP [1/3/4]			
Water drawn (m³) by source [2]	All areas	Water stress areas	Total
Water from wells	2,745,141	1,975,482	4,809,692
Water from public water main	2,120,525	432,853	2,601,554
Water from other sources	1,208,089	-	1,230,884
Total	6,073,755	2,408,335	8,642,129
Water drawn (m³) by source[1] 2020[2]			
Water from wells	3,037,448	1,926,023	5,060,794
Water from public water main	2,126,881	380,077	2,556,114
Water from other sources[4]	1,207,236	-	1,230,907
Total	6,371,565	2,306,100	8,847,815
Water drawn (m³) by source[1] 2019[2]			
Water from wells	3,398,725	1,876,470	5,376,641
Water from public water main[3]	2,367,727	451,002	2,872,935
Water from other sources[4]	1,340,581	-	1,366,361
Total	7,107,032	2,327,472	9,615,937

1   It is assumed that the majority of the water withdrawn was fresh water (<=1,000 mg/l of total dissolved solids). In 2021, the Group worked to analyse this data deeper and report in more detail on this aspect.
2   With regard to water withdrawals by source, the estimate reported on page 41 (+2%) has only been applied to the totals by source and not to the "All areas" and "Water stress areas" detail.
3   It is assumed that the water withdrawn from the public water main by all Group plants and R&D centres came entirely from the water table.
4   It is assumed that the water withdrawn from "other sources" by all Group plants and R&D centres came entirely from surface sources.

With regard to water consumption per ton or km of product in comparison to 2020 production volumes, the following table shows the values for individual Product Lines.

WATER CONSUMPTION PER PRODUCT LINE (2021)
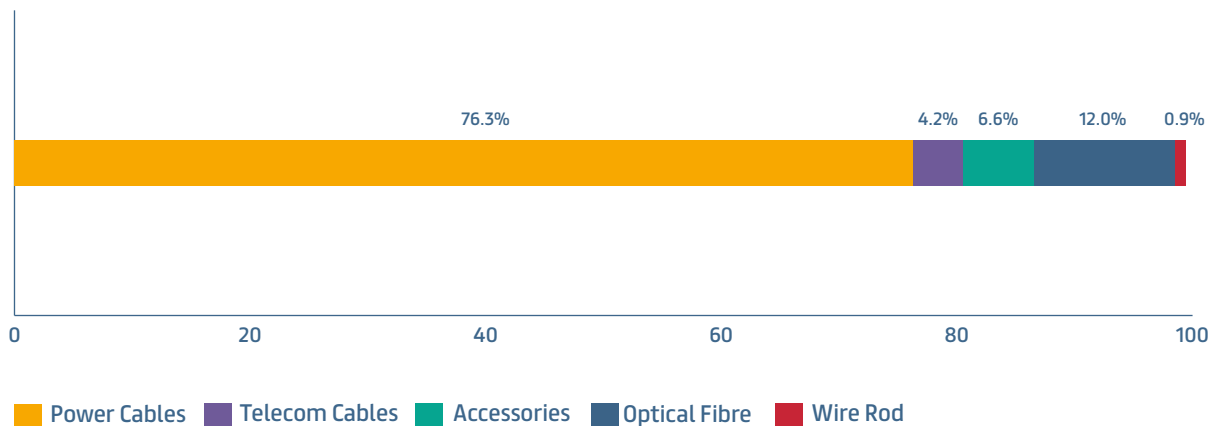
PRYSMIAN GROUP				
2021	Power cables m³/Ton	Telecom cables m³/km	Optical fibre m³/km	Wire rod m³/Ton
Water consumption per km/Ton	3.33	0.01	0.02	0.64
2020	Power cables m³/Ton	Telecom cables m³/km	Optical fibre m³/km	Wire rod m³/Ton
Water consumption per km/Ton	3.55	0.01	0.03	0.59
2019	Power cables m³/Ton	Telecom cables m³/km	Optical fibre m³/km	Wire rod m³/Ton
Water consumption per km/Ton	3.58	0.01	0.03	0.48

Percentage of process water recirculated

Process water - e.g. that used to cool semi-finished products - is recirculated at numerous plants, in whole or in part depending on the situation, in order to avoid excessive consumption. In order to better understand the degree of efficiency achieved in the use of water, the application of the methodology, devised in collaboration with the Merlino plant, to determine the "percentage of water recirculated" with respect to total water consumption has been extended. The concept is based on how much is saved (compared with not having a recirculation plant) in relation to the total quantity of water consumed for processing reasons (due to evaporation, occasional emptying of the circuit, or the lack or only partial installation of a recirculation plant).

With regard to the Prysmian Group, it was possible to acquire information on 91% of the operating units[4], with results showing that almost all of them possess recovery systems, with water recirculation percentages between 99% and 100% in 50% of cases, between 95% and 99% in 28% of cases, and between 90% and 95% in another 3% of cases, while recirculation percentages of under 90% are found in 7% of plants, with room for improvement . This topic does not apply at 12% of plants/business units. The percentages stated above may of course change as application of the formula is extended to other plants/business units, in order to obtain full coverage of the Group.

The Group began to collect data in 2019 about the quantity of water returned to surface reservoirs. This data was only provided by a limited number of operating units and, accordingly, was not considered representative at Group level. It has not been reported in this document.

Improvement initiatives

Various initiatives to improve environmental management were implemented during the year, including:
- Reduction of energy consumption
  - Balassagyarmat (Hungary): natural gas consumption has been reduced by implementing new technologies for the production of compounds.
  - DuQuoin (USA): natural gas consumption has been reduced by implementing a dry cure process.
  - Livorno (Italy): natural gas consumption has been reduced by installing a new steam boiler for the reverse osmosis plant, with an increase in yield from 77-78% to 95%. [This has resulted in an annual gas saving of 3960 Nm^3 and an annual water saving of 214 m^3.]
  - Neustadt (Germany): the installation of a heat and electricity cogeneration unit, also used to heat the plant, has resulted in significant energy and cost savings (about 70,000 euros/year).
  - Nieuw Bergen (Netherlands): LPG has been eliminated from production by replacing the torch used on the extrusion head with an electric heater.
  - Velke Mezirici Energy (Czech Republic): an appreciable reduction in the consumption of electricity for lighting was achieved by the LED replacement project.
  - Wuppertal (Germany): an appreciable reduction in the consumption of electricity for lighting was achieved by the LED replacement project.
  - Pignataro (Italy): the energy efficiency and usage optimisation projects launched in 2021 resulted in an appreciable reduction in the consumption of electricity. Further savings in the consumption of heat energy are expected in 2022.

- Reduction of water consumption
  - Abbeville (USA): water consumption has been reduced by installing a filtering system for the cooling tower.
  - Mudanya Energy (Turkey): water consumption has been reduced by using photocell taps and systems for the on-line monitoring of meters.

- Reduction of waste production
  - Heredia (Costa Rica): the production of non-hazardous waste has been reduced by implementing a new methodology for programming the sequence in which cables are produced, which has increased production and reduced waste by improving control over the process.
  - Muscat (Oman): the production of non-hazardous waste has been reduced by a programme designed to increase the useful life of oil emulsions (from 2 to 3 years), thus reducing consumption and related disposals.

4   The productive units from the EHC group were not accounted for in the calculation of the water recirculation percentages, as they are still being gradually integrated within the centralised system for the collection of the Group's HSE data.

Shipping fleet

The Prysmian fleet, comprising four vessels (the Giulio Verne, the Ulisse, the Cable Enterprise and the Leonardo da Vinci) is managed by Prysmian Power Link (PPL). With regard to environmental performance, the fuel consumption data is provided below together with the related CO_2 emissions (Scope 1) and the waste transferred by the vessels to the competent maritime authority (under the MARPOL regulations) in the 2021 reporting year. The 2019 and 2020 data does not include the Leonardo da Vinci, which entered into service during 2021.

ENERGY AND SHIPPING FLEET EMISSIONS						
	2021		2020		2019	
Fuel	Energy (GJ)	Emissions (tCO$_2$eq)	Energy (GJ)	Emissions (tCO$_2$eq)	Energy (GJ)	Emissions (tCO$_2$eq)
Marine Gas Oil	283,433	21,639	293,480	22,406	168,417	12,087
Diesel	-	-	-	-	116,820	8,280
Total	283,433	21,639	293,480	22,406	285,237	20,367

The change in the quantity of waste produced by the shipping fleet compared with the previous year was due to the new vessel Leonardo Da Vinci and the production of waste from ships even when stopped in port.

WASTE SHIPPING FLEET [1]			
Type	Quantity (kg) 2021	Quantity (kg) 2020	Quantity (kg) 2019
Oily water	309,069	62,145	87,525
Sludge	148,350	132,075	116,375
Chemical detergents	-	2,089	2,362
Plastic	124,344	265,501	52,920
Domestic waste	312,158	277,245	172,862
Other	4,266	7,746	3,619
Total	898,187	746,802	435,663

1) Waste generated by ships is disposed of differently depending on the suppliers who receive it at the different ports of call of the ships.
Source of conversion factors used: Waste weight determination, BHAS 2015.

Biodiversity protection policies

The environmental impact of Prysmian Group is quantifiable at a global level, which is why the Group has decided to take into consideration all the various environmental aspects that may be affected by the business. These include the biodiversity of the animal and vegetable species influenced by the activities and infrastructure of the Group, with possible adverse consequences for the condition of the biosphere in the territories in which it operates. Accordingly, 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 effort involves carrying out advance feasibility analyses of new plants and monitoring protected areas in the territories in which the Group operates, considering such aspects as the local legislation on biodiversity and the geographic vicinity of protected areas to plants, especially if they contain species at risk of extinction. Analysis shows that the majority of Prysmian Group plants are not located in or near to protected areas. The topic of biodiversity applies to one-tenth of all plants, as they are located in protected areas in (principally) France, Brazil, Germany, the UK and Spain. There are many reasons for such protection, covering surface waters, flora and fauna of various kinds, including bird and water life - with a focus on certain rare species. Where necessary, or as agreed with the local authorities, Prysmian plant participate in the related protection activities, including for example:

- the Sorocaba plant in Brazil, within which there is a Permanent Preservation Area (about 10 hectares, divided into two lots) that has been restored with agreement from the Governmental Agency for the Environment, by planting or sowing seeds for about 1,200 vegetable organisms as environmental compensation for use of the protected area;
- the Schwerin plant, where grass cover is allowed to grow without cutting, in order to provide a source of food for herbivores.

06_EXTENDED VALUE CHAIN

We make particular efforts to understand what drives customers' business so that we can anticipate solutions to their problems. We get the supply chain to adopt increasingly virtuous ESG practices. This is where Prysmian's championing role emerges: as an entity whose constant engagement supports and promotes the creation of sustainable value for customers and stakeholders. This is where our ambitions materialise: in enabling the transition by proactively exercising sustainable leadership upstream and downstream in the supply chain.
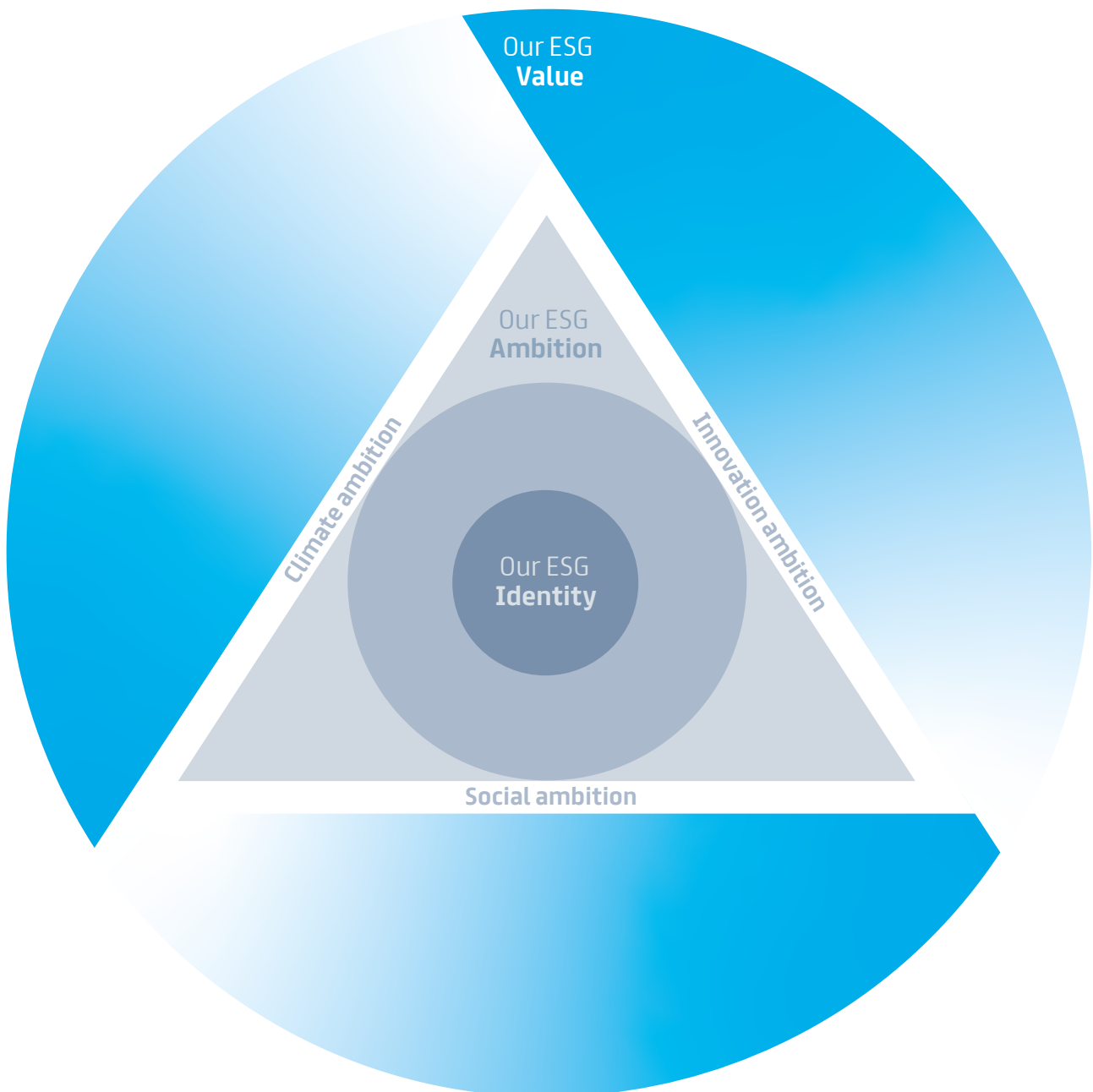
Our customer-centric approach

We place our customers at the centre of everything we do, from design to execution and the creation of new products. We monitor customer experience levels via specific initiatives and using innovative tools, in order to respond promptly with ever greater efficiency.

