

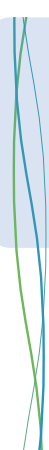
# SUSTAIN TO LEAD

2023

Sustainability Report







***Sustain, to Lead*** is the heart of Prysmian's corporate philosophy.

It stems from the idea that only sustainability combined with a bright outlook on the world can create meaningful connections. This strategic approach integrates the concept of sustainability into every aspect of the company's business, to make genuine connections with the Planet, people and the entire value chain. *Sustain, to Lead* is our positive legacy. It is the belief that shapes our goals and guides our vision. To push us, more and more every day, to be the true leaders of change.

# Index

<b>1. Sustainability at the heart of Prysmian's strategy</b>	<b>5</b>
1.1 Letter from the Chief Investor Relations, Sustainability and Communications Officer	5
1.2 Letter from the Chair of the Sustainability Committee	6
1.3 Sustainability Reporting	7
1.4 Sustainability Highlights 2023	8
1.5 Major events in 2023	10
1.6 Prysmian: Connect, to lead	12
<i>Global leadership</i>	12
<i>Prysmian values</i>	14
<i>Favorable market development: four macro-trends</i>	15
<i>The pillars of Prysmian's strategy</i>	16
<i>Prysmian's business model</i>	18
1.7 Prysmian: Sustain, to lead	20
<i>Prysmian's approach to sustainability: a model based on four pillars</i>	20
<i>Prysmian's commitment to sustainable development and the achievement of the UN SDGs</i>	21
<i>Prysmian's two ambitions: Climate Change and Social Ambition</i>	23
1.8 The sustainability Scorecard	25
1.9 An international network	28
<i>Prysmian in ESG indices</i>	28
<i>Proactive role in trade associations</i>	29
1.10 Corporate Governance	32
<i>Directors and auditors</i>	32
<i>Governance and corporate structure</i>	32
1.11 Sustainability governance	37
1.12 The digital governance of ESG factors	38
1.13 Organizational chart	39
1.14 Value creation and governance	41
<i>Composition of the ownership structure</i>	41
<i>Growth and value as drivers of investment</i>	42
<b>2. Stakeholder engagement and materiality analysis</b>	<b>45</b>
2.1 Materiality analysis 2023	46
2.2 Prysmian's impact materiality	49
<i>Understanding the context: Desk analysis and Stakeholder Engagement activities</i>	49
2.3 Dialogue with Prysmian's stakeholders	51
<i>Identification of the real and potential, positive and negative impacts generated by Prysmian throughout the entire value chain</i>	53
<i>Assessment of impacts through stakeholder engagement activities</i>	53
<i>Prioritization of Material topics</i>	60
2.4 Prysmian's financial materiality	61
<i>Identification of risks and opportunities</i>	62
<b>3. Ethics and integrity</b>	<b>67</b>
3.1 Business ethics and integrity: the pillars of sustainability	68
<i>Stakeholder engagement</i>	71
<i>Reports received in 2023</i>	71
<i>Performance in 2023</i>	72
3.2 Prysmian's tax strategy	73
<i>Tax reporting in the countries in which the group operates</i>	75
<i>Total Tax Contribution (TTC)</i>	77
3.3 Cybersecurity	83

<b>4 Environmental responsibility</b>	<b>87</b>
4.1 Environmental performance of Prysmian	89
<i>Environmental investments</i>	90
<i>Energy</i>	93
<i>Greenhouse gas emissions</i>	93
<i>Other Atmospheric Emissions</i>	95
<i>Waste</i>	96
<i>Circular economy</i>	99
<i>Water</i>	100
<i>Biodiversity</i>	102
<b>5 People, Prysmian's human capital</b>	<b>105</b>
5.1 Composition of human capital	108
5.2 People engagement	114
<i>Ability to attract talent</i>	114
5.3 Performance and talent management	117
<i>Prysmian People Performance (P3)</i>	117
<i>Prysmian People Performance Potential (P4)</i>	118
<i>The new performance and development evaluation process</i>	118
5.4 Training and development	119
<i>Training and development program objectives and benefits for the business</i>	121
5.5 Dialogue with social partners and collective bargaining	122
5.6 Remuneration policy and welfare plans	124
<i>Welfare system</i>	125
5.7 Diversity, equity, inclusion and equal opportunity	127
5.8 Respect for human rights	130
5.9 Health and safety in the workplace	132
<i>Occupational health and safety management system</i>	133
<b>6 Sustainable value chain</b>	<b>139</b>
6.1 Prysmian's supply chain	140
<i>Sustainability of suppliers</i>	140
<i>Prysmian suppliers</i>	141
<i>Supply chain strategy and vendor management</i>	145
<i>Supplier analysis and management</i>	146
<i>Involvement of suppliers in Prysmian's ESG matters</i>	149
6.2 Logistics and transportation	150
<i>Transport routes</i>	150
<i>Reels made of wood and other materials</i>	151
6.3 Prysmian's Customers. The Customer Excellence approach	152
6.4 Prysmian: quality processes and solutions	154
<i>Timeliness and efficiency of service</i>	154
6.5 Positive impact on communities	155
<i>Donations</i>	155
<i>Group initiatives</i>	156
6.6 Sustainable innovation for products, applications and processes	158
<i>The pillars of innovation and the Innovation Steering Committee</i>	159
6.7 The most cutting-edge research and development projects	166
<i>Introduction of new products</i>	172
<i>Group investment for a sustainable future</i>	174
6.8 Intellectual property	176
<b>Methodology</b>	<b>179</b>
<b>Correlation table pursuant to Italian Legislative Decree 254/2016, Material topics and GRI Aspects</b>	<b>185</b>
<b>GRI Content Index</b>	<b>187</b>
<b>European taxonomy</b>	<b>193</b>
<i>Process for determining eligibility</i>	193
<i>Process for determining alignment</i>	194
<i>Criteria for the calculation of KPIs and background information</i>	195
<i>Commentary on performance trend and future developments</i>	196
<b>Annexes to the sustainability report</b>	<b>197</b>
<b>Auditors' report on the sustainability report</b>	<b>205</b>



01

# SUSTAINABILITY AT THE HEART OF PRYSMIAN'S STRATEGY

## 1.1 Letter from the Chief Investor Relations, Sustainability and Communications Officer

The significant challenges posed by the energy transition to renewable sources require companies to make an increasing effort in developing an ambitious and challenging strategic plan. With this in mind, “**Sustain, to Lead**” was presented at the **Capital Markets Day** in October. It represents our strategic approach that integrates the concept of sustainability into every area of business activity to bring value to all stakeholders involved. Sustain, to Lead represents our ambition to be a global player playing a leading role in the decarbonization agenda and our commitment to promoting growth that is sustainable for people and the planet.

The pillars of our sustainability strategy are articulated in four main areas: environment, innovation, people and communities, and governance. Regarding the **environment**, our primary goal is to proactively and pioneeringly engage in decarbonization processes within our Group, promoting emission reduction actions along the entire value chain and developing solutions whose positive impact extends beyond the boundaries of our business.