Customers are central to all our business operations, from design to execution. Cables are designed with the customer in mind. In many cases, they actually stem from collaboration with customers on the creation of new products. When it comes to custom-made products, customers are invited to our plants and R&D centres in order to participate in the underlying processes. Customer satisfaction is monitored via web surveys and individual interviews. The Group applies the principles of flexibility throughout the entire supply chain, with a view to accelerating the time to market and adapting to customer requirements in the various sectors.

Flexibility to ensure customer satisfaction

Thanks to our global footprint, Prysmian is perfectly able to respond to all the different needs of customers. The Group can serve very different segments and markets thanks to our matrix organisational structure: in local markets we use domestic business and development structures, but our business units are also able to serve global customers by cooperating at an international level.

UNDERSTANDING THE NEEDS OF OUR CUSTOMERS

PERSONAL INTERVIEWS

The Prysmian Group began to conduct interviews in 2015. They are carried out annually with strategic customers by the Group's E&I Customer Centricity manager, in close collaboration with the sales functions in the countries and regions concerned. The topics covered include conditions of sale, product range, logistics, services, marketing and branding, and overall business strategies. Aspects of digitalisation and sustainability have also been included in recent years.

This activity became particularly important in 2019 as, for the first time since the merger with General Cable, it involved all 3 major Group brands: Prysmian, Draka and General Cable on a global level.

Due to the Covid-19 pandemic, it has not been possible to interview customers in person since 2020. These meetings will be scheduled again, just as soon as the healthcare emergency has been overcome.

WEB SURVEYS OF CUSTOMER SATISFACTION

Prysmian carries out web surveys to measure the level of customer satisfaction, in order to resolve problems in the most effective manner. These surveys are conducted using a platform connected with Salesforce, the Prysmian Customer Relationship Management (CRM) system, thus allowing countries that already use the CRM system to view the results on their portals.

The surveys make it possible to assess commercial conditions, products and services, customer support, brand awareness, the product portfolio and aspects of digitalisation and sustainability, identifying the main drivers in each category.

Due to the Covid-19 pandemic, the survey format adopted from 2020 is different to that previously shared with customers, covering a wider geographical area and going into greater detail on each topic.

2021 Web Survey Results:

• Target: 30 countries;
• Perimeter: Europe – North America – Latin America – Oceania and South-East Asia;
• Customer perimeter: Key accounts – mainly in the Distribution channel;

RESPONSE RATE: 33.6% OF THE PERIMETER

The customers interviewed were presented with 6 main macro-categories of driver (Commercial strategy, Innovative products and solutions, Operation of the supply chain, Customer support, Marketing, Digitalisation).

Respondents were requested to rate, with a score from 1 (minimum) to 5 (maximum), the importance of each driver and their satisfaction with the performance of Prysmian:

	AVERAGE IMPORTANCE OF THE DRIVERS FOR CUSTOMERS	AVERAGE SATISFACTION WITH THE PERFORMANCE OF PRYSMIAN
Europe	4.2	3.7
North America	4.2	3.6
Latin America	4.5	3.8
Oceania and South-East Asia	4.3	3.7
Global	**4.2**	**3.9**

Given the significant impact of the Covid-19 pandemic on business activities, the survey also included a question to identify – in the opinion of the Group's main customers – the priorities to be addressed.

This global survey flagged the supply chain and digitalisation as the main priorities. The healthcare emergency has further underscored the historical importance of these two topics, justifying accelerated implementation in view of their strategic importance for the management and development of business in each market.
Our key customers have therefore confirmed the validity of the strategy adopted by the Group in relation to these two aspects.

In the context of the web survey, the Customer Centricity office arranged a series of meetings in the various areas, in order to share the results obtained. The countries and regions are now preparing and implementing specific actions to support their customers and follow-up work is already in progress to assess the results.
In addition, the use of a web survey platform and related activities were introduced at group level from 2019.

In this way, all business units, countries and/or regions within the Group can adopt a common methodology and platform and, at the same time, carry out surveys independently during the year, depending on their specific business or service needs.

INNOVATIONS FOR CUSTOMERS

CABLE APP

The Cable App project has been developed over the past year, as part of innovation in the area of customer centricity. The main purpose of this App is to identify the most suitable cable and cross section based on the electrical installation parameters, as well as to offer video and technical content to installers. A reseller locator function is also available.

This tool offers the following benefits:

- improved communications between installers and professionals
- reduced total cost of ownership (TCO)
- enhanced positioning of Prysmian as an important player in the digital market
- differentiation from competitors by a solution that is easy to use, complete and professional.

The App is available to both customers and installers in South Europe (ES, IT, FR, PT), North Europe (DK, SE, NL, NO, FI, Baltics), the United Kingdom, Central East Europe (HU, RO), Turkey, China and LATAM (BZ, AR CO, MX, Central America). The global launch plan will soon be completed by coverage of the rest of the world (North America, Asia). The roll-out during 2022 will include integration of the App with the portals of our main customers.

CUSTOMER PORTALS

The main objective of the customer portals made available in each country, consistent with the customer centricity strategy developed in all regions, is to enhance customer satisfaction and automate customer service.

The development of customer portals at country level adds value in various ways:

- reduced need to contact the Prysmian back office by telephone
- access to a digital infopoint
- 24/7 access to needed information
- order flow tracking through to the invoicing stage
- improved level of service and enhanced customer relations over time.

The addition of an on-line purchasing function to the platform in 2022 will accelerate order processing and reduce the lead-time between order acceptance and shipment, tailoring the experience to the needs of each customer.

VMI

The Vendor Managed Inventory (VMI) system is another tool currently being made available to our main customers. This has been designed to enable integration between them and the Prysmian Group, establishing optimal stock levels and enhancing the agility of the supply chain.
The VMI system allows the Prysmian Group to offer leading customers a model based on the VMI collaborative platform, with benefits in terms of improved customer relations and understanding, increased collaboration and sales, greater efficiency and a better understanding of the investment made in the supply chain and related costs.
Plans to roll-out the VMI system during 2022 target our European affiliates in particular.

PIM

Product Information Management (PIM) comprises a broad set of processes that enable Prysmian Group to gather, store and access all types of information about the product range. PIM provides systematic information via the InRiver platform, which delivers a comprehensive interface for all product information that can be made available on multiple Prysmian Group websites and on the web/e-commerce platforms of our customers. The PIM data model has been organised with a kernel that allows the levels of customisation needed to manage the product information of each business unit and comply with the technical specifications current in each Group country. Using PIM, Prysmian Group can manage effectively the technical and commercial information about the portfolio of products, including their ETIM and CPR classifications, as well as images, technical sheets and videos, which can be shared with and made available to commercial partners, customers and product management platforms (data pools) in each country. The PIM project is already live in 22 European countries, covering standard, special and multimedia products. Implementation outside Europe commenced in 2021.

MANAGEMENT OF COMPLAINTS

Attention to quality and product safety is an integral part of our global customer-centric strategy. In order to ensure a more accurate and rapid customer complaints management, the Group continues to improve the recording and analysing processes through the use of specific software that ensures, inter alia, a global overview of the Company's performance, promptly identifying criticalities and implementing the necessary improvement plans.

The term "complaint" refers to any written notice submitted by a customer with reference to a possible product non-conformity that Prysmian recognises as such. "Product non-conformity" indicates any deviation from standards, specifications, procedures or regulations that might have had a direct or indirect impact on product quality.

Product complaints management is supported by ongoing training by the HQ Quality team, with a focus on problem analysis and identification and elimination of root causes. Training is carried out for local organisations and includes several sessions, during which the progress of the multi-disciplinary groups involved in specific projects is assessed.

In 2021, the number of complaints increased by 13% due both to migration to the Group's systems by one of its affiliates that allowed to record complaints more accurately, and partly to an increase in problems occurred in the post-production phase, during the product handling and transport, which have been particularly impacted by the current global situation.

The recording of complaints will continue to be improved in 2022 as well, with other affiliates planning to migrate to the Group's systems.

SERVICE TIMELINESS AND EFFICIENCY

In 2021, the effects of the COVID pandemic were mainly manifested in the crisis linked to the supply of raw materials, as well as in the shortage of services and means of transport, with a consequent impact on the global supply chains of all sectors, including the cable industry.

In this context, the biggest challenges came in the form of a lengthening of the pipeline and major difficulty in managing the order backlogs.

Even in this context, Prysmian Group continued to maintain its strategic focus on customer centricity, trying to maintain an adequate level of service performance in terms of reliability of shipments and "lead time" from order receipt to the delivery of products to customers.

Prysmian's supply chain actions have been aimed at effectively addressing the shortage of raw materials, keeping all its plants operational even in the most critical moments of the post-pandemic period and trying to identify, in real time, alternative solutions to mitigate the impacts related to transport issues.

In 2021, the On Time Delivery indicator (OTD), namely the ability to serve the customer respecting the delivery date promised at the time of order confirmation, continued to confirm the adequate levels of reliability achieved in previous years, which however did not always reflect in the reporting process. In fact, in order to promote a day by day assistance service for customers, designed to minimise as far as possible the impacts of the difficult management of deliveries, at times there was a failure to enter wish date changes in the systems, thus losing the consequent KPI adjustment. As shown in the graphs below, a slight decrease is reported both in the Energy Products and Telecom areas compared to previous years.

The Telecom business worked to ensure that the service remained at a good level, despite the major crisis witnessed above all in the North American geographical area. Particularly in this region, the high saturation and very rigid order promising, combined with the shortage of raw materials such as fibre and aramid, created numerous critical issues and caused an inevitable performance deterioration.

ON TIME DELIVERY - TELECOM
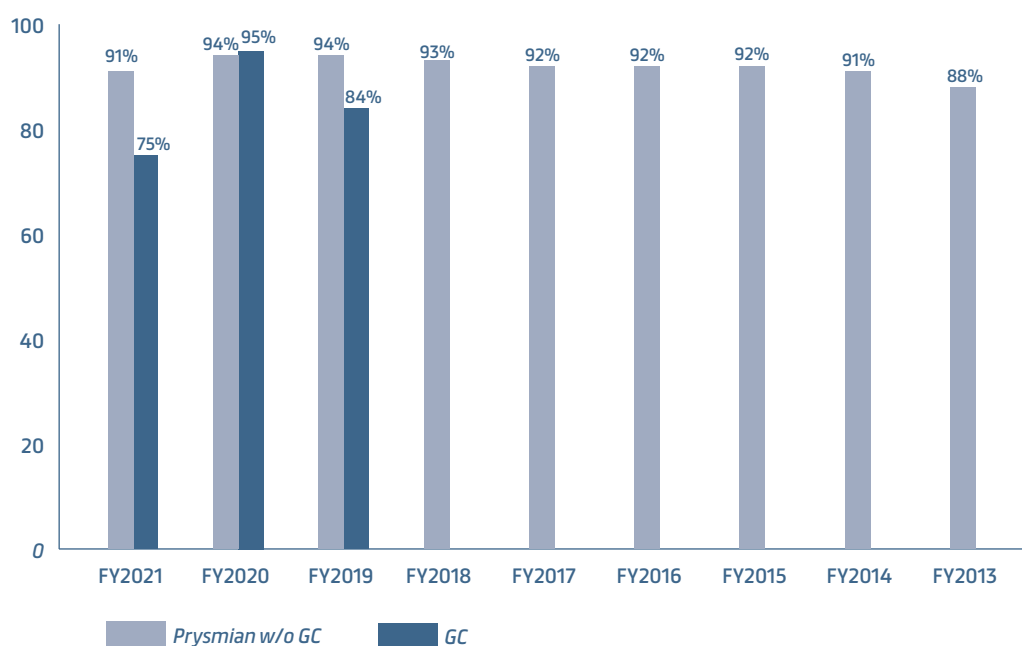
Graph 1

In the Energy business, service performance remained however at high levels as regards the Prysmian perimeter (93%), while the most significant impact is mainly in the former GC area (68%), especially in the Elevator business (Rocky Mount), where the enormous difficulty in supplying ancillary components was the main cause of delays and generated such a significant order backlog as to cause various problems also in resource management – a problem that was about to be solved at year-end (see Graph 2).

ON TIME DELIVERY - ENERGY
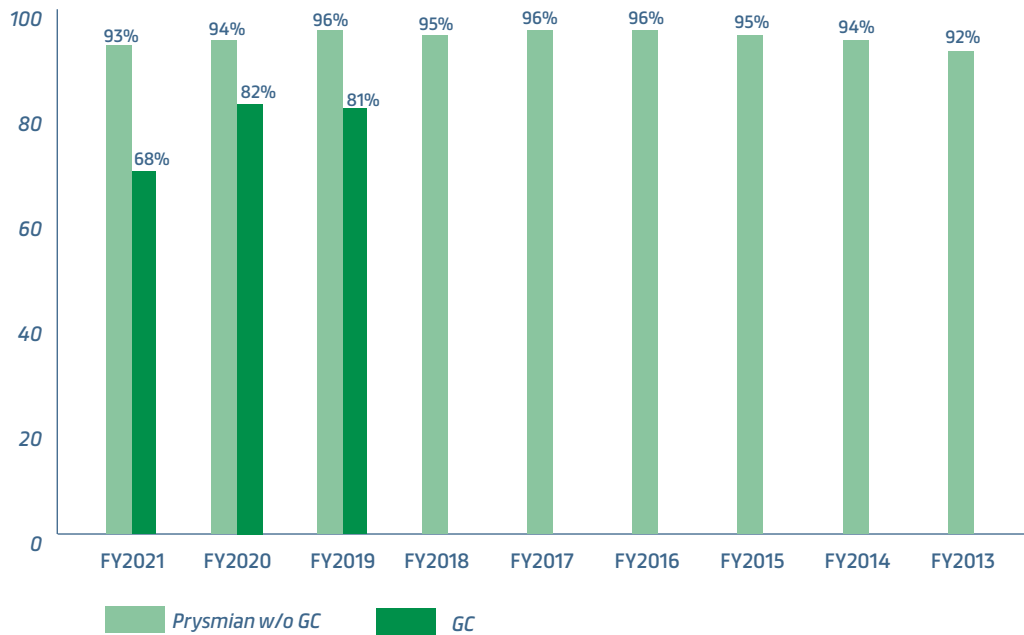
Graph 2

The work carried out in prior years to monitor the quality of the stocks available, with a view to improving time to market, paid off at the most critical time of supply chain disruption, due to the pandemic.