**Innovation** is a strategic pillar that has characterised Prysmian since its origins, and it affects all dimensions of the company: from the development of new products conceived with design to sustainability to decarbonization initiatives, and inclusion and social impact as well.

The **people and the communities** in which we operate are at the heart of Prysmian's activities. The Company is committed to promoting and recognising merit through training initiatives and development plans, and ensuring a work-life balance.

Then finally there is **governance**, which is marked by the oversight in a structured and rigorous manner of all Group initiatives to ensure transparency, accountability and alignment of the interests of the Group's stakeholders.

Prysmian's commitment to climate change, already formalised in 2021 with the establishment of the **Climate Change Ambition** (validated by **Science Based Targets initiative**, SBTi), continued in 2023 through a significant update of its decarbonization goals. The Company aims to reduce its Scope 3 emissions by 28% by 2030 and achieve net **zero throughout its value chain** by 2050. With regard to short-term goals, Prysmian is committed to reducing its Scope 1 and 2 emissions - in absolute terms - by 55-60% (compared to the previously approved -47%) by 2030 and to achieving net zero by 2035 (compared to the 2019 baseline).

Environmental goals must necessarily be combined with the Group's social ambition. Prysmian's aspiration is to guarantee a meritocratic, equitable, inclusive and innovative work environment by listening and being able to provide concrete answers to the needs of all its stakeholders. To be able to do this, the Group formalised its **Social Ambition**, which mainly concentrates on the commitment to improve Diversity, Equality and Inclusion (DE&I), digital inclusion, the empowerment of communities, employee engagement and upskilling. The results of the initiatives conducted in recent years have enabled us to accelerate on the achievement of several targets set for 2030, bringing forward to 2027 the goal of gender equality in the hiring of desk workers, and 25% in senior leadership roles. Important milestones were also achieved in the recruitment and training of women with STEM skills, as well as in the percentage of employees (including blue collar workers) who are shareholders in the company (46%), a strategic element of the group's ambitions for inclusiveness and value creation.

The company's high ESG performance is, moreover, reflected in the company's shareholder base, with **ESG investors** steadily increasing. In fact, their weight has increased substantially over the last 5 years, rising from about 13% in 2019 to 49% at present. This latter percentage is well above the average for both the industrial sector and the Italian market.

I conclude by sharing a very important principle for Prysmian. We believe in the duty to accompany our actions for a sustainable planet with careful performance monitoring. If it is not measured, it cannot be improved. Prysmian has always been extremely strict on this topic. Indeed, by virtue of the pact of trust with our stakeholders, it is our commitment and responsibility, on the one hand, to make ourselves the bearers of a clear and effective strategy and, on the other, to ensure constant monitoring of the data.

**Cristina Bifulco**

Chief Investor Relations, Sustainability and Communications Officer



## 1.2 Letter from the Chair of the Sustainability Committee

As I finish my term as chair of the Sustainability Committee, I would like to express my satisfaction with these nine years in which we have helped make **sustainable issues a distinctive factor in our business** through the achievement of very significant milestones. The year 2023 also proved to be an important year in the Prysmian's sustainability journey.

The board and committee worked synergistically with management to integrate sustainability into strategic operational decisions so as to improve rigor and management capacity of the metrics adopted.

Prysmian, with the support of the board, has worked diligently to consolidate initiatives to achieve challenging climate and social goals to **accelerate the transition both to a business model with reduced environmental impact and to a more equitable and inclusive working environment**. It is a priority of the board of directors to strengthen the positive impact Prysmian is able to have on the environment, the quality of life of people and the communities in which it operates.



The Group's commitment to climate change is confirmed by the development of a **decarbonization strategy that pursues a linear reduction in emissions**, meeting SBTi targets to reduce emissions throughout the value chain by 90%. The board supports and encourages this commitment, which is also reflected in the ability to achieve increasingly ambitious targets: -55/60% reduction in Scope 1 and 2 in 2030 compared to the 2019 baseline, a figure higher than the -47% approved by SBTi in June 2023.

The **Group's strong commitment to decarbonization is confirmed by the steps taken in product innovation**, which is reflected in the excellent result of the *Share of revenues from sustainable products* KPI. I am really pleased with the work we have done together with the company, not only to accelerate toward achieving ESG goals, but also for the pragmatism and rigor shown.

**Environmental objectives must necessarily be combined with the Group's social ambition**. Indeed, this link is a key element of Prysmian's Sustainability strategy, which the Committee fully supports. The company has always assigned great importance to the issue of gender balance, and I deeply believe that this should remain an area of focus. The board has worked to keep management's focus and commitment on this issue high, thanks in part to setting very ambitious goals on the percentage of women desk workers hired and women in executive positions. These KPIs require ongoing work - in terms of selection methods and processes - pushing Prysmian to support STEM culture among the younger generation of women so that they have resources they can hire to create an inclusive environment in which female leadership can be consolidated.

In the area of safety, Prysmian's commitment to developing a corporate culture of safety is pursued adopting the zero&beyond target. One of the main challenges is also the geographical size of the Company and the concreteness of the approach put in place through the audit plan conducted by a third party (76 factories were audited in 2023, and the plan will continue in 2024).

To mark Capital Markets Day, Prysmian defined the targets up to 2027 for some specific ESG KPIs, in line with the Group's five-year strategic plan, and with some financial targets announced during the event for the same time period. Targets up to 2027 also include a desire to quantify the group's commitment to fostering talent in disadvantaged communities. Between 2023 and 2027, more than 1,400 children and 400 women and girls will be supported by social programs, including: Oman, 100 women and 800 children through the "SHE STEM" program and STEM programs; the Netherlands, 625 children involved in STEM programs and workshops; and Latin America, 315 women and girls involved in social programs.

In conclusion, I would like to wish all my successors hearty good luck. Their usual dedication and talent will enable Prysmian to continue on the ambitious journey toward a more sustainable planet.

**Maria Letizia Mariani**  
Sustainability Committee Chair



## 1.3 Sustainability Reporting

After its first publication in 2022, again this year Prysmian is drafting its Sustainability Report as a stand-alone document. This mode of reporting allows us to explain Prysmian's role as an enabler of the ecological transition and digitalization processes.

The Sustainability Report describes Prysmian, its history, its performance achieved in the various ESG areas, its constant and growing commitment to innovation and the extraordinary projects in which it is involved in all parts of the world. Through this information, the document highlights how the company is a leading player on this global transition path.

The Sustainability Report accompanies the Integrated Annual Report, which consists of the Financial Report and the Non-Financial Statement, where financial and non-financial information is integrated in a systemic approach between strategy, governance model, production, financial performance and interactions with the social, environmental and economic context, analyzing the impacts that are generated by all of this throughout the Group's entire value chain.

With its Sustainability Report, Prysmian reports to all of its Stakeholders in a coherent and rigorous but also engaging manner on how it has made environmental and social sustainability the core of the group's business, the basis of all of its innovative processes.

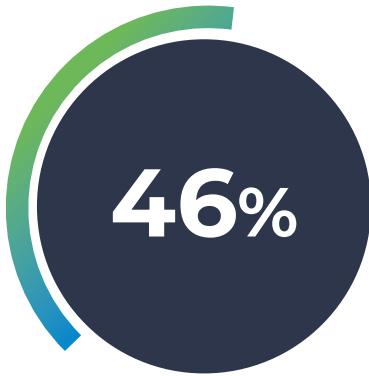
The Sustainability Report is subject to a limited audit by the auditing firm EY S.p.A. in accordance with the International Standard on Assurance Engagement (ISAE 3000 Revised).



# 1.4 Sustainability Highlights 2023

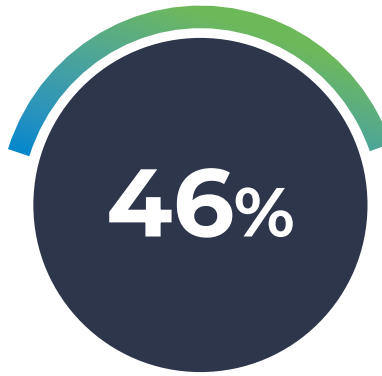
## SOCIAL RESPONSIBILITY

Percentage of desk workers women hired



VS 2022 **44.9%**

Percentage of shareholders employees



VS 2022 **37%**

Training hours per capita



VS 2022 **29h**

## ENVIRONMENTAL RESPONSIBILITY

GHG Emissions Scope 1 and 2 Market Based



reduction vs baseline 2019

GHG Emissions Scope 3



reduction vs baseline 2019

Environmental investments



VS 2022 **16mln €**

## INNOVATION

Share of recycled content  
on PE jackets and copper



VS 2022 **10%**

Investment in research  
and development



VS 2022 **114** mln €

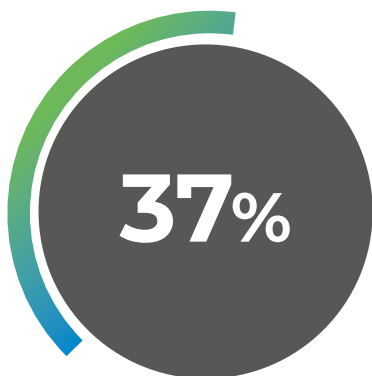
Number of product families  
launched in the year



VS 2022 **250**

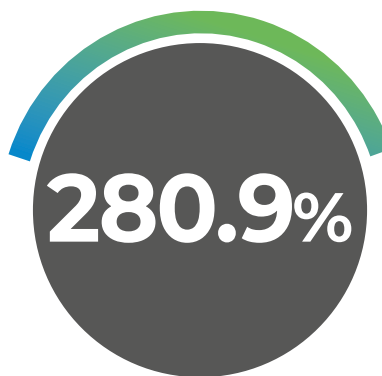
## SUSTAINABLE VALUE CHAIN

Share of revenues linked  
to Sustainable Products



VS 2022 **30%**

Total Shareholder Return  
since the day of listing



VS 2022 **215.6%**

Total donations made  
by the Group



VS 2022 **1.7** mln €

# 1.5 Major events in 2023

## JANUARY

- **10/01:** launch of **Global Sustainability Academy** with the aim of spreading the culture of sustainability within the entire company population worldwide and further strengthening the Group's commitment to implementing its Climate & Social Ambitions.
- **31/01:** successful completion of the laying and burial of cables for the submarine power interconnection between **Ibiza and Formentera**.

## FEBRUARY

- **6/02:** announcement of a framework agreement with **National Grid Electricity Distribution** for the supply of medium-voltage cables for a minimum of 3 years in the United Kingdom.
- **20/02:** market launch of **Prysmian Prysolar**, the most innovative cable solution for solar power generation, during the International Energy and Environment Fair held in Madrid from 21 to 23 February 2023.

## MARCH

- **3/03:** contract for two offshore wind farm connection projects in the Netherlands worth Euro 1.8 billion awarded by **TenneT**.
- **6/03:** new loan of Euro 120 million granted by **Cassa Depositi e Prestiti (CDP)** in order to support innovative technology R&D plans and contribute to the consolidation of business digitalization processes and the reduction of emissions to promote the energy transition.
- **17/03:** the first eco-certified optical cables introduced with **ECO CABLE**, the first patented label in the cable industry, at the FTTH Conference 2023 in Madrid.

## APRIL

- **19/04:** approval of the **new long-term incentive plan (2023-2025)** involving roughly 1,100 Group management and other key resource beneficiaries. The plan is intended to strengthen the commitment of the Company and the management to the creation of sustainable value over time for all stakeholders.

## MAY

- **5/05:** contract worth more than Euro 800 million awarded by **Inelfe** for a new electrical interconnection of about 400 km of submarine and land cables between France and Spain.
- **23-25/05:** in the UK, Prysmian selected by **SSEN Transmission and National Grid Electricity Transmission plc** as the exclusive preferred bidder for the construction of the Eastern Green Link 2 (EGL2) and Eastern Green Link 1 (EGL1), two 2-GW interconnection systems for 500 km and 200 km of 525-kV high-voltage direct current (HVDC) underground cable, respectively.
- **25/05:** market launch of **ECOSLIM™**, the reduced diameter fiber optic system that uses up to 90% recycled plastic.
- **26/05:** the Board of Directors of Prysmian S.p.A. designates **Massimo Battaini** – the current Group Director and Chief Operating Officer ("COO") – as the next candidate for the position of Chief Executive Officer ("CEO").

## JUNE

- **1/06:** announcement of a new investment of about Euro 120 million in the owned strategic facility in **Pikkala**, Finland, with a view to increasing the production capacity of 525-kV HVDC submarine cables.
- **20/06:** renewal of a Euro 1,000 million **Sustainability-Linked** revolving credit facility taken out from a syndicate of leading Italian and international banks.
- Second edition held from **27 to 29 June** of "**Sustainability Week**", an event where the company presented the progress made in its sustainability strategy and its new goals for the 2023-2025 three-year period. During the 2023 SW, the Group announced that its ambitious emission reduction targets had been approved by the **Science-Based Target initiative** (SBTi).

## JULY

- **3/07:** contract awarded for a new submarine power transmission cable link for the **Hornsea 3** offshore wind farm in the United Kingdom.
- **12/07:** major Service Level Agreement with **TenneT** for the maintenance of submarine cables to contribute to stable clean energy supplies for German and Dutch households.

## AUGUST

- **7/08:** launch of the global rollout of a new **Parental Policy**, featuring a series of concrete measures aimed at supporting new parents to ensure the best possible work-life balance in their new phase in life.
- **22/08:** in Germany, **TSO Amprion** selects Prysmian as preferred bidder for the two offshore grid connection systems BalWin1 and BalWin2 and the DC34 onshore cable project; contracts with a total of about Euro 4.5 billion.