The system for the interactive control of stocks by product category and by plant (Stock Fill Rate monitoring), which calculates the minimum stock for each product code and highlights any stock-out, was extended and used heavily during the pandemic to guarantee an adequate level of customer service.

To limit possible delays and improve the reliability of the business, even for 'Make-To-Order' products, the CLIP index is monitored weekly on the SAP1Client platform. Supplementing the traditional service indicators, this index measures the reliability of production compared to planned targets.

Sustainable supply chain

We proactively interface with our suppliers to development an organisational process focused on the sustainability of the entire production chain. The procurement of raw materials and the performance of activities are governed by strict sustainability policies with regard to environmental impact and respect for human rights and business ethics. For this reason we have incorporated ESG KPIs into our supply chain evaluation and have implemented a new supplier portal for better monitoring of ESG principles.

Prysmian Group constantly strengthens relations with strategic suppliers, seeking to build together a common organizational process focused on sustainability throughout the entire production chain.

The main Group suppliers provide the principal raw materials used by Prysmian in the production processes: copper, aluminum, lead, various petroleum derivatives (such as PVC and polyethylene) and components for Power and Telecom cable accessories, as well as special types of glass and sheathing for optical fiber.

As regards 2021, it should be noted that data referring to the suppliers of the acquired company EHC has been excluded from the reporting process. The Group is however committed to collecting such data as of next year, in order to provide a complete overview.

During 2021, the Prysmian Group has managed to develop and implement environmental and social strategies in the supply chain area, such as:

- Use of qualified suppliers that are applying sustainability strategies in their production activities,
- Only use high quality materials whose technical characteristics have been authorized,
- Develop strategies for commodities that guarantee continuity of supply and availability of the required volume delivered on time at the most competitive prices,
- Constant reduction of emissions generated by products we use.

Additionally, the strategic management of the Prysmian Group supply chain is based on a defined process that takes ESG factors into account, which includes:

- Risk assessment,
- Identification of critical suppliers,
- Supplier management and performance evaluation,
- Search and selection of the suppliers according to standardized processes.

In relation to these, Prysmian identified and developed 3 main macro-activities for the enhancement of sustainability aspects:

1. Commitment to ethical standards in the introduction of new suppliers: Code of Ethics and Code of Business Conduct, definition of Conflict Minerals Policy and Human Rights Policy,
2. Sustainability assessment of the current supply chain: Sustainability Desk Analysis, Risk Analysis, and sustainability audits,
3. Management and improvement of sustainability aspects: implementation of actions with a view to achieving the objectives included in the Sustainability Scorecard.

OUR SUPPLIERS

BASE METALS

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

Prysmian's production process starts from aluminum and copper wire rod for the manufacturing of cable conductors. These metals are purchased from the world's leading mining and smelting companies. The Group only self-produces minor quantities of wire rod (less than 10% of copper and 25% of aluminum's total consumption).

The Group consumes about 2-3% of the world's copper production and about 7% of the copper used in the electrical and electronic sector. Given the highly fragmented copper market, Prysmian Group is one of the leading economic players in the sector.
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 actor 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 Materials category embeds all the services and goods which are not directly connected to our final products. Excluding installation services, among the most important categories which belong to the Non-Raw Material there are: Transportations, packaging, MRO and utilities, which combined cover more than 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 CO_2 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. For what is concerning 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 utilize 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).

NO. OF SUPPLIERS 2021 – PRYSMIAN GROUP
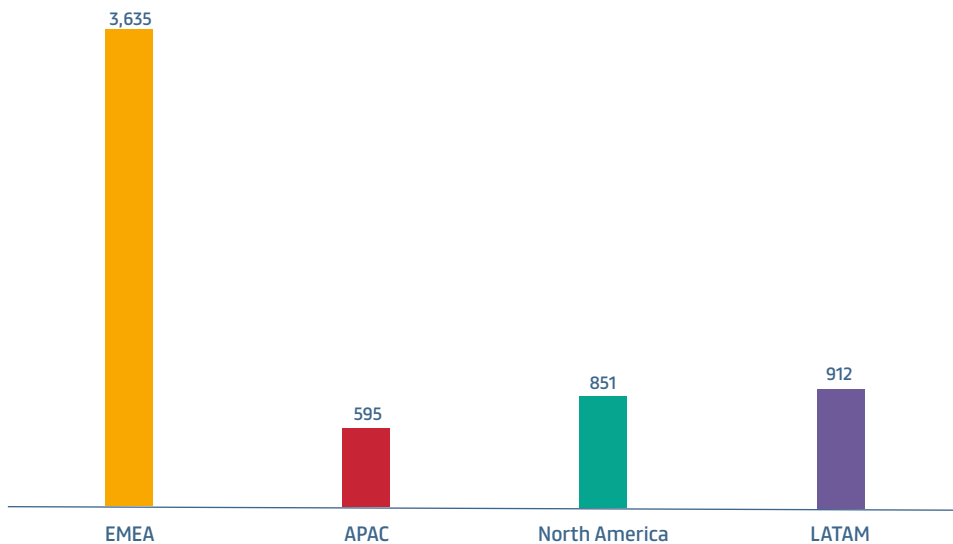
PERCENTAGE OF SUPPLIERS 2021 – PRYSMIAN GROUP

- 60.65% EMEA
- 9.93% APAC
- 14.20% North America
- 15.22% LATAM
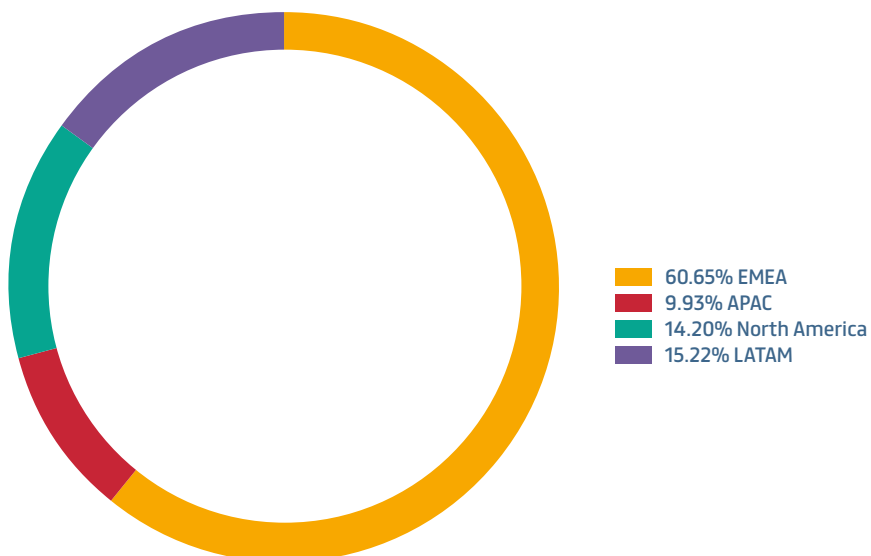
NUMBER OF SUPPLIERS BY GEOGRAPHICAL AREA - PRYSMIAN GROUP			
	2021	2020	2019
EMEA	3,635	3,562	3,550
APAC	595	578	570
North America	851	893	872
LATAM	912	891	637
Total	5,993	5,924	5,629

PERCENTAGE SPENDING ON SUPPLIERS 2021 – PRYSMIAN GROUP

- 59.13% Base metal
- 19.18% Raw material
- 21.69% Non-raw material
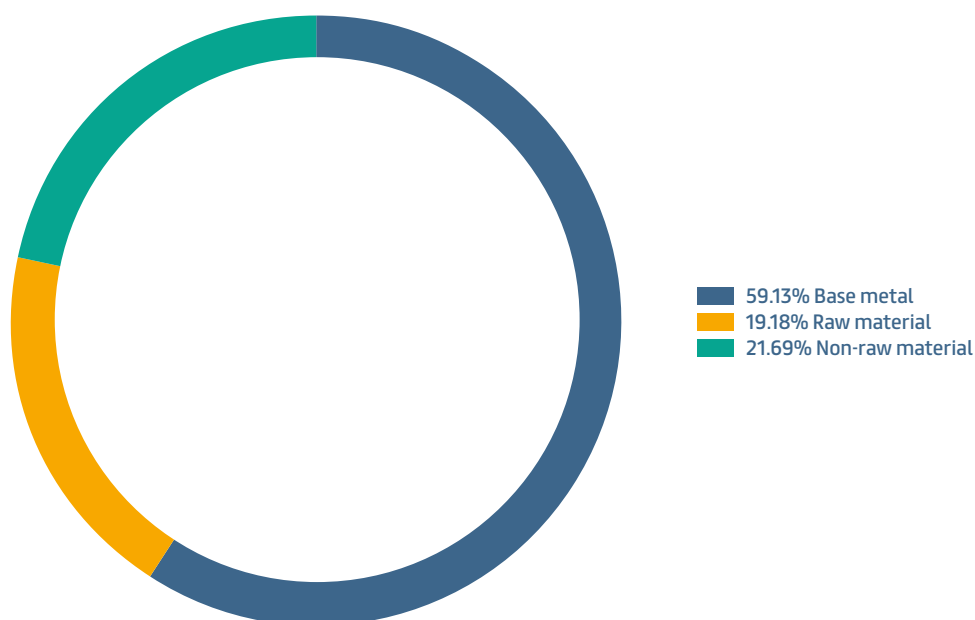
GOOD AND SERVICES PURCHASED LOCALLY (%)*			
	2021	2020	2019
EMEA	60.1	70.8	70.4
APAC	76.3	79.7	84.9
North America	99.3	97.9	94.4
LATAM	80.2	83.0	82.6

* 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 Group definition of "local" is all those suppliers whose operational headquarters are in the same country as the legal entities of Prysmian.

NON-RENEWABLE RAW MATERIALS 2021 – PRYSMIAN GROUP

- 62.80% Metals
- 19.75% Compounds
- 15.80% Ingredients
- 0.33% Chemical products
- 1.32% Other (yarns, tapes, oil)
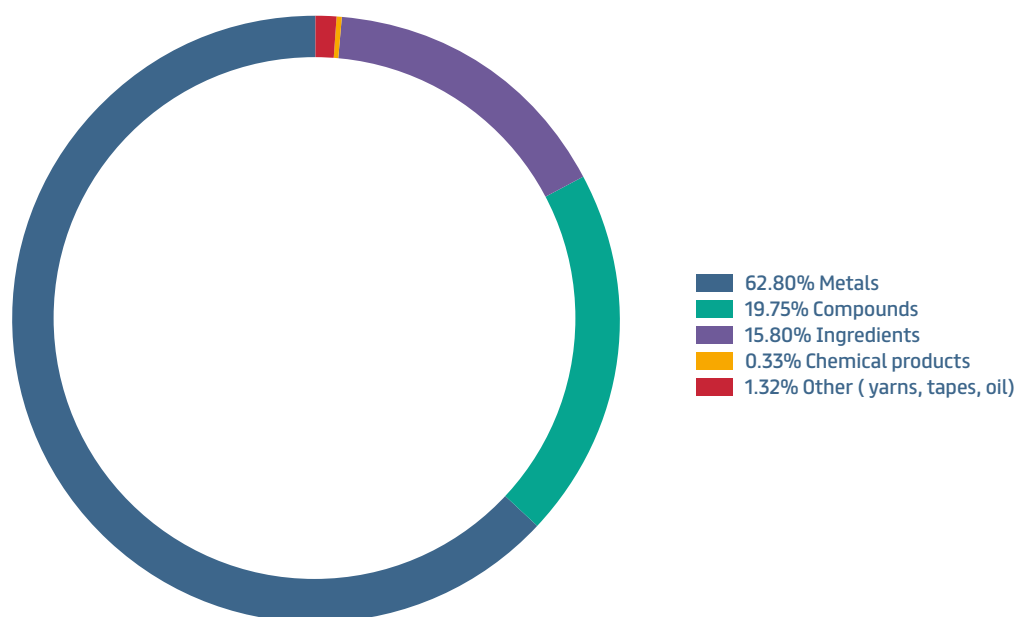
MATERIAL USED BY WEIGHT OR VOLUME [KTON]			
	2021	2020*	2019
Metals	1,189	1,083	1,126
Compounds	374	339	405
Ingredients	299	276	349
Chemical products	6	6	10
Other (yarns, tapes and oils)	25	23	41
Total	1,893	1,727	1,931

* Following an internal audit for the year 2020, a calculation error was detected due to an error in the formula for harmonising the units of measurement. The 2020 figures have therefore been updated.

RESPONSIBLE AND SUSTAINABLE VALUE CHAIN

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 in place 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, accountability),
- 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, use of water, production of waste and recycling),
- Prysmian's application of the related guidelines is highlighted to suppliers at the scouting and qualification stages.

CODE OF ETHICS

The Group's Code of Ethics is its charter which outlines the rights and moral duties of those who work in the name of and on behalf of Prysmian. The Code outlines the rights and commitments of the Group towards its shareholders, customers, suppliers, employees, the environment, and the communities in which it operates, as well as the details of its Anti-Bribery & Anti-Trust policies. Additionally, the Code highlights commitment to export control and economic sanctions laws, the fight against money-laundering, handling of stolen goods, self-laundering as well as the avoidance of conflicts of interest.

Each individual/organization that does business under the Group's name or on behalf of it, is required to acknowledge and comply with this Code, as a fundamental prerequisite. Whenever a contract is awarded, the supplier must accept and sign the Group's Code of Ethics, in full awareness of the related rights and obligations.

HUMAN RIGHTS POLICY

This Policy applies to the physical and legal boundaries of the Group's business activities and operations, in addition to workers of independent contractors working in the Group's venues and plants. It follows the International Labor Organization's Fundamental Principles and Rights at Work, by covering:

- Non-Discrimination
- Child Labor
- Forced, bonded and compulsory labor
- Freedom of association and recognition of the right and collective bargaining
- Health & Safety
- Working conditions
- Fair wages and equal compensation
- Grievance mechanisms
- Commitment towards local communities

Prysmian is committed to progressively assessing its suppliers' respect of the principles reported in the Policy, through a structured process supported by audits with the aim of monitoring the supplier base in order to prevent any violation, and if necessary, firmly take action—including reconsidering future commercial partnership with the involved suppliers.