## SEPTEMBER

- **5/09: Capacity Reservation Agreement** signed for consideration of up to Euro 90 million with Marinus Link Pty Ltd, a subsidiary of TasNetworks, Australia's transmission system operator (TSO), for a new electricity interconnection between Tasmania and the State of Victoria, Australia.
- **7/09:** Euro 630 million **Adriatic Link** project awarded by Terna for the design, supply, installation and testing of a high-voltage direct current (HVDC) submarine interconnection in the Adriatic Sea.
- **29/09:** new contracts awarded worth a total of about Euro 1.1 billion by **50Hertz**, a transmission network operator in Germany.

## OCTOBER

- **5/10:** organization of the first **Capital Markets Day**, an event at which the Group announced its new strategy, including the future reorganization of the business into four new segments, and presented its financial and non-financial targets to 2027.
- **30/10:** agreement worth about Euro 900 million with **Clean Path New York** for the supply of submarine and land cable systems for one of the largest transmission infrastructure projects in the United States.

## NOVEMBER

- **30/11:** contract worth about Euro 850 million awarded by **Eastern Green Link 1 Limited** involving the supply of 525-kV HVDC submarine cable systems with XLPE for a major national grid development project between Scotland and England.

## DECEMBER

- **9/12:** Prysmian confirmed as a sustainability leader in the prestigious **Dow Jones Sustainability World Index (DJSI World)** following the annual assessment by **S&P Global** of companies' sustainability practices.
- **13/12:** renewal of the official partnership with the **Andretti Formula E** team again for the 2023/2024 season of the ABB FIA Formula E World Championship, following the sensational Season 9 culminating with Jake Dennis winning the Formula E World Drivers' Championship.
- **21/12:** announcement of an investment of roughly Euro 350 million for **two new state-of-the-art cable-laying vessels** to support the global power grid for the energy transition, in order to reinforce the industry's largest fleet.

# 1.6 Prysmian: Connect, to lead

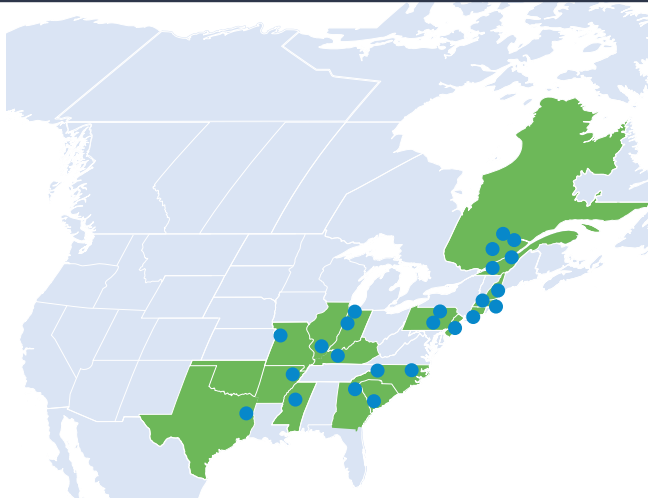
## Global leadership

With a direct presence in more than 50 countries around the world, 108 factories, 26 R&D centers and around 30,000 employees, Prysmian is a global leader in cable systems for energy and telecommunications. The Group HQ in Milan, Italy, employing around 800 persons, is supported by regional headquarters in North America, South America, EMEA and APAC.

Prysmian was established in 2005 following acquisition of the Energy Cables and Systems and Telecom Cables and Systems businesses of Pirelli by the Goldman Sachs group. The Company was listed on 3 May 2007, with the market placement of 46% of the shares held by the Goldman Sachs group and joined the main FTSE MIB index in the following September. Prysmian is one of the few Italian industries with global reach to achieve public company status. It is a company whose shares are held by international institutional investors, in which the creation of shareholder value is a key factor when making strategic decisions at all levels.

### North America

24 plants



#### Canada

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

#### USA

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

### Latin America

13 plants



#### Argentina

- La Rosa

#### Brazile

- Joinville
- Poços de Caldas
- Sorocaba Eden
- Sorocaba Fiber
- Vila Velha

#### Cile

- Santiago

#### Colombia

- Bogotá

#### Costa Rica

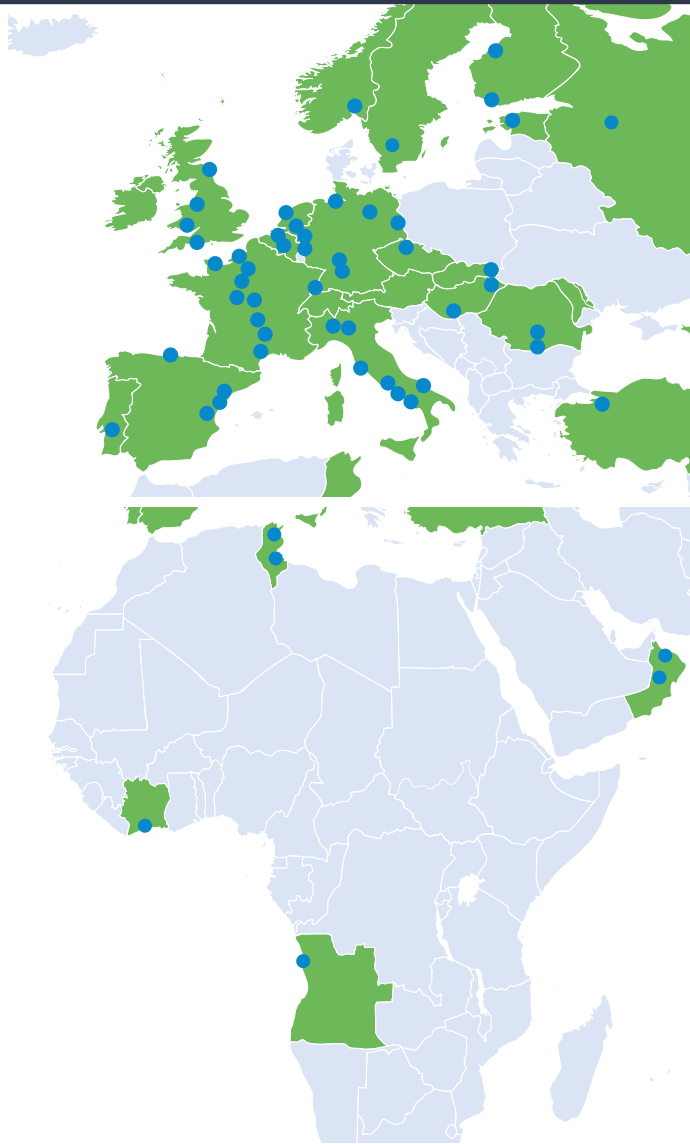
- Heredia

#### Messico

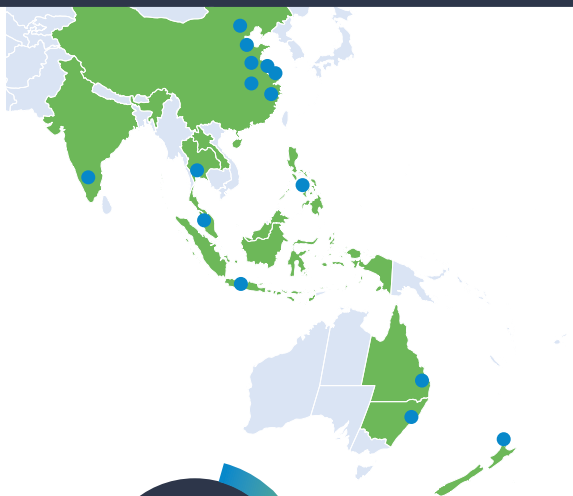
- Durango
- Nogales
- Piedras Negras
- Tetla