CONFLICT MINERALS POLICY

Prysmian Group enforces a Conflict Minerals Policy, with the aim of guaranteeing a "Conflict-free" supply chain that doesn't contribute to the on-going armed clashes in conflict-affected and high-risk areas. This is done through the following activities:

- Identification of purchased materials/semi-finished products containing 3TG (tin, tungsten, tantalum, and gold),
- Requesting all incumbent and new recurring suppliers of products containing said materials to provide the Conflict Minerals Reporting Template (CMRT), as per the latest version developed by the Responsible Minerals Initiative (RMI) (through formats and international standards),
- Analysis of information received for red-flags and inconsistencies and implementation of corrective actions.

In 2021, considering the 4 minerals covered by the Conflict Materials Policy, the Group purchased limited quantities of tin. Analysis of 40 suppliers of tin to the Group identified their original sources, comprising 37 different smelters. Out of these, 35 are determined to be Conformant with the Responsible Minerals Assurance Process (RMAP) developed by the RMI. The remaining two are currently participating in the RMAP and are being audited by an independent third-party auditor. Overall, the investigation did not identify any risk in this area.

ANALYSIS AND SUPPLIER MANAGEMENT

Regarding the management of the supply base, Prysmian Group adopts a comprehensive approach based on 3 different steps:

- Introduction of a New Supplier
- Assessment of the Actual Supply Base
- Maintenance and Improvements

Introduction of a new supplier
Prysmian Group developed a common process to be followed for the introduction of a new supplier which requires the following mandatory activities:

- Supplier Qualification Questionnaire (Direct Materials): It's a questionnaire composed by 7 sections corresponding to different areas of qualification. Starting from 2015, a section related to Sustainability that deep-dives the supplier's commitment on ESG aspects has been added
- Technical Product approval (Direct Materials): All direct materials sourced have to be technically approved by R&D via Lab, Material & Industrial Tests
- Process/Product Audits (Direct Materials): In particular cases, if the material sourced has a high impact on the business or the performances are an element of concern, Prysmian Group delivers Process/Product audits to selected suppliers in order to grant the quality of the product and the efficiency of the production flow
- CMRT (Direct Materials, where applicable): Conflict Minerals Reporting Template, starting from 2015 Prysmian Group committed to assess all suppliers potentially involved in sourcing 3TG minerals
- Financial Assessment: Suppliers are often screened to assess financial health and dependency to Prysmian Group's business in order to ensure a sustainable business relationship
- Exiger "Tool" Compliance Screening (Indirect Materials): As of 2019, the Group has implemented a comprehensive inter-functional compliance screening, focused on specific indirect materials' categories, with the aim of ensuring a transparent and ethical business relationship.

ESG assessment of the actual supply base
- Sustainability Desk Analysis & Risk Analysis: In 2014, Prysmian Group started to adopt these tools to assess its supply base periodically. In 2014 the Group assessed 62 suppliers covering 50% of the total spend, in 2021 the Group reached 501 suppliers with a 68% coverage of the total spend. This activity is performed by an external highly specialized advisor who is a key partner in all sustainability initiatives of Prysmian Group. The Desk Analysis is a process that aims to assess and rate commitment of our suppliers on ESG factors via public information. Based on the Desk Analysis, the Group elaborated a tailored Risk Analysis. This second step of the assessment has the target to re-evaluate the performance of these suppliers based on 2 main drivers: Importance (Spend & Impact) and Scarcity (Alternative Sources & Geographical Location). The result of the Risk Analysis is a report of 4 different clusters of suppliers based on risk levels: No Risk, Low Risk, Medium Risk & High Risk.

- Sustainability Audits: The Sustainability Audits have been introduced in 2017, since then 27 audits have been performed. The Audits are performed by our Sustainability Partner and have the aim to assess and evaluate the actual ESG performances of a selected supplier. The Group prioritizes high-risk suppliers for auditing. As of today, most of the audits didn't highlight any non-conformities. In the few instances where non-conformities were found, an action-plan was agreed with the supplier and follow-up audits were executed to ensure their implementation.

Maintenance and improvements
The year 2017 marked the publication of the first Sustainability Scorecard for the Group, and the Purchasing Department has implemented the strategy to be successful in achieving the targets given. In 2020 the Group renewed the Sustainability Scorecard with a new 3-year plan, which is currently ongoing in 2021.

The Purchasing function is committed to share and improve the awareness of its entire organization. Since 2015, a wide and deep section on Sustainability & Purchasing has been added in the annual "Purchasing Fundamentals" academy. At this annual training course, 30 buyers (of different seniority) are invited from Prysmian affiliates all over the world.

SUPPLIERS WITH CURRENT OR POTENTIAL NEGATIVE IMPACT IN RELATION TO ENVIRONMENTAL CRITERIA, HUMAN RIGHTS, WORKING CONDITIONS AND AT COMPANY LEVEL	PRYSMIAN GROUP - 2021		PRYSMIAN GROUP - 2020	
	No. suppliers	% of spending	No. suppliers	% of spending
Evaluated suppliers	501	68.0%	149	63.0%
Suppliers with a current or potential negative impact	70	1.0%	36	8.0%
Suppliers with a current or potential negative impact, for which an improvement plan has been implemented	0	0.0%	2	0.1%
Suppliers with a current or potential negative impact, whose supply relationship has been suspended as a result of the assessment	0	0.0%	0	0.0%

CARBON DISCLOSURE PROJECT

Prysmian Group has an on-going partnership with the Carbon Disclosure Project (CDP) aimed at tackling climate risk and finding low-carbon opportunities. CDP supports Prysmian in collecting and analyzing Scope 1 and Scope 2 emission data from suppliers, followed by feedback to suppliers, and the setting of new targets to continuously minimize adverse environmental effects. In 2021, the Group has significantly increased its' CDP reach to over 50% of its total spend resulting in an improved response rate. The main goal of 2022 is to further improve the response rate and quality of information collected from supplier.

CARBON TRUST

In 2020, Prysmian has partnered with Carbon Trust, which has supported the Group in setting a science-based target. In 2021, the target has successfully been set and approved by the Science Based Targets Initiative (SBTi). The Group commits to reducing absolute Scope 1 and 2 GHG emissions by 46% by 2030, from the 2019 baseline. It also commits to reducing absolute Scope 3 GHG emissions from purchased goods and services and from the use of sold products by 21% within the same timeframe. The Group also has a Net Zero emission target by 2035.

A RESPONSIBLE APPROACH TO MICA MINING

In order to manufacture certain safety cables and make them fire resistant, Prysmian purchases limited quantities of a few types of glass-based tape that contain small quantities of mica through both producers and distributors. The mica mineral is not used directly in the Group's products and production processes. The extraction process for this mineral takes place in geographical areas where a variety of factors contribute to poor working conditions and the use of child labor (For Prysmian Group, mica mines are tier 4/5). Prysmian has been tackling this issue since 2016, by requesting that all suppliers provide sufficient information about mica mineral sources and related

"Child-Labor Free" Certificates. In 2021, Prysmian Group became the first company in the cable sector to join the Responsible Mica Initiative (RMI), a non-profit coalition working to eliminate child labor and poor working conditions in mica supply chains. By joining the RMI, Prysmian Group is moving forward with its commitment to social responsibility and promoting ethical conduct by taking concrete action. Membership in RMI will help Prysmian be even more effective in increasing its control of its supply chain.

VENDOR PORTAL

In 2021 Prysmian has started to develop the Vendor Management portal, a modular web-based application adopted to increase efficiency in managing relationships with suppliers and eventually track ESG factors. The platform consists of 4 modules and aims to harmonize and enhance the performance of company processes:

1. **Supplier Management**: unique repository for data collection, supplier qualification process that also includes the assessment of sustainability aspects
2. **Contract**: standard templates available on the platform, dynamic contract repository
3. **Sourcing**: integrated tool for tender analysis
4. **Long Term Supplier Declarations (LTSD)**: correct tracking and management of goods' origin to comply with customers' requirements

The project will go live in 2022 starting from HQ and pilot regions, later to be integrated worldwide.

Group's logistics and transport

In 2021 we continued our commitment to optimising the transport of goods and reducing CO_2 emissions. In a year when there were severe issues and supply stress as a result of the lockdown and subsequent strong economic upturn, we benefited from a predominantly local supply chain. Our international reach also proved advantageous, as it allowed us to anticipate localised issues.

In 2021, the area of logistics and transport experienced critical issues, either ongoing or directly resulting from events of the latter part of the previous year i.e. severe stress on global supply chains due to the sharp economic upturn after months of lockdown.

As regards 2021, it should be noted that logistics management data of the acquired company EHC has been excluded from the reporting process. The Group is however committed to collect such data as of next year, in order to provide a complete overview.

Going from Q3 into Q4 2020 there was a shortage of export containers from China and a consequent sharp rise in sea freight rates. The situation has deteriorated in 2021, particularly in terms of the cost of sea transport, which has increased almost five-fold compared to pre-pandemic rates. These developments had no generalised impact on the Group's business; the effects were in any case moderate compared to other comparable sector entities, primarily due to operations set up last year to manage container availability, but above all due to the predominantly local nature of the Group's supply chain. The main negative effects were limited to the following: (a) the China-Australia flow, where the supply time for finished products and raw materials lengthened by 3-4 weeks compared to 2019, with a consequent increase in the need for stocks at destination; (b) the non-activation of inter-company flows to Europe of power cables produced in with low labour cost countries (Indonesia and Oman) but with a currently strong impact on transport costs.

Still in the transport sector, the supply shortage also affected road services in the second half of 2021, due in this case to a shortage of drivers. The problem mainly impacted the United States and the UK, with the rest of Europe being less affected. This situation, which still persists in North America, had consequences for the speed of service provided to customers, although it did not have any structural impacts on business sustainability.

The crucial challenge facing the Group's supply chain in 2021 was the availability and continued of supply of raw materials. The entire cross-section of Prysmian's businesses experienced very high numbers of orders in the early months of the year, resulting in an increased need for materials, in line with other industries with a common supply chain.

In the second and third quarters, the Group coped with this situation – particularly critical for PVC in Europe – by centralising the allocation of available materials to the factories and identifying alternative suppliers, until optimum stock levels were fully restored at the end of the summer.

In the latter half of the year, however, North America was the problem hot spot. However, adequate stock levels for the supply of compounds and other components (e.g. steel) were restored towards the end of the year.

At year-end, the metals situation, aluminium in particular, was the most pressing concern. Cost was the area most affected in 2021, but with increasing problems in finding volumes beyond those contracted with suppliers.

Overall, the logistics and transport scenario in 2021 was always under stress but always under control. The Group's international scope was an enabling factor, as localised issues could be faced off before they became global, thus mitigating their effects. Last but not least was the Group's ability to manage demand uncertainty through constant centralised control of volumes and its capacity to centrally identify macro-trends before they become visible to local affiliates.

MONITORING OF CO$_2$ EMISSIONS AND GREEN ROUTER PROJECT

As part of the of CO$_2$ emissions evaluation and deriving from transport downstream, the choice was made in 2021 to maintain the 2020 scope while working on several options simultaneously, in order to automate the calculation as much as possible and allow a mass scope extension from 2022.

Although one of the options was to develop skills internally – with a calculation model shared with the Politecnico di Milano – Prysmian opted to continue its existing collaboration with Green Router and to develop a new semi-automated model based on the most detailed transport data available in the Group's systems, whether SAP or TMS systems. The aim is not only to extend the analysis scope, but also to make the calculation available sooner and more frequently, so that it can be used for improvements.

The new methodology was developed in the last months of 2021 and prioritised the validation of the model through recalculation of the 2020 scope, with particular reference to Italy, Great Britain and the Netherlands – countries united by the characteristic of having almost all transport by land or short-sea and therefore able to undergo common modelling. This is in contrast to optical fibre flows, whose emissions impact was calculated last year but which are not included in the same modelling, as they make extensive use of intercontinental sea and air routes.

The new calculation model made it possible to easily extend the scope to include France, whose volume of movements sufficient to double the 2021 mapping scope compared to previous years.

The calculation will be extended to more countries in 2022, with the aim of including the entire EMEA scope, North America and part of South America (Brazil, Argentina, Chile) within 24-36 months.
A further aim is to improve the quality of data input to the model, thereby increasing the transport information made available on Prysmian's systems and consequently reducing the quantity of estimates necessary to complete the calculation.

Below is a calculation of the businesses currently in the 2021 scope and a comparison with previous years.

COUNTRY	YEAR	TRANSPORTED GOODS (TON)	TONS PER KM (TKM)	EMISSIONS WTW (TCO$_2$)	KGCO$_2$ WTW/TKM
IT	2019	37,043	26,148,170	2,325	0.089
	2020	29,765	17,593,800	1,538	0.087
	2021	54,243	28,186,539	2,492	0.088
UK	2019	92,687	39,601,188	4,099	0.104
	2020	68,609	28,932,861	3,175	0.110
	2021	73,827	18,593,015	1,644	0.088
NL	2019	54,890	9,283,037	779	0.084
	2020	70,147	11,738,286	993	0.085
	2021	63,035	10,250,871	906	0.088
TOTAL previous scope	2019	184,620	75,032,395	7,203	0.096
	2020	168,521	58,264,948	5,705	0.098
	2021	191,104	57,030,424	5,041	0.088
FR	2021	175,835	64,340,251	5,688	0.088

NOTE: the 2019 and 2020 Holland scope has been recalculated to exclude the return flows of drums from delivery sites to Prysmian factories. These flows are not present in the data path available on the systems. These return flows were worth 4,609 tonnes in 2020 and 13,367 tonnes in 2019.

METHODS OF TRANSPORTATION

As in prior years, ground transportation continues to be the main type of transport used by the Group. In addition to road transport, the Group also uses rail transport for the route between China and Europe as an alternative, with lower environmental impact, to rapid transportation by air.

Despite the efforts in recent years to reduce the use of air freight – mainly used for optical fibre flows – from Q2 2021 it became necessary to use this mode of shipment in order to meet the huge demand for optical cables, which was accompanied by dramatic reductions in local stocks. The fact of having built up suitable inventories during 2020 to support sea transport lead times, did, however, make it possible to support business continuity in conditions of such high demand, using air transport as a reserve buffer rather than a structural aspect.

In 2021, the sea transport share fell sharply compared to previous years. This is only partly attributable to the increase in air transport (about a quarter of the sea reduction). The remaining share is mainly related to a reduction in the return flow of drums from Australia to China and a decrease in export flows from Turkey and Germany (BU Projects).