+50  
countries

108  
plants



- Angola**  
Luanda
- Czech Republic**  
Velké Meziříčí
- Estonia**  
Keila
- Finland**  
Oulu  
Pikkala
- France**  
Amfreville  
Calais  
Charvieu  
Chavanoz  
Cornimont  
Douvrin  
Gron  
Montereau  
Paron  
Sainte Geneviève
- Germany**  
Baesweiler (Cologne)  
Berlino  
Neustadt  
Nordenham Plant  
Norimberga  
Schwerin  
Wuppertal
- Hungary**  
Balassagyarmat  
Kistelek
- Italy**  
Arco Felice  
Battipaglia  
Giovinazzo  
Livorno  
Merlino  
Pignataro Maggiore  
Quattordio
- Ivory Coast**  
Abidjan
- Norway**  
Drammen
- Oman**  
Al Khuwayriyyah (Sohar) - OAPIL  
Factory2 Rusayl (Muscat) - OCI
- Portugal**  
Morelena
- Romania**  
Milcov  
Slatina
- Russia**  
Rybinsk
- Slovakia**  
Prešov
- Spain**  
Abrera  
Santa Perpetua  
Santander  
Vilanova
- Sweden**  
Nässjö
- The Netherlands**  
Delft  
Eindhoven  
Emmen  
Nieuw Bergen
- Tunisia**  
Grombalia  
Menzel Bouzelfa
- Turkey**  
Mudanya
- UK**  
Aberdare  
Bishopstoke  
Washington  
Wrexham



- Australia**  
Dee Why  
Liverpool
- China**  
Haixun DEP  
Shangai  
Suzhou  
Tianjin  
Yixing  
Zhongyao DEP
- India**  
Chiplun
- Indonesia**  
Cikampek
- Malaysia**  
Melaka
- New Zealand**  
New Lynn
- Philippines**  
Cebu
- Thailand**  
Rayong





## Prysmian values



Our objective is to guide the evolution of our industry: we develop our human capital and our business, by following a clear strategy while anticipating customer needs.

We aim to create an environment that inspires trust, where diversity and collaboration are valued, and people are empowered to make decisions with integrity.

Our challenge is to simplify all that we can, focusing on activities that generate high value and timely decisions that enhance the Group's results.

This is the foundation on which Prysmian has built its business model and approach to the market.



# Favorable market development: four macro-trends



Growth of renewables  
(Energy transition):

**>70%**  
by 2050

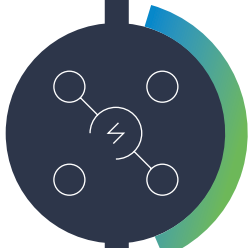
By 2050, electricity generated from renewable sources will account for 70% of total electricity on a global scale, more than double today's 30%.



Electrification:

**+30%**  
electricity  
consumption  
by 2030

Population growth and the resulting increase in telecommunications infrastructure are some of the drivers that will increase electricity consumption by 30% by 2030.



Enhancement  
of energy networks

**3X** annual  
investment in  
grids by 2050

To support the energy transition, massive capital expenditure will be needed in strengthening the grid with the goal of making it capable of handling increased energy demand.



Digital  
transformation:

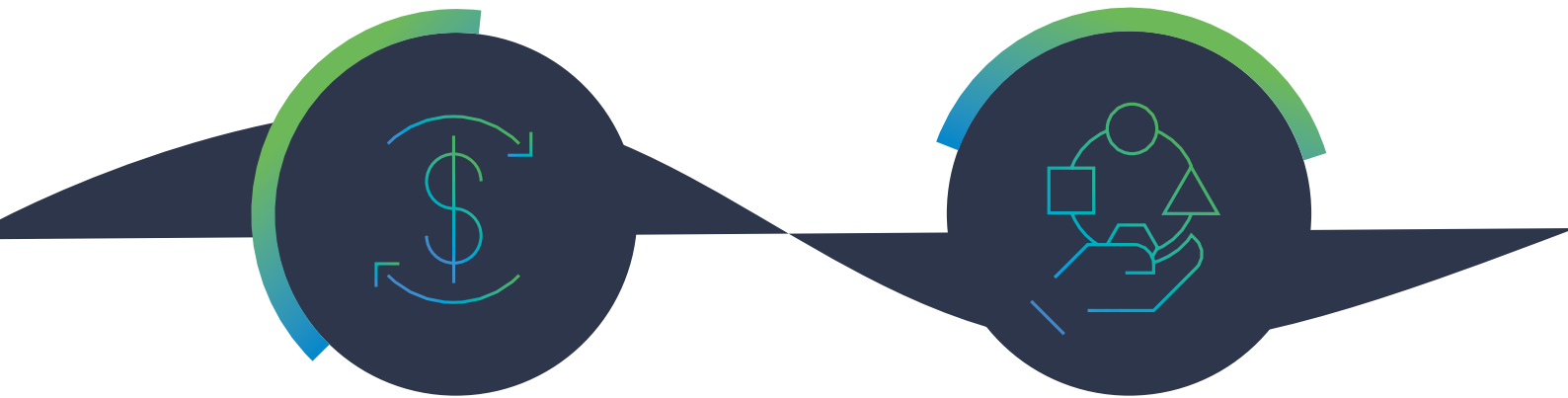
**2.5X** sites  
and towers  
connected with  
fiber by 2030

Concurrent with the growth in energy demand, there will also be an exponential increase in data consumption. The development of new technologies is fostering innovative new solutions (2x IoT devices by 2030), which will require increasingly fast and accessible connectivity at a lower cost. To support this transition, investments in data centers valued at USD 330 billion are planned between 2022 and 2030.

# The pillars of Prysmian's strategy

Prysmian's strategy is to capitalize on its leadership positions and to conquer new markets experiencing growth in order to become a global cabling systems supplier capable of driving the energy transition and the digital transformation.

The cable industry is increasingly strategic due to long-term structural market trends that demand resilient, high-performance, sustainable and innovative cable systems. In this context, and based on the results achieved so far, the Group's strategy comprises four pillars:



## Self-financed capacity expansion

Investments supporting organic growth, underpinned by strong cash generation. This implies that the Company will continue to invest in expanding its capacity and enhancing its ability to serve customers and keep up with growth in demand. The Group's financial strength was recently confirmed with Standard & Poor's recognition of its public rating of "Investment Grade" (BBB-).