TYPES OF TRANSPORT BY PERCENTAGE	FY 2021*	FY 2020	FY 2019
Air	2.5%	2.0%	3.0%
Sea	5.0%	8.3%	10.0%
Ground	92.5%	89.7%	87.0%

*   The FY2021 figure is based on the January-December scope for Prysmian + General Cable.
FY 2020 is based on January-November consolidated data and regards the Prysmian+General Cable perimeter. Following a refinement of calculation methodology, the 2020 figures have been restated compared to those published in the 2020 Consolidated Disclosure of Non-Financial Information of Prysmian Group.
For 2019, the calculation of the percentage of transport routes is based on the amount expensed and refers solely to the Prysmian perimeter prior to the integration of General Cable. FY 2019 is based on January-December consolidated data.

DRUMS MADE OF WOOD AND OTHER MATERIALS

In line with previous years, Prysmian ships the cables using plastic drums for smaller diameters, wooden drums for up to 3 metres and steel drums for larger diameters. In general, the choice of drum material is made based on the size and length of the cable, using 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 linked to regulations in the destination country. Maintaining a trend that has grown over the years, the Group is heavily committed to maximising the re-use of drums and lowering their environmental impact. It opts to source wood from replanted forests or implement lagging solutions that reduce recourse to noble materials, while continuing to use recyclable materials. Over the years, this approach has helped to steadily improve the re-use rate of drums, as a consequence of increasingly careful and environmentally friendly management.

	PRYSMIAN GROUP INCLUDING EX GENERAL CABLES					
Drums by type of material	FY 2021		FY 2020*		FY 2019	
	Tons	%	Tons	%	Tons	%
Reused	140,529	50%	129,231	48%	129,637	46%
Not reused	141,390	50%	139,428	52%	150,761	54%
Total	281,919	100%	268,660	100%	280,398	100%

*   The 2020 figure has been changed from the one published last year, due to a different approach to units of measurement, which generated a calculation delta.

PRYSMIAN GROUP INCLUDING EX GENERAL CABLES						
Drums by type of material	**FY 2021**		**FY 2020***		**FY 2019**	
	Tons	**%**	**Tons**	**%**	**Tons**	**%**
Wood	212,762	**75%**	200,644	**75%**	193,336	**69%**
Other materials	69,157	25%	68,016	25%	87,062	31%
Total	**281,919**	**100%**	**268,660**	**100%**	**280,398**	**100%**

* The 2020 figure has been changed from the one published last year, due to a different approach to units of measurement, which generated a calculation delta.

As in previous years, with a view to reducing reel consumption, the Group has continued to reach agreements in various countries to ensure "Reverse Logistics" and therefore the return and subsequent reuse of drums.

The CEE (Central-Eastern Europe) countries are maintaining and promoting the use of the KTG (Kabel Trommel GmbH) system, which envisages the rental of drums for the entire supply chain of the Cable Industry, thereby minimising the movement (and abandonment) of drums.

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 global transport congestion and its 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 achieving a slight but significant increase in performance.

The ongoing logistics integration of the former GC companies continued during 2021, with the natural adaptation of best practices in the reuse of drums.
Partly as a result of this, the reuse of drums has increased over the last three years, although the ongoing effects of the COVID pandemic and a scarcity of transport have put pressure on some Revers Logistics flows in various countries.

The share of drum re-use at group level has progressively increased from 46% in 2019 to **48% in 2020[1] and to 50% in Tonnes in 2021**.

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1 The 2020 figure has been changed from the one published last year, due to a different approach to units of measurement, which generated a calculation delta.

ATTACHMENTS

2020 TAXES[1]

Table reporting GRI 207-4 mandatory data

The disclosures called for in GRI 207–4 Country-by-country reporting are presented below by area: AMERICAS, EMEA, APAC. The main countries in terms of total revenue are presented. All data is reported in millions of euros (except for the number of employees). As envisaged in Disclosure GRI 207-4, given that the specified information is not available for the time period covered by the latest consolidated financial statements, the information reported in this section relates to the year ended 31 December 2020, being the time period covered by the consolidated financial statements "immediately preceding the most recent ones".

The data reported in the Revenue; Total Income Tax Paid; Total Income Tax Accrued; Profit (Loss) Before Income Tax, Number of Employees; Tangible Assets columns has been presented in accordance with the logic that underlies Country-by-Country Reporting (OECD Action 13).

	REVENUE RELATED PARTIES (€) [2]	REVENUE UNRELATED PARTIES (€)	TOTAL REVENUE (€)	PROFIT (LOSS) BEFORE INCOME TAX (€) [3]	TOTAL INCOME TAX PAID (ON CASH BASIS) (€) [4]	TOTAL INCOME TAX ACCRUED - CURRENT YEAR (€) [5]	NUMBER OF EMPLOYEES ((FTE) [6]	TANGIBLE ASSETS, NET (€)	TOTAL EMPLOYEE REMUNERATION (€)
Americas	**861.50**	**4,035.99**	**4,897.49**	**261.26**	**75.11**	**62.73**	**9,640**	**1,478.57**	**484.22**
Brazil	84.90	405.32	490.22	27.63	1.04	12.35	1,548	154.18	33.48
Canada	228.58	334.14	562.72	19.13	10.79	8.17	576	106.74	38.59
United States	429.32	2,817.06	3,246.39	201.87	50.99	37.62	4,873	1,033.94	369.53
Other	118.69	479.47	598.16	12.63	12.28	4.60	2,643	183.70	42.62
Emea	**3,640.85**	**5,726.90**	**9,367.75**	**-243.77**	**41.23**	**43.75**	**16,478**	**2,545.06**	**816.39**
France	325.31	789.64	1,114.95	46.30	1.30	12.30	2,554	429.81	158.83
Germany	193.10	660.30	853.39	-3.54	2.47	0.68	1,825	291.50	133.38
Italy	1,818.32	1,160.82	2,979.15	-82.32	13.24	-0.02	2,371	592.31	172.46
Netherlands	150.58	356.54	507.12	8.92	8.65	15.33	848	171.24	64.29
Spain	213.59	455.33	668.92	-255.53	0.09	1.09	1,306	214.09	72.44
United Kingdom	125.96	464.69	590.65	-13.63	-0.89	-1.75	1,167	204.91	58.47
Other	813.98	1,839.59	2,653.57	56.03	16.35	16.11	6,408	641.18	156.51
Apac	**217.73**	**902.34**	**1,120.07**	**-7.81**	**6.36**	**7.86**	**2,906**	**274.60**	**77.77**
China	122.16	384.63	506.79	38.96	3.98	5.24	1,382	115.21	27.94
Other	95.57	517.71	613.27	-46.77	2.38	2.63	1,.524	159.39	49.83
Total	4,720.08	10,665.22	15,385.30	9.69	122.70	114.34	29,023	4,298.22	1,378.38

1 It should be noted the presentation of the 2021 figures has changed compared to 2020. Therefore, for easier comparison purposes, the changes made are listed below:
- Item "VAT and other equivalent Sales Tax (GST) Average ER 2019" is not present in the 2021 table as it is included in Product Taxes on page 82;
- Item "WHT on Employee Remuneration Average ER 2019" is not present in the 2021 table as it is included in People Taxes on page 82;
- Item "Social Contribution Average ER 2019" is not present in the 2021 table as it is included in People Taxes on page 82;
- Item "Employee Taxes" is not present in the 2021 table as it is included in People Taxes on page 82.
The order in which the geographical areas are represented has also been revised, with the content remaining unchanged.
2 Revenue Related Parties and Revenue Unrelated Parties include non-recurring and financial revenues, as well as the positive components of ordinary operations. However, they do not include the dividends received from other legal entities within the Group. Revenue Related Parties includes the revenues deriving from transactions between Group entities resident in the same tax jurisdiction.
3 When considering the data reported in the above Table, note that the difference between the Profit (Loss) Before Income Tax caption in this section and the Profit (loss) before taxes caption in the 2020 Consolidated Financial Statements is mainly due to: i) the principles established by the CBCR BEPS, which envisage a combined rather than consolidated form of Profit (Loss) Before Income Tax; ii) adjustments made on consolidation not allocated to specific legal entities; iii) capital gains/losses generated by intra-group transfers.
4 As in the case of revenues, Profit (Loss) Before Income Tax does not include the dividends received from other legal entities within the Group. Total Income Tax Paid (on cash basis) and Total Income Tax Accrued – Current Year do not include taxes on the dividends received from other legal entities within the Group.
5 Reasons for the difference between Total Income Tax Accrued - Current Year and the theoretical tax due (GRI 207-4-b-x) can be found in Note 27 - Taxes of the 2020 Consolidated Financial Statements.
6 The Number of Employees is calculated using Full-Time Equivalent (FTE) methodology.

2019 TAXES

IN MILIONI DI EURO	TOTAL INCOME TAX PAID (ON CASH BASIS)	TOTAL INCOME TAX ACCRUED - CURRENT YEAR	NUMBER OF EMPLOYEES (HEADCOUNT)	VAT AND OTHER EQUIVALENT SALES TAX (GST) AVERAGE ER 2019	TOTAL EMPLOYEE REMUNERATION AVERAGE ER 2019	WHT ON EMPLOYEE REMUNERATION AVERAGE ER 2019	SOCIAL CONTRIBUTION AVERAGE ER 2019	TOTAL REVENUE	REVENUE RELATED PARTIES (*)	REVENUE UNRELATED PARTIES	PROFIT (LOSS) BEFORE INCOME TAX - ENTRY	TANGIBLE ASSETS, NET	EMPLOYEE TAXES
EMEA	**51.57**	**49.1**	**16,233**	**399.43**	**578.96**	**124.86**	**195.46**	**10,129.16**	**3,706.74**	**6,422.42**	**154.31**	**2,546.25**	**320.32**
France	7.67	17.33	2,646	94.22	75.04	4.86	67.91	1,240.21	281.13	959.08	63.08	450.12	72.77
Germany	0.98	0.75	1,865	27.65	108.51	20.82	21.95	977.43	205.22	772.21	-22.14	283.73	42.77
Italy	29.75	21.37	2,330	7.29	103.00	33.45	45.13	3,232.70	1,927.86	1,304.84	46.52	473.54	78.58
Netherlands	2.70	9.80	865	37.90	50.14	16.85	4.60	542.85	198.73	344.11	57.73	170.73	21.45
United Kingdom	0.35	1.25	1.218	64.56	48.94	8.06	8.85	708.68	134.55	574.13	8.02	206.58	16.91
Other	10.11	-1.40	7,309	167.81	193.33	40.83	47.01	3,427.29	959.25	2,468.03	1.12	961.54	87.85
AMERICAS	**60.15**	**78.25**	**9,675**	**53.66**	**438.48**	**61.92**	**43.67**	**5,321.52**	**866.31**	**4,455.21**	**342.57**	**1,589.88**	**105.60**
Brazil	1.79	0.28	1,459	15.53	31.04	5.91	11.27	511.15	81.67	429.48	61.62	192.67	17.18
Canada	8.71	8.87	582	9.63	33.54	7.25	2.02	628.07	223.27	404.80	32.66	109.36	9.28
United States	38.11	51.09	5.072	18.00	333.40	42.39	22.99	3,510.33	444.23	3,066.10	206.40	1,108.44	65.38
Other	11.54	18.02	2,562.00	10.50	40.50	6.37	7.38	671.97	117.14	554.83	41.90	179.41	13.76
APAC	**6.95**	**11.17**	**2,851**	**25.80**	**111.01**	**16.37**	**23.30**	**1,224.24**	**213.22**	**1,011.02**	**-31.73**	**269.50**	**39.67**
China	2.27	2.50	1,436	2.76	23.99	1.48	0.98	570.90	135.20	435.69	-31.69	111.58	2.46
Other	4.69	8.66	1,415.00	23.04	87.02	14.90	22.31	653.34	78.02	575.32	-0.035	157.92	37.21
Total	**118.67**	**138.53**	**28,759**	**478.89**	**1,128.45**	**203.16**	**262.43**	**16,674.92**	**4,786.28**	**11,888.64**	**465.16**	**4,405.63**	**465.59**

(*) Intercompany revenues also include revenues from legal entities within the same tax jurisdiction.

Prysmian Group legal entities considered for Taxes 2020

The table shows the legal entities, including branches, considered in the GRI 207-4 reporting of quantitative information. They coincide with the scope of the Country-by-Country Report. They differ from those included in the Consolidated Financial Statements as at 31.12.2020, which excludes the companies that no longer existed at that date.

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

COUNTRY	REGION	LEGAL ENTITY	ACTIVITY
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
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

COUNTRY	REGION	LEGAL ENTITY	ACTIVITY
Angola	EMEA	General Cable Condel, Cabos de Energia e Telecomunicaçöes 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
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

COUNTRY	REGION	LEGAL ENTITY	ACTIVITY
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
China	APAC	Prysmian (China) Investment Company Ltd.	Administrative, Management or Support Services; Holding shares or other equity instruments
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
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

COUNTRY	REGION	LEGAL ENTITY	ACTIVITY
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
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 - Sociète 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

COUNTRY	REGION	LEGAL ENTITY	ACTIVITY
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
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

Table with 2020 total tax contribution by geographical area

The following table reports a summary of the total tax contribution by macro-area, distinguishing between:
- taxes borne and taxes collected;
- by tax category: profit[7], people, product, property and planet.

Data in million euros.

	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	0.00	-0.89	17.29	7.34	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	0.00	0.00	0.00	0.02	4.06	0.12	0.00	0.12	1.46	1.95	0.35	0.06	0.52	0.52	0.00	**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	0.00	0.98	1.59	-0.49	0.00	0.04	0.30	0.00	1.26	0.47	0.23	0.00	0.23	**5.00**
People	99.00	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	54.07	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	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	**0.02**
Planet	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	**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**

7   Consistent with the Total income tax paid (on cash basis) reported in the table containing the mandatory disclosures pursuant to the GRI 207-4 reporting requirements, Profit Tax Borne does not include the taxes on dividends received from other entities in the Group.

HUMAN RESOURCES[8]

TAB. GROUP WORK FORCE BY PROFESSIONAL CATEGORY*			
Prysmian Group (FTE)	2019	2020	2021
White Collar	7,692	7,591	7,800
Blue Collar	21,022	20,730	21,963
Total	28,714	28,321	29,763

* Including agency personnel and OAPIL (Oman Aluminium Processing Industries LLC).

TAB. EMPLOYEES BY REGION AND PROFESSIONAL CATEGORY			
Prysmian Group no. at 31.12.2021	White Collar	Blue Collar	Total
EMEA	4,605	11,224	15,829
APAC	880	1,995	2,875
North America	1,437	4,409	5,846
LATAM	1,067	3,396	4,463
Total	7,989	21,024	29,013

TAB. EMPLOYEES BY CONTRACT TYPE (FIXED-TERM/PERMANENT) AND GENDER			
Prysmian Group no. at 31.12.2021	Men	Women	Total
Permanent	22,812	4,848	27,660
Fixed-term	945	408	1,353
Total	23,757	5,256	29,013
Prysmian Group no. at 31.12.2020	Men	Women	Total
Permanent	22,196	4,525	26,721
Fixed-term	718	306	1,024
Total	22,914	4,831	27,745
Prysmian Group no. at 31.12.2019	Men	Women	Total
Permanent	22,721	4,357	27,078
Fixed-term	956	392	1,348
Total	23,677	4,749	28,426

8   See the "Methodology Note" for the scope of the data and its limitations. The total 2021 Prysmian Group workforce includes people from EHC Global (Company acquired in January 2021)

TAB. EMPLOYEES BY CONTRACT TYPE (FIXED-TERM/PERMANENT) AND GEOGRAPHICAL REGION					
Prysmian Group no. at 31.12.2021	EMEA	APAC	North America	LATAM	Group
Permanent	14,891	2,850	5,723	4,196	27,660
Fixed-term	938	25	123	267	1,353
Total	15,829	2,875	5,846	4,463	29,013
Prysmian Group no. at 31.12.2020					
Permanent	14,730	2,562	5,304	4,125	26,721
Fixed-term	796	72	63	93	1,024
Total	15,526	2,634	5,367	4,218	27,745
Prysmian Group no. at 31.12.2019					
Permanent	15,159	2,651	5,473	3,795	27,078
Fixed-term	856	86	92	314	1,348
Total	16,015	2,737	5,565	4,109	28,426

TAB. EMPLOYEES BY PART TIME/FULL TIME AND GENDER			
Prysmian Group no. at 31.12.2021	Men	Women	Total
Full Time	23,586	5,109	28,695
Part Time	171	147	318
Total	23,757	5,256	29,013
Prysmian Group no. at 31.12.2020			
Full Time	22,852	4,688	27,540
Part Time	62	143	205
Total	22,914	4,831	27,745
Prysmian Group no. at 31.12.2019			
Full Time	23,625	4,613	28,238
Part Time	52	136	188
Total	23,677	4,749	28,426

TAB. PERCENTAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY, GENDER AND AGE GROUP									
Prysmian Group no. at 31.12.2021	≤30			30-50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
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	≤30			30-50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
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%**
Prysmian Group no. at 31.12.2019	≤30			30-50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
White Collar	61.7%	38.3%	100.0%	68.5%	31.5%	100.0%	76.0%	24.0%	**100.0%**
Blue Collar	86.1%	13.9%	100.0%	88.0%	12.0%	100.0%	90.4%	9.6%	**100.0%**
Total	**80.4%**	**19.6%**	**100.0%**	**82.6%**	**17.4%**	**100.0%**	**86.2%**	**13.8%**	**100.0%**

TAB. NEW EMPLOYEE HIRES/DEPARTURES															
Total new employee hires (no.) - Prysmian Group															
2021	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	569	250	**819**	147	59	**206**	641	156	**797**	563	214	**777**	1,920	679	**2,599**
31-50	717	253	**970**	317	109	**426**	714	208	**922**	560	173	**733**	2,308	743	**3,051**
>50	116	26	**142**	39	1	**40**	273	72	**345**	29	10	**39**	457	109	**566**
Total	1,402	529	1,931	503	169	672	1,628	436	2,064	1,152	397	1,549	4,685	1,531	6,216
Total employee departures (no.) - Prysmian Group															
≤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	1,592	963	333	1,296	3,834	1,114	4,948

TAB. NEW EMPLOYEE HIRES/DEPARTURES														
WC new employee hires - Prysmian Group														
≤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**
WC employee departures - Prysmian Group														
≤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 new employee hires - Prysmian Group														
≤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	0	**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**
BC employee departures - Prysmian Group														
≤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**

TAB. NEW EMPLOYEE HIRES/DEPARTURES															
Total new employee hires (no.) - Prysmian Group															
2020	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	311	164	**475**	157	44	**201**	203	38	**241**	481	219	**700**	1,152	465	**1,617**
31-50	338	147	**485**	147	57	**204**	244	56	**300**	294	144	**438**	1,023	404	**1,427**
>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	1,157	2,349	903	3,252
Total employee departures (no.) - Prysmian Group															
≤30	242	109	**351**	141	24	**165**	154	24	**178**	361	171	**532**	898	328	**1,226**
31-50	581	101	**682**	213	104	**317**	248	52	**300**	303	152	**455**	1,345	409	**1,754**
>50	348	32	**380**	46	16	**62**	216	54	**270**	59	15	**74**	669	117	**786**
Total	1,171	242	1,413	400	144	544	618	130	748	723	338	1,061	2,912	854	3,766

TAB. NEW EMPLOYEE HIRES/DEPARTURES														
WC employee departures - Prysmian Group														
≤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 new employee hires - Prysmian Group														
≤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	0	**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
BC employee departures - Prysmian Group														
≤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

TAB. NEW EMPLOYEE HIRES/DEPARTURES															
Total new employee hires (No.) - Prysmian Group															
2019	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	502	89	**591**	117	45	**162**	292	62	**354**	445	193	**638**	1,356	389	**1,745**
31-50	531	165	**696**	111	46	**157**	260	66	**326**	375	166	**541**	1,277	443	**1,720**
>50	100	12	**112**	6	1	**7**	97	28	**125**	31	15	**46**	234	56	**290**
Total	1,133	266	1,399	234	92	326	649	156	805	851	374	1,225	2,867	888	3,755
Total employee departures (No.) - Prysmian Group															
≤30	483	81	**564**	111	17	**128**	177	46	**223**	343	160	**503**	1,114	304	**1,418**
31-50	605	141	**746**	149	59	**208**	258	79	**337**	351	142	**493**	1,363	421	**1,784**
>50	380	60	**440**	28	8	**36**	208	53	**261**	82	16	**98**	698	137	**835**
Total	1,468	282	1,750	288	84	372	643	178	821	776	318	1,094	3,175	862	4,037
WC new employee hires (No.) - Prysmian Group															
≤30	104	51	**155**	23	20	**43**	28	19	**47**	13	21	**34**	168	111	**279**
31-50	151	63	**214**	37	20	**57**	38	14	**52**	50	26	**76**	276	123	**399**
>50	21	3	**24**	2	1	**3**	17	11	**28**	7	0	**7**	47	15	**62**
Total	276	117	393	62	41	103	83	44	127	70	47	117	491	249	740

TAB. NEW EMPLOYEE HIRES/DEPARTURES														
WC employee departures (No.)- Prysmian Group														
≤30	88	37	**125**	22	13	**35**	15	14	**29**	23	26	**49**	148	90	**238**
31-50	117	96	**273**	59	30	**89**	72	30	**102**	78	37	**115**	386	193	**579**
>50	143	38	**181**	5	3	**8**	67	27	**94**	25	4	**29**	240	72	**312**
Total	**408**	**171**	**579**	**86**	**46**	**132**	**154**	**71**	**225**	**126**	**67**	**193**	**774**	**355**	**1,129**
BC new employee hires (No.) - Prysmian Group														
≤30	398	38	**436**	94	25	**119**	264	43	**307**	432	172	**604**	1,188	278	**1,466**
31-50	380	102	**482**	74	26	**100**	222	52	**274**	325	140	**465**	1,001	320	**1,321**
>50	79	9	**88**	4	0	**4**	80	17	**97**	24	15	**39**	187	41	**228**
Total	**857**	**149**	**1,006**	**172**	**51**	**223**	**566**	**112**	**678**	**781**	**327**	**1,108**	**2,376**	**639**	**3,015**
BC employee departures (No.) - Prysmian Group														
≤30	395	44	**439**	89	4	**93**	162	32	**194**	320	134	**454**	966	214	**1,180**
31-50	428	45	**473**	90	29	**119**	186	49	**235**	273	105	**378**	977	228	**1,205**
>50	237	22	**259**	23	5	**28**	141	26	**167**	57	12	**69**	458	65	**523**
Total	**1,060**	**111**	**1,171**	**202**	**38**	**240**	**489**	**107**	**596**	**650**	**251**	**901**	**2,401**	**507**	**2,908**

AVERAGE HOURS OF (LOCAL) TRAINING - PRYSMIAN GROUP*			
Average hours of (local) training by professional category 2021	Men	Women	Total
Blue Collar	17.71	17.78	17.72
White Collar	10.07	12.69	10.88
Total	**15.94**	**15.37**	**15.84**
Average hours of (local) training by professional category 2020	Men	Women	Total
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 (local) training by professional category 2019	Men	Women	Total
Blue Collar	26.27	39.18	27.75
White Collar	13.59	14.6	13.89
Total	**23.3**	**26.86**	**23.89**

* Training hours include the hours of mandatory training and the hours of OTJ training, when certified, with the exclusion of OAPIL (Oman Aluminium Processing Industries LLC) and Associated Cables Pvt. Ltd.

HEALTH AND SAFETY[9]

PRYSMIAN GROUP[10]		
2021[11]	**Internal employees**	**External employees**[12]
Number of deaths[13]	1	1
Death rate	0.004	0.050
No. of reportable injuries	394	49
of which with serious consequences	11	1
Severity rate (IG)	46.98	49.92
Frequency rate (IF)	1.49	2.44
Frequency rate for injuries with serious consequences (IF)	0.04	0.05
Hours worked	52,997,509	4,018,110
Number of occupational disease	58	
Occupational disease rate	1.02	
2020[14]		
Number of deaths	0	0
Death rate	0	0
No. of reportable injuries[15]	316	4
of which with serious consequences	8	-
Severity rate (IG)	46.40	10.91
Frequency rate (IF)	1.30	0.34
Frequency rate for injuries with serious consequences (IF)	0.03	-
Hours worked	48,685,182	2,347,504
Number of occupational disease	9	
Occupational disease rate	0.2	
2019[16]		
Number of deaths	0	0
Death rate	0	0
No. of reportable injuries	342	15
of which with serious consequences	13	-
Severity rate (IG)	41.54	53.14
Frequency rate (IF)	1.30	1.56
Frequency rate for injuries with serious consequences (IF)	0.05	-
Hours worked	52,508,924	1,919,555
Number of occupational disease	37	
Occupational disease rate	0.67	

10   In 2021, it was possible to report the exact number of hours worked for both internal employees and external employees (temporary agency workers), without restating FTEs at 31 December. Hours worked in 2019 and 2020 were instead restated on the basis of FTEs at 31 December.
11   For the 2021 reporting year, data includes Prysmian Group and the naval fleet.
12   Accidents occurred to external personnel (temporary agency workers) are included.
13   The death of an external worker regarded a "contractor" and not an "temporary agency workers"
14   In 2020, in accordance with Prysmian's internal procedures, the accidents presented (recordable accidents) are those that resulted in an absence from the workplace for more than 24 hours. The number of accidents totalled 320, of which 4 regarding external personnel and 316 regarding internal personnel. Among accidents, 8 involved internal workers and resulted in over 180 days lost. In most cases, the types of accidents reported in the table refer to injuries to: hands (48.12%), back (15.94%), and feet (14.06%). The most frequent types of injury among internal employees and external workers are: wounds 24.38%, twists, pulled muscles 20.31%, fractures 19.06%, bruising 16.56%.
15   It should be noted that a minor accident occurred in 2020 to a Prysmian employee continued in 2021, leading to more than 180 days lost.
16   In accordance with Prysmian's internal procedures, only incidents that resulted in being off work for more than 24 hours were reported in 2019. There were 357 incidents, of which 15 affecting external personnel and 342 affecting internal personnel. Among all incidents, 13 affecting internal employees each resulted in more than 180 days lost. In most cases, the types of accidents reported in the table refer to injuries to: hands (49.86%) back (14.29%) and feet (10.92%). The most frequent types of injury among internal employees and external workers are: wounds (27.17%), twists, pulled muscles (14.29%), fractures (14.01%), bruising (27.45%).

9 In calculating accidents, only those that occurred at the workplace were considered, excluding commuting accidents, except in cases where transport was organised by the company. In accordance with Prysmian's internal procedures, the accidents presented (recordable accidents) are those that resulted in an absence from the workplace for more than 24 hours. Accidents with serious consequences are all those in which the worker does not recover within six months or is not reasonably expected to recover within six months.
For 2021, there were no fleet injuries and fleet worked hours (already included in the 2021 calculation of Prysmian Group injury data) totalled 360,736 for internal employees and 485,743 for temporary agency workers.

Shipping fleet[17]

SHIPPING FLEET		
Fleet Data 2020	**Internal employees**	**External employees**
No. of reportable injuries	1	1
of which with serious consequences	-	-
Frequency rate (IF)	0,54	0,44
Serious injury (IF) frequency rate	-	-
Hours worked	372.392	458.238
Fleet Data 2019	**Internal employees**	**External employees**
No. of reportable injuries	2	1
of which with serious consequences	-	-
Frequency rate (IF)	0,85	0,34
Serious injury (IF) frequency rate	-	-
Hours worked	468.670	582.730

ENVIRONMENT

Energy consumption

PRYSMIAN GROUP (2021)					
Energy consumed [GJ]	**Power cables**	**Telecom cables**	**Accessories**	**Optical fibre**	**Wire rod**
Electricity purchased	2,418,709	508,397	69,981	472,603	52,133
Electricity covered by renewable energy certificates (Guarantees of Origin)	1,841,897	184,904	32,757	485,576	-
Natural gas	1,915,497	92,022	44,586	792,256	219,491
LPG	115,283	8,051	7,377	383	2,411
Petrol	5,119	171	502	-	4
Diesel	119,469	4,415	1,036	596	-
Fuel oil	436	5,380	-	122	-
Steam (purchased, not produced internally)	6,847	-	-	-	-
Heat (purchased from distribution networks)	139,055	-	-	8,649	-
Chilled water	220	19	38	-	-
Total	**6,562,532**	**803,358**	**156,275**	**1,760,185**	**274,040**

PRYSMIAN GROUP (2020)					
Energy consumed [GJ]	**Power cables**	**Telecom cables**	**Accessories**	**Optical fibre**	**Wire rod**
Electricity purchased	2,661,699	536,005	48,832	439,375	46,891
Electricity covered by renewable energy certificates (Guarantees of Origin)	1,504,490	106,205	24,192	424,176	-
Natural gas	1,971,722	74,590	62,158	780,113	195,059
LPG	92,126	7,906	6,500	343	1,998
Petrol	12,217	91	629	11	28
Diesel	115,321	4,785	790	1,185	-
Fuel oil	20,366	3,820	-	-	-
Steam (purchased, not produced internally)	3,316	-	-	-	-
Heat (purchased from distribution networks)	117,018	-	-	7,414	-
Chilled water	303	-	64	-	-
Total	**6,498,579**	**733,402**	**138,165**	**1,652,615**	**243,977**

17 With regard to injuries and rates for the fleet, the breakdown of hours worked between internal and ex-ternal personnel on vessels was estimated with reference to their respective percentages on cable-laying ships. In particular, 95% of workers on the Ulisse and the Cable Enterprise are external personnel, while the entire crew of the Giulio Verne comprises internal personnel employed by Prysmian. In accordance with Prysmian's internal procedures, the incidents shown (reportable injuries) were those that resulted in being off work for more than 24 hours. Injuries with serious consequences are defined as those resulting in 180 or more days lost.