In order to support this growth, CapEx will double from Euro 310 million to Euro 540 million over the next 5 years.

## Balanced and innovative portfolio

New approach to innovation, which consists of improving electrical performance, and focuses on the transition to more sustainable cable solutions that contribute to the decarbonization of the economy.



## Empowerment of people

Prysmian recognizes and appreciates the significance of its workforce, believing it to be a fundamental pillar of the Company's success. Therefore, the Group invests heavily in promoting creativity and collaboration among employees and developing their skills, driving their engagement, facilitating digital inclusion and fostering diversity and people's sense of inclusion.

## Business segmentation

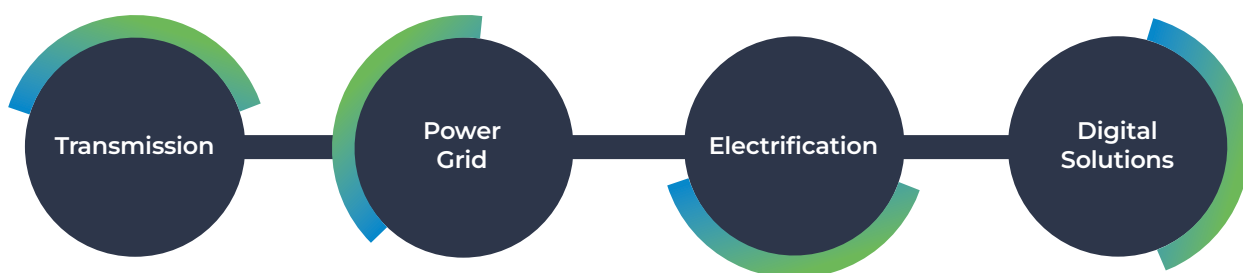
The Group's structure will evolve from the current three to four new business segments starting from 2024, accurately reflecting the four market trends identified (Renewable Transmission, Power Grid, Electrification and Digital Solutions). The new segments will operate synergistically rather than as separate and distinct entities. This new segmentation will improve go-to-market effectiveness, ensuring greater visibility into how the Group operates in the various areas.

# Prysmian's business model

Every day, all over the world, Prysmian contributes to the development of smarter, more sustainable electricity and telecommunications networks to transport clean energy and information faster and farther.

While Prysmian's positioning as a "cable manufacturer" remains at the heart of what it does, the new strategy announced in October aims to position Prysmian as a "Global provider of cabling solutions, at the helm of the energy transition and the digital transformation; **Connect, to lead**". Indeed, the ability to increasingly integrate the various components of engineering, installation, network monitoring and after-sales services into value-added services guarantees recurring revenue and long-term partnerships with customers.

Until the end of 2023, Prysmian had three macro-areas of activity: Energy, Telecom and Projects. These will be subject to a partial reorganization, announced in October during Capital Markets Day and effective as of the beginning of 2024, based on which the Group's activities will be divided into four new segments instead of the three existing ones, in order to be better positioned to take advantage of the opportunities arising from the 4 macro-trends described above:



Which includes the Submarine Power and Land HVDC business units, currently belonging to the Projects segment.

Which includes the HVAC business unit, also currently in the Projects segment, and Power Distribution and Overhead Lines, currently part of the Energy segment.

Which includes the Industrial & Construction (now called Trade & Installer) and Specialties (formerly included in Industrial & NWC) business units, currently belonging to the Energy segment.

The current Telecom segment, which includes the following business units: Fiber and Optical Cables, Connectivity, Multimedia & Inside Plant cables (MMS).

The new reorganization will allow the company to better respond to market demands, in light of the development in demand described in the chapter "Favorable market development: 4 macro-trends".

As far as the current financial year is concerned, the Group's activities are divided into three business divisions, as follows.

## 1. Energy

Division specializing in products and services for power distribution and special cables for applications in a wide variety of industries, as well as medium- and low-voltage cables and accessories for the construction and infrastructure sectors:

- **Energy & Infrastructure**, which includes the Trade & Installers business, with a focus on the industrial and infrastructure segments (cables for power distribution to residential, commercial and industrial facilities and for infrastructure such as airports, ports, railway stations and data centers), and Power Distribution (medium-voltage cable systems for overhead and underground installations, and the related accessories and network components, for connecting industrial and/or residential buildings to the primary distribution network).
- **Special Cables for the Industrial & Network Components segments** that includes a broad range of cables for different industries – from renewables to marine, automotive to aerospace, flat lift cables to network monitoring solutions – with a high level of specificity, including turnkey and maintenance services.

## 2. Telecom

Prysmian is the world's largest supplier of state-of-the-art cables and accessories for voice, video and data transmission, and offers a full range of fiber optic, optical and copper cables and connectivity systems:

- **Telecom solutions:** fiber optic and copper telecom cabling solutions and the related connectivity accessories. In both cables and connectivity, the Group is focusing on designing products that provide higher density in smaller diameters, are easy to use and optimize fiber management.
- **MMS Multimedia Specials:** fiber optic and copper solutions for fixed or mobile multimedia communication, such as audio-visual content transmission, or indoor connectivity – increasingly important for the development of smart buildings and the Internet of Things.
- **Fiber optic:** Prysmian produces single-mode and multimode optical and special fibers, using an innovative proprietary technique that places the Group at the forefront of today's technology.

## 3. Projects

From underground cable systems supporting the energy transition and powering wind farms, to undersea systems installed by the Group's cable-laying vessels, Prysmian works on supply-only and turnkey projects for some of the world's largest operators. The Group uses specific technologies for undersea power transmission and distribution and is able to offer sophisticated solutions that satisfy the strictest international standards.

Prysmian has built **a unique set of assets** to meet market needs: with the ability to deploy connections more than 200 km long, an installation depth of up to 3,000 meters, proven expertise, a turnkey offering combining technology, installation, monitoring, maintenance and repair, and innovative and environmentally sustainable materials, Prysmian is the partner of choice for major global operators.

---

### The fleet of cable-laying ships

Today, Prysmian can count on a fleet of five state-of-the-art deep-water **cable-laying vessels** – among them the flagship Leonardo da Vinci, the world's most advanced cable-laying vessel, for shallow water and areas periodically washed by the tidal excursion – as well as the broadest range of inland equipment. Prysmian has also announced the purchase for the 2024-2027 period of two additional cable-laying vessels to further bolster its fleet.