PRYSMIAN GROUP (2019)					
Energy consumed [GJ]	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Electricity purchased	3,339,272	644,084	69,420	479,127	47,282
Electricity covered by renewable energy certificates (Guarantees of Origin)	1,102,714	53,495	-	533,147	-
Natural gas	1,981,388	248,154	38,151	707,554	186,716
LPG	96,363	10,431	7,685	454	1,811
Petrol	11,034	341	309	34	21
Diesel	101,412	6,049	388	2,570	2
Fuel oil	25,731	4,999	-	-	-
Steam (purchased, not produced internally)	8,087	-	-	-	-
Heat (purchased from distribution networks)	95,341	-	-	7,616	-
Chilled water	206	448	380	-	-
Total	6,761,548	968,003	116,333	1,760,502	238,833

Energy intensity

PRYSMIAN GROUP (2021)				
Energy consumed per Km/Ton of product	Power cables GJ/Ton	Telecom cables GJ/Km	Optical fibre GJ/Km	Wire rod GJ/Ton
	3.38	0.02	0.04	2.24

PRYSMIAN GROUP (2020)				
Energy consumed per Km/Ton of product	Power cables GJ/Ton	Telecom cables GJ/Km	Optical fibre GJ/Km	Wire rod GJ/Ton
	3.56	0.02	0.04	2.18

PRYSMIAN GROUP (2019)				
Energy consumed per Km/Ton of product	Power cables GJ/Ton	Telecom cables GJ/Km	Optical fibre GJ/Km	Wire rod GJ/Ton
	3.46	0.02	0.04	2.05

GHG emissions

PRYSMIAN GROUP (2021)						
Emissions of greenhouse gases (t CO_2 eq)		Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Scope I	Direct emissions from combustion	124,750	6,474	3,100	44,762	12,534
	Emissions from refrigerant gas leaks	4,281	2,146	310	176	4
	Emissions from SF6 gas leaks	53,046	-	61,970	-	-
	Total Scope 1	182,076	8,620	65,380	44,938	12,537
Scope II	Location-based	364,119	60,503	11,434	57,442	1,867
	Market-based	249,823	51,753	9,254	35,213	2,726
Total	Scope I and Scope II (Location-Based)	546,195	69,123	76,814	102,380	14,404
	Scope I and Scope II (Market-Based)	431,899	60,373	74,634	80,151	15,263

PRYSMIAN GROUP (2020)					
Emissions of greenhouse gases (t CO_2 eq)		Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Scope I	Direct emissions from combustion	128,500	5,391	4,035	44,234	11,162
	Emissions from refrigerant gas leaks	5,114	1,943	5	382	34
	Emissions from SF6 gas leaks	50,388	-	56,134	-	-
	Total Scope 1	184,003	7,334	60,174	44,616	11,196
Scope II	Location-based	381,605	60,802	7,494	57,066	1,700
	Market-based	306,778	60,150	6,281	35,904	2,640
Total	Scope I and Scope II (Location-Based)	565,607	68,135	67,667	101,682	12,896
	Scope I and Scope II (Market-Based)	490,781	67,484	66,455	80,520	13,836

PRYSMIAN GROUP (2019)					
Emissions of greenhouse gases (t CO_2 eq)		Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Scope I	Direct emissions from combustion	129,952	15,616	2,707	42,064	10,880
	Emissions from refrigerant gas leaks	6,493	2,292	49	481	226
	Emissions from SF6 gas leaks	78,911	-	35,021	-	-
	Total Scope 1	214,356	17,908	37,777	42,544	11,106
Scope II	Location-based	422,670	67,610	7,361	65,365	1,831
	Market-based	381,589	72,140	8,316	54,149	1,139
Total	Scope I and Scope II (Location-Based)	637,026	85,518	45,138	107,909	12,937
	Scope I and Scope II (Market-Based)	595,945	90,048	46,093	96,694	12,245

Intensity of emissions

PRYSMIAN GROUP (2021)					
Emissions per km/ton of product		Power cables tCO$_2$ eq / Ton	Telecom cables tCO$_2$ eq / Km	Optical fibre tCO$_2$ eq / Km	Wire rod tCO$_2$ eq / Ton
Scope I	Total Scope 1	0.09378	0.00019	0.00110	0.10271
Scope II	Location-based	0.18755	0.00136	0.00140	0.01529
	Market-based	0.12868	0.00116	0.00086	0.02233
Total	Scope I and Scope II (Location-Based)	0.28133	0.00156	0.00250	0.11800
	Scope I and Scope II (Market-Based)	0.22246	0.00136	0.00195	0.12504

PRYSMIAN GROUP (2020)					
Emissions per km/ton of product		Power cables tCO$_2$ eq / Ton	Telecom cables tCO$_2$ eq / Km	Optical fibre tCO$_2$ eq / Km	Wire rod tCO$_2$ eq / Ton
Scope I		0.10081	0.00019	0.00114	0.09998
Scope II	Location-based	0.20906	0.00156	0.00146	0.01518
	Market-based	0.16807	0.00154	0.00092	0.02357
Total	Scope I and Scope II (Location-Based)	0.30987	0.00175	0.00260	0.11516
	Scope I and Scope II (Market-Based)	0.26887	0.00173	0.00205	0.12355

PRYSMIAN GROUP (2019)					
Emissions per km/ton of product		Power cables tCO$_2$ eq / Ton	Telecom cables tCO$_2$ eq / Km	Optical fibre tCO$_2$ eq / Km	Wire rod tCO$_2$ eq / Ton
Scope I		0.10954	0.00038	0.00095	0.09521
Scope II	Location-based	0.21600	0.00144	0.00146	0.01570
	Market-based	0.19500	0.00154	0.00121	0.00977
Total	Scope I and Scope II (Location-Based)	0.32554	0.00182	0.00241	0.11091
	Scope I and Scope II (Market-Based)	0.30454	0.00192	0.00216	0.10497

Waste

Hazardous waste

HAZARDOUS WASTE [KG] - PRYSMIAN GROUP (2021)					
Source	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Ingredients of hazardous compounds	559,135	9,254	-	-	-
Asbestos	449,526	717,540	-	-	-
Copper and aluminium sludge	922,865	22,005	-	-	107,388
Equipment containing PCBs	339	-	-	-	-
Sludge or solid waste with solvents	-	-	-	-	-
Solvents	61,739	23,319	467	69,112	-
Waste waxes and fats	141,603	41,450	-	-	3,990
Waste oil	572,309	23,915	51,400	10,149	-
Waste emulsions	2,241,766	144,185	-	-	490,660
Waste ink	40,076	4,966	-	-	-
Contaminated sawdust	79,849	18,470	-	-	-
Other hazardous waste	2,013,372	162,413	109,099	3,062,505	1,062,583
Total	**7,082,578**	**1,167,516**	**160,966**	**3,141,766**	**1,664,621**

HAZARDOUS WASTE [KG] - PRYSMIAN GROUP (2020)					
Source	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Ingredients of hazardous compounds	198,591	19,246	-	-	-
Asbestos	87,201	50,574	-	-	-
Copper and aluminium sludge	985,388	10,733	-	-	86,457
Equipment containing PCBs	11,121	-	-	-	-
Sludge or solid waste with solvents	-	-	-	-	-
Solvents	62,030	19,149	2,854	89,334	-
Waste waxes and fats	142,047	40,681	-	-	10,710
Waste oil	626,044	40,939	37,127	10,665	2,415
Waste emulsions	2,087,963	146,099	-	-	358,784
Waste ink	48,895	10,003	-	-	-
Contaminated sawdust	83,699	15,869	50	-	-
Other hazardous waste	1,776,174	169,626	138,560	2,389,123	988,482
Total	**6,109,154**	**522,918**	**178,591**	**2,489,122**	**1,446,848**

HAZARDOUS WASTE [KG] - PRYSMIAN GROUP (2019)					
Source	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Ingredients of hazardous compounds	232,956	-	-	-	-
Asbestos	93,526	17,400	-	-	-
Copper and aluminium sludge	1,013,025	46,934	-	-	-
Equipment containing PCBs	1,315	450	-	-	-
Sludge or solid waste with solvents	-	-	-	-	-
Solvents	75,340	25,976	1,378	57,596	200
Waste waxes and fats	64,873	55,073	-	-	-
Waste oil	734,172	37,520	5,130	8,020	15,064
Waste emulsions	3,280,673	152,736	-	-	251,980
Waste ink	54,130	25,551	-	-	-
Contaminated sawdust	41,207	41,167	828	-	-
Other hazardous waste	1,825,467	252,331	191,127	4,277,092	1,036,475
Total	7,416,684	655,138	198,463	4,342,708	1,303,719

Non-hazardous waste

NON-HAZARDOUS WASTE [KG] - PRYSMIAN GROUP (2021)					
Source	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Waste compounds	19,381,032	2,575,766	-	-	-
Non-hazardous packaging	19,022,627	5,578,734	742,087	653,106	162,690
Non-hazardous ingredients for compounds	1,145,072	10,940	-	-	-
Sludge from treatment of emissions	-	-	-	-	-
Sludge from cleansing of civil water	517,867	23,484	8,480	-	-
Sludge from cleansing of industrial water	538,421	383,636	2,500	322,230	2,890
Urban waste	17,807,903	3,438,206	873,216	1,002,993	62,540
Wood	-	-	-	-	-
Other non-hazardous materials	17,169,431	3,994,374	1,305,540	843,225	124,920
Various alkalis	-	-	-	684,360	
Scrap cable	89,974,104	7,194,861	-	-	-
Total	165,556,458	23,200,002	2,931,823	3,505,913	353,040

NON-HAZARDOUS WASTE [KG] - PRYSMIAN GROUP (2020)					
Source	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Waste compounds	18,304,162	3,138,009	-	-	-
Non-hazardous packaging	17,337,965	3,692,258	466,523	618,878	83,686
Non-hazardous ingredients for compounds	723,825	23,933		-	-
Sludge from treatment of emissions	-	-	-	342,100	-
Sludge from cleansing of civil water	1,479,968	6,490	10,610	-	-
Sludge from cleansing of industrial water	144,418	415,288	8,120	4,392	-
Urban waste	18,321,930	2,860,843	646,698	903,909	49,640
Wood	-	-	-	-	-
Other non-hazardous materials	15,890,229	4,483,282	1,272,846	824,676	134,200
Scrap cable	79,894,901	4,480,878	-	-	-
Total	**152,097,398**	**19,100,981**	**2,404,797**	**2,693,955**	**267,526**

NON-HAZARDOUS WASTE [KG] - PRYSMIAN GROUP (2019)					
Source	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Waste compounds	26,250,690	4,150,056	-	-	-
Non-hazardous packaging	19,020,648	3,900,148	492,461	341,468	-
Non-hazardous ingredients for compounds	328,334	-	-	-	-
Sludge from treatment of emissions	-	-	-	407,640	-
Sludge from cleansing of civil water	842,550	5,250	6,000	45,100	680
Sludge from cleansing of industrial water	912,479	461,259	-	4,131	8,560
Urban waste	18,791,090	4,928,683	613,265	2,362,582	19,318
Wood	289,658	-	93,368	-	-
Other non-hazardous materials	58,009,021	6,660,921	693,979	2,649,288	213,030
Total	**124,444,469**	**20,106,317**	**1,899,073**	**5,810,209**	**241,588**

Water consumption

WATER CONSUMPTION BY SOURCE [M³] - PRYSMIAN GROUP (2021)					
Source	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Water from wells	3,717,138	129,664	331	854,072	19,419
Water from other sources	721,315	22,052	464,723	-	-
Water from public water main	2,035,506	206,837	92,471	160,447	58,116
Total	6,473,958	358,553	557,525	1,014,519	77,535

WATER CONSUMPTION BY SOURCE [M³] - PRYSMIAN GROUP (2020)					
Source	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Water from wells	3,860,065	170,362	361	922,146	10,537
Water from other sources	644,636	31,764	530,836	-	-
Water from public water main	1,972,781	197,765	50,976	230,080	55,356
Total	6,477,482	399,890	582,173	1,152,226	65,893

WATER CONSUMPTION BY SOURCE [M³] - PRYSMIAN GROUP (2019)					
Source	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Water from wells	4,120,034	233,274	260	912,491	9,136
Water from other sources	705,122	22,785	612,674	-	-
Water from public water main	2,188,944	224,401	61,240	297,497	46,647
Total	7,014,100	480,460	674,174	1,209,988	55,783

CORRELATION TABLE DECREE 254/2016, MATERIAL ASPECTS AND GRI ASPECTS

DECREE 254/16	MATERIAL ASPECTS FOR PRYSMIAN GROUP	GRI ASPECTS*
Employees	Involvement and upskilling of employees	401: Employment (2016)
		404: Training and education (2016)
	Occupational health and safety	403: Occupational health and safety (2018)
Anti-corruption	Business ethics and integrity	205: Anti-corruption (2016)
Human Rights	Respect for human rights and workers' rights	402: Labour/Management relations (2016)
		412: Human rights assessment (2016)
	Sustainable supply chain	414: Supplier social assessment (2016)
	Diversity, equality and inclusion	405: Diversity and equal opportunity (2016)
Social	Cyber security and data protection	418: Customer privacy (2016)
	Business ethics and integrity	207: Tax (2019)
	Governance and transparency	206: Anti-competitive behaviour (2016)
	Corporate citizenship	203: Indirect economic impacts (2016)
	Sustainable supply chain	204: Procurement practices (2016)
	Customer centricity	n.a.
	Economic performance and value creation	201: Economic performance (2016)
Environmental	Business ethics and integrity	307: Environmental compliance (2016)
	Sustainable supply chain	308: Supplier environmental assessment (2016)
	Energy efficiency and combating climate change	302: Energy (2016)
		305: Emissions (2016)
	Waste management and recycling	306: Waste (2020)
	Efficient use of water resources	303: Water and effluents (2018)
	Biodiversity	304: Biodiversity (2016)
	Efficient use of raw materials	301: Materials (2016)
	Solutions for sustainable applications	301: Materials (2016)
	Technological development and Eco-design innovation	n.a.

* Material aspects that cannot be linked to a specific GRI aspect are marked as "not applicable" (n.a.).

This Non-Financial Statement (NFS) pursuant to articles 3 and 4 of Decree 254/16 has been prepared in accordance with the "GRI Sustainability Reporting Standards" published in 2016 by the "GRI - Global Reporting Initiative," adopting the "in accordance - Core" option. The document takes into account the sustainability issues considered important for the Group and its stakeholders, as identified in the materiality matrix (see the section entitled "Materiality matrix and sustainability").
In addition, for reasons other than compliance with the requirements of Decree 254/2016, NFS 2021 includes additional specific KPIs for the sector in which the Group operates, having regard for the indicators published by the Sustainability Accounting Standards Board (SASB).

METHODOLOGICAL NOTE

This document represents the Consolidated Disclosure of Non-Financial Information (hereinafter also the "NFS", "Statement" or "Sustainability Report") prepared pursuant to Articles 3 and 4 of Legislative Decree no. 254/16 (hereinafter also the "Decree") as amended, by Prysmian S.p.A. and companies consolidated line-by-line (hereinafter also "Prysmian" or the "Prysmian Group" or the "Group" or "Prysmian Group") and its objective 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 corruption that are relevant taking into account the activities and characteristics of the company during the 2021 financial year (from January, 1st to December, 31st).

In addition, for reasons other than compliance with the requirements of Decree 254/2016, NFS 2021 includes additional specific KPIs for the sector in which the Group operates, having regard for the indicators published by the Sustainability Accounting Standards Board (SASB). These indicators are clearly identified in the table on page 23 and supplement the disclosures prepared in accordance with the GRI Standards in order to comply with the requirements of arts. 3 and 4 of Decree 254/16.

The NFS 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 "Materiality analysis" chapter 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".

In 2021, Prysmian Group completed the acquisition of EHC Global, a leader in the production of strategic components and integrated solutions for the vertical mobility industry, with plants and R&D centres located in China, Canada and Germany; accordingly, the non-financial data reported in the document includes that company.
The two companies acquired during 2021, Omnisens and Eksa, were not included in the reporting scope.

This NFS has been prepared, adopting the approach "Core" in accordance with the "GRI Sustainability Reporting Standards" published in 2016 by the "GRI - Global Reporting Initiative, option with the exception of GRI 303: Water, GRI 403: Occupational health and safety updated in 2018 under GRI 207: Taxes published in 2019 under GRI 306: Waste updated in 2020. The document was prepared taking into account the sustainability issues considered significant for the Group and for the Group's stakeholders, submitted as part of the materiality matrix (see the paragraph "Materiality Matrix"). As required by the Reporting Standard, this document includes the "GRI Content Index" containing details of the reported indicators.

IThe process of collecting the data and information necessary for the drafting of the NFS involved various functions of the Group companies and was set up to ensure reporting in line with the GRI principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The Consolidated Disclosure of Non-Financial Information is currently set to be published annually. The latest Group NFS was in fact made available in April 2021, via publication in the "Media Library" section of the Group's website.

The Board of Directors of Prysmian S.p.A. approved this document on March, 1st 2022.
Except for the information reflected in the indicators summarised in the table on page 23, 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.

To submit comments, requests, opinions and ideas for improving the activities of Prysmian and on the information contained in the Sustainability Report, please contact

CORPORATE AND BUSINESS COMMUNICATIONS

☎ **+39 02 6449 1**

✉ **sustainability@prysmiangroup.com**

NOTES ON THE DATA AND INFORMATION

In general, for all data analysed by geographical area, the North America, Latin America, Europe, MEAT 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 in the world" section.

Workforce data

For 2021, the Group's total figures as at 31/12/2021 were considered. Once again, as in the previous two years the data reported in the document considers all employees of all fully consolidated Group companies. As in previous years, Oman Aluminium Processing Industries – OAPIL has been excluded. This approach applies to all tables except for the table on the total workforce of the Group representing the Group Full Time Equivalent (FTE), which includes not only employees but also temporary and OAPIL workers, in line with the information contained in the Annual Report.

Note that in order to guarantee the reliability of this document and its comparability with previous years, estimates have been made with regard only to the data of Associated Cables Pvt. Ltd., on the basis of the best available methodologies. In fact, due to a lack of data, the number of persons employed by Associated Cables Pvt. Ltd has not changed for five years, while the qualitative breakdowns have been estimated with reference to Group averages.

Consistent with the turnover data reported for the previous two years, non-financial reporting has been improved by considering all white-collar and blue-collar workers (excluding the employees of Oman Aluminium Processing Industries – OAPIL and Associated Cables Pvt. Ltd.). Employee departures now include all reasons for leaving (e.g. voluntary departures, retirement, redundancies, etc.).

Environmental data

The environmental data[18] presented in the document is derived from a reporting system that, with respect to the declared perimeter of the reporting, does not include offices as they have a reduced environmental impact when considering the production activities of the Group.

The scope of the environmental data collection for 2019, 2020 and 2021 excludes:
- the Chiplun production site (India)
- the Sohar production site (Oman)

These sites are not to be understood as being included in the numbers given in this document except where expressly indicated.

The data related to waste production and water withdrawals for the Sicable production site (Côte d'Ivoire) has been estimated using the data collected in the 2019 reporting year.

Environmental data is not yet reported in relation to the installation of terrestrial and submarine cables (the environmental aspects and methods of management differ greatly from those of the operating units), since a

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18   It should be noted that, due to the rounding of figures, there could be discrepancies between the sum of the environmental data indicated in the individual tables and the total figures.

project is currently in progress for the future collection and reporting of representative indicators, using dedicated tools. Note that the environmental performance indicators relating to energy, greenhouse gas emissions, waste (including the proportion intended for recovery and recycling) and water have been partly derived from estimates, in view of the data collection deadlines for the preparation of this Report. These estimates are based on the best information available from data of the previous year relating to the same period of time and/or on the basis of production.

Note also that in Montereau site, the production of Telecom cables is included under the production of power cables - since it was not possible to separate the data into two types of product.

With regard to the conversion factors used for the calculation of GHG emissions, the main sources used are:
- Year 2019:
  - Scope I fuels: Defra 2019
  - Scope I F-GAS: GHG Protocol
  - Scope II Location-based: Terna 2017
  - Scope II Market-based: AIB 2018 (for European countries) and Center for Resource Solutions (for the USA and Canada), using the "2018 Green-e Energy Residual Mix Emissions Rates" as source where available, otherwise Terna 2017
- Year 2020:
  - Scope I fuels: Defra 2020
  - Scope I F-GAS: GHG Protocol
  - Scope II Location-based: Terna 2018
  - Scope II 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
- Year 2021:
  - Scope I fuels: DEFRA 2021
  - Scope I F-GAS: GHG Protocol
  - Scope II Location-based: Terna 2019
  - Scope II 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

Health and safety data

The 2019, 2020 and 2021 health and safety data (IF, IG) does not include the following legal entities:
- Associated Cables Pvt. Ltd. (Chiplun site);
- Oman Aluminium Processing Industries LLC (Sohar site).

Whereas the 2019, 2020 and 2021 data for professional diseases does not include the following legal entities:
- Associated Cables Pvt. Ltd. (Chiplun site);
- Oman Aluminium Processing Industries LLC (Sohar site);
- Oman Cables Industry (Muscat site).

The injury rates are calculated as follows:
- Death rate: (Number of deaths / hours worked) * 200.000;
- Injury rate (IR): (total number of accidents with loss of work/hours worked) * 200,000;
- The injury rate (IF) calculation includes deaths;
- 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;
- Injury, Severity, Fatality and Occupational disease rates were calculated using on the denominator the hours worked in proportion to the FTEs at 31.12 for 2019 and 2020. On the other hand, it was possible to collect the precise number of hours worked by internal and external employees for 2021.

DESCRIPTION OF MATERIAL TOPICS

MACRO AREA	MATERIAL TOPICS	DESCRIPTION
Corporate governance and compliance	Business ethics and integrity	Management model based on the most rigorous standards of business ethics and integrity, especially with regard to the measures adopted by the Group to prevent both active and passive corruption and ensure the adoption of fiscally-proper practices.
	Cyber security and data protection	Strengthen the cyber security measures to manage information security risks and guarantee the protection of data and privacy.
	Governance and transparency	Governance organisation 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.
	Economic performance and value creation	Promote long-term value for all categories of stakeholder, facilitating business development and providing sustainable solutions.
Products	Customer centricity	Market approach that makes the customer and product quality central to all strategic and organisational decisions
	Technological development and Eco-design innovation	Research and development activity linked to the development of sustainable products and processes, considering the environmental and social impact of the product throughout its entire life cycle.
	Solutions for sustainable applications	Develop solutions that may generate sustainability benefits (e.g. solutions for plants that generate renewable energy, smart grids, innovative solutions for the electrical system).
Environment	Decarbonisation pathway to net-zero emissions	Policies and actions to reduce energy consumption and accelerate to net zero carbon emissions, establishing "science-based" targets valid for the entire Group.
	Waste management and recycling	Aware management of waste via the promotion of such practices as reuse, differentiated collection and recycling.
	Efficient use of water resources	Aware and efficient management of water resources.
	Efficient use of raw materials	Responsible and efficient use of the raw materials employed in production processes, considering their availability and impact.
	Biodiversity	Awareness of the impact of the Group on the ecosystem and the consequences that the loss of biodiversity has on the business and the areas in which the Group operates.
Prysmian's People	Involvement and upskilling of employees	Policies and actions to attract talent and ensure the development of human resources, via training and mentoring programmes, remuneration policies, bonus and benefit policies, career plans, long-term incentives and the promotion of physical and emotional well-being.
	Diversity, equality and inclusion	Promotion of multiculturalism and social inclusion, protection of diversity in the workplace and the reduction of wage differentials.
	Occupational health and safety	Systems for managing occupational health and safety, in order to reduce the number of injuries and occupational diseases and, via suitable training programmes, develop a culture of prevention and management covering these two aspects.
	Respect for human rights and workers' rights	Policies and actions to protect human rights throughout the entire value chain (banning child and forced labour, respect for freedom of association and collective bargaining, fair pay); development of collaborative relations with the trade unions.
Supply chain	Sustainable supply chain	Monitoring and assessment of suppliers on such topics as the environment, human rights and the social aspects, in addition to the quality of their products and services; building supplier awareness about the environment, human rights and the social aspects.
Local communities	Community involvement	Group activities designed to promote access to energy and telecommunications for everyone; sponsorships and donations for the development of local communities.

ANALYSIS OF THE TOPIC BOUNDARY OF MATERIAL ASPECTS FOR THE PRYSMIAN GROUP

Below is the analysis of the "topic boundary" (as defined by the GRI) for each material aspect of the Prysmian Group, as required by Disclosure 103 of the GRI. Reporting is not extended to the external perimeter. Concerning the reporting of the internal perimeter, the limitations are indicated precisely in the "Notes on data and information" and in correspondence with each table, where necessary.

GRI ASPECT	ANALYSIS OF THE "TOPIC BOUNDARY" (INTERNAL OR EXTERNAL TO THE PRYSMIAN GROUP) OF THE MATERIAL ASPECTS	
	INTERNAL	EXTERNAL
201: Economic performance	Group	-
203: Indirect economic impacts	Group	-
204: Procurement practices	Group	Suppliers
205: Anti-corruption	Group	-
206: Anti-competitive behaviour	Group	-
207: Taxes (2019)	Group	Communities
301: Materials	Group	-
302: Energy	Group	-
303: Water and effluents (2018)	Group	-
304: Biodiversity	Group	-
305: Emissions	Group	-
306: Waste (2020)	Group	-
307: Environmental compliance	Group	-
308: Supplier environmental assessment	Group	Suppliers
401: Employment	Group	-
402: 402: Labour/Management relations	Group	-
403: Occupational health and safety (2018)	Group	Suppliers
404: Training and education	Group	-
405: Diversity and equal opportunity	Group	-
412: Human rights assessment	Group	Suppliers
414: Supplier social assessment	Group	Suppliers
418: Customer privacy	Group	-

Independent Auditors' Report

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Independent auditors' report on the consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Legislative Decree 254/2016 and with Article 5 of CONSOB Regulation adopted with Resolution n. 20267 of January 18, 2018 (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 pursuant to Article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of CONSOB Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Prysmian S.p.A. and its subsidiaries (hereinafter "Group" or "Prysmian Group") for the year ended on 31st December 2021 in accordance with article 4 of the Decree and approved by the Board of Directors on 1st March 2022 (hereinafter "DNF").
Our limited assurance engagement does not cover the information included in the paragraph "*European taxonomy*" of the DNF, that are required by art.8 of the European Regulation 2020/852.

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

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 *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 DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "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 work in order to obtain a limited assurance that the DNF is free from material misstatements. 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 DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, 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 relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;

2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;

3. comparison of the economic and financial data and information included in the DNF with those included in the Prysmian Group's consolidated financial statements;

4. understanding of the following aspects:

    o Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;

    o policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;

    o main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

    With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below

5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.
    In particular, we have conducted interviews and discussions with the management of Prysmian S.p.A. and with the personnel of Suzhou Draka Cable Co. Ltd., Fibre Ottiche Sud - F.O.S. S.r.l.,

Draka Philippines Inc., General Cable Celcat, Energia e Telecomunicaçoes SA, Grupo General Cable Sistemas, S.L., Prysmian Cables Spain S.A. (Sociedad Unipersonal) 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 DNF.

Furthermore, for significant information, considering the Group activities and characteristics:

- at Group level
  a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, 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 Suzhou Draka Cable Co. Ltd. (Suzhou plant), Fibre Ottiche Sud - F.O.S. S.r.l. (Battipaglia plant), Draka Philippines Inc. (Cebu plant), General Cable Celcat, Energia e Telecomunicaçoes SA (Morelena plant), Grupo General Cable Sistemas, S.L. (Abrera plant), Prysmian Cables Spain S.A. (Sociedad Unipersonal) (Santander plant), that we have selected based on their activities, relevance to the consolidated performance indicators and location, we have carried out site 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 DNF of the Prysmian Group for the year ended on 31st December 2021 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.
Our conclusions on the DNF of the Prysmian Group do not refer to the information included in the paragraph "*European taxonomy*" of the DNF itself, that are required by art.8 of the European Regulation 2020/852.

Milan, 14th March, 2022

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