LEONARDO DA VINCI



GIULIO VERNE



CABLE ENTERPRISE



ULISSE



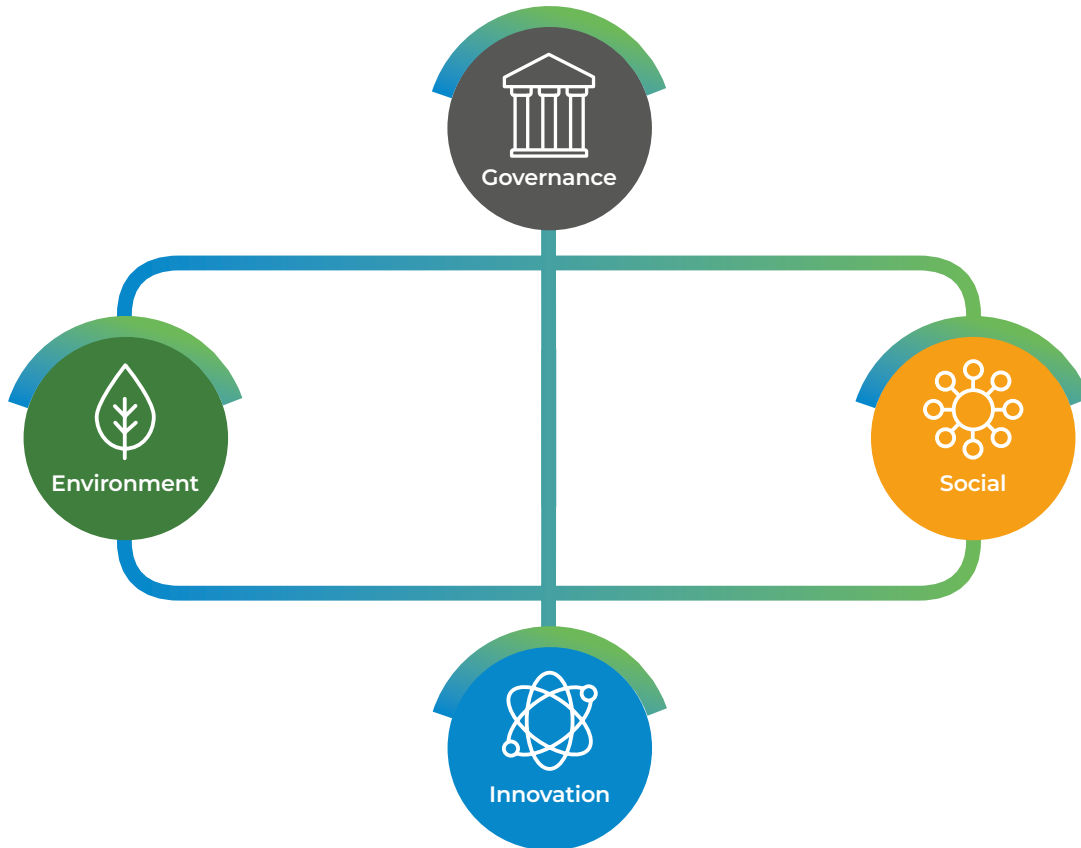
BARBAROSSA



# 1.7 Prysmian: Sustain, to lead

## Prysmian's approach to sustainability: a model based on four pillars

Prysmian's sustainability strategy is based on 4 pillars, each of which contributes to the creation of value added for the benefit of the Group and all of its stakeholders and allows for the implementation of long-term plans focusing on sustainability, including financial.



The **centrality of sustainability in Prysmian's strategy** is also evident from the definition of a **specific type of governance**, which is responsible for **overseeing all Group initiatives in a structured** and rigorous manner and ensuring their alignment with ESG targets.



**Prysmian** is committed to reducing the negative impact on the environment during its manufacturing and installation activities and acts directly on the design and configuration of its products and solutions, helping to facilitate **decarbonization** along its value chain. **Prysmian** holds a **leadership** role in its supply chain by promoting virtuous practices with all its partners.



**Innovation** is an **indispensable** element in achieving the **sustainability goals of Prysmian**, which has always invested in **research and development** to offer **low-impact, high-efficiency products**. The commitment to innovative solutions continues; sustainability is one of the **key drivers** of Prysmian's research and development strategy, reflected in the new "**design for sustainability**" concept.



**Prysmian** places **people at the centre** of its activities. This commitment is reflected both in employee initiatives (e.g., promoting work-life balance, diversity, inclusion, training) and in supporting the **social communities** in which the company operates.

# Prysmian's commitment to sustainable development and the achievement of the UN SDGs

In 2021, Prysmian joined the **United Nations Global Compact**, a global network of more than 17,000 companies from 160 countries inaugurated in 1999 with the goal of building a sustainable global economy.

The Global Compact requires participating businesses and organizations, each in their own sphere of influence, to agree, support and apply a set of fundamental principles covering human rights, working standards, environmental protection and anti-corruption.

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

To strengthen its commitment to sustainability, Prysmian adopted a Sustainability Policy, available on the company website at the link <https://www.prysmian.com/en/sustainability/strong-commitment>, that defines the company's commitment and priorities, governance, strategy and vision linked to Sustainability.



Prysmian contributes to the achievement of the SDGs through some specific activities consistent with its business, relating to the material topics identified every year during the materiality analysis.



#### Sustainable innovation of products, applications and processes

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



#### Sustainable innovation of products, applications and processes

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



#### Sustainable innovation of products, applications and processes

Facilitate access to clean energy, via continuous investment in research for the development of advanced solutions for the production and transportation of energy from renewable sources.



#### Implement decarbonisation on the path to Net-Zero and digitalisation

Pursue the efficient and sustainable use of energy and natural resources by reducing consumption and greenhouse gas emissions, while minimising the generation of waste and promoting the recycling and reuse of materials.



#### Biodiversity and impact on nature

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



#### Impact on communities

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



#### Impact on communities

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



#### Greater diversity, inclusion and respect for human rights

Promote inclusive ethical conduct that respects the diversity of each person, protect the rights of workers, develop a healthy workplace environment, encourage the training and professional growth of all personnel.



#### Governance, ethics and integrity

Promote sustainable business practices between our suppliers and business partners.

#### Governance, ethics and integrity

Develop effective, transparent and responsible communications with Stakeholders.



# Prysmian's two ambitions: Climate Change and Social Ambition

The transition from fossil fuels to renewables is one of the biggest and most urgent challenges facing humanity, and one in which Prysmian can play an active role: indeed, access to cleaner and greener energy is enabled by more extensive and smarter networks and infrastructure. That is why sustainability is in the DNA of Prysmian, which strives every day to make it a reality through the solutions it offers, the processes to achieve them and the people involved in each local context.

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

## Climate Change Ambition

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

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

Within this initiative, Prysmian has taken the following actions:

1. definition of an overall Net-Zero target;
2. definition of a short-term emissions-reduction target;
3. definition of a long-term emissions-reduction target.

In **2023**, Prysmian obtained **official validation** by the **Science-Based Targets initiative** (SBTi) of its targets, thus defined as follows:

### A. Overall Net-Zero Target

Prysmian is committed to achieving net zero GHG emissions throughout its value chain by 2050.

### B. Short-term targets

Prysmian is committed to reducing its Scope 1 and 2 GHG emissions – in absolute terms – by 47% by 2030, compared to the emissions recorded in the year 2019; Prysmian is also committed to reducing its Scope 3 emissions – in absolute terms – by 28% over the same time horizon.

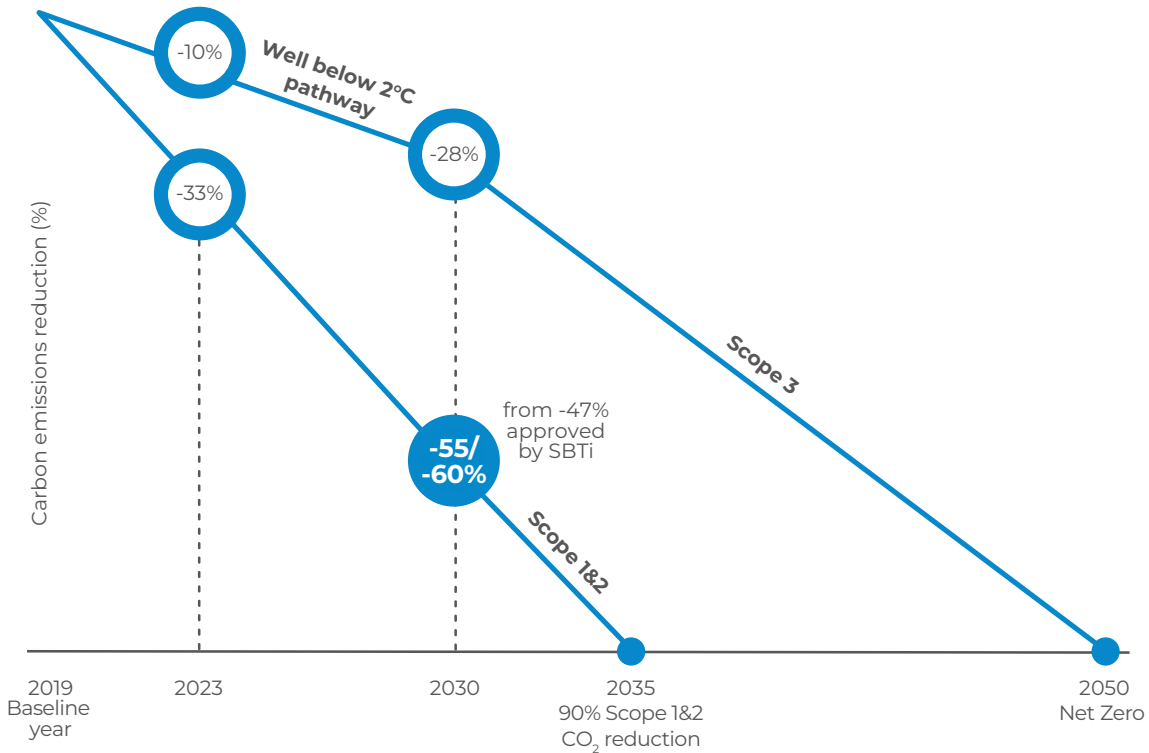
### C. Long-term targets (net zero)

Prysmian is committed to reducing its Scope 1 and 2 GHG emissions – in absolute terms – by 90% by 2035, compared to the emissions recorded in the year 2019; Prysmian is also committed to reducing its Scope 3 emissions – in absolute terms – by 90% by 2050. In addition, during the long-term targets approval process, Prysmian – at SBTi's request – recalculated some Scope 3 categories using updated emission factors. Therefore, the Scope 3 value for 2022 has been revised from what was published in the 2022 Report, as will be explained later in the chapter "Environmental responsibility".

The efforts made by the company to reduce its emissions are already showing promising results. In 2023, Prysmian announced that it was ahead of its decarbonization targets, anticipating – on Capital Markets Day – as early as 2027 a -45% reduction in Scope 1 and 2 emissions, and a -23% reduction in Scope 3 emissions.

**Based on this commitment and in line with the SBTi-approved net-zero trajectory, Prysmian decided in January 2024 to set a goal of achieving a percentage reduction in Scope 1 and 2 emissions of between -55% and -60% in 2030, as compared to -47% approved by SBTi. This target represents the Group's further commitment to the process of decarbonizing its operations by implementing internal solutions and processes that further limit its impact on the environment.**

## Climate Change Ambition



## Social Ambition

Prysmian’s aspiration is to build a more equal, inclusive and innovative world, starting with, but not limited to, its employees. To be able to do this, the Group formalized its Social Ambition, which mainly concentrates on the commitment to improve Diversity, Equality and Inclusion (DE&I), digital inclusion, the empowerment of communities, employee engagement and upskilling. These commitments have been translated into specific Group targets to be achieved by 2030, aligned with the UN Sustainable Development Goals made explicit earlier. The results of the initiatives carried out by Prysmian in recent years, and the investments planned in the coming years to achieve the Social Ambition goals, have enabled Prysmian to accelerate the achievement of several targets set for 2030, bringing forward to 2027 the goal of gender equality in the hiring of desk workers, and 25% in senior leadership roles.

### 2030 Social Ambition targets

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

## 1.8 The sustainability Scorecard

In order to set a credible path to sustainability and give further substance to the long-term commitments of the Group, Prysmian has equipped itself with specific short-term objectives whose progress it monitors year after year.

Starting from the end of 2022, Prysmian defined a new three-year scorecard (2023-2025, with baseline 2022) containing 12 impact KPIs, with the aim of improving the effectiveness of the processes of measuring, monitoring and reporting on results. These were defined after an analysis of:

- **Long-term ambitions of the Group** (Social Ambition and Climate Change Ambition);
- **UN Sustainable Development Goals** (SDGs);
- **Group Materiality Analysis** (focusing on the external impacts generated by the business).











To mark Capital Markets Day, Prysmian defined and published targets to 2027 for some specific scorecard KPIs, in line with the Group's five-year strategic plan, and with some financial targets announced during the event for the same time period. The goals to 2027 shown, which are outlined in the Scorecard below, also include the desire to quantify the group's commitment to fostering talent in disadvantaged communities. Between 2023 and 2027, more than 1,400 children and 400 women and girls will be supported by social programs, including: Oman, 100 women and 800 children through the "SHE STEM" program and STEM programs; the Netherlands, 625 children involved in STEM programs and workshops; and Latin America, 315 women and girls involved in social programs. The Impact Scorecard is shaped on the four pillars of sustainability of the company – Environment, People-Community, Governance and Innovation.

Scorecard targets are regularly monitored by the Sustainability Steering Committee, chaired by the Chief Sustainability Officer and shared with the Sustainability Committee.



Thus, 2023 represented the first year of implementation of the new scorecard.

## Prysmian Impact Scorecard 2023-2025

SDGs	Category	KPI	Related material Impact & topic	Baseline 2022	Results 2023	Target 2025
 	Impacts on Society	Enable access to green electricity to households <sup>(1)</sup>	<b>Enabling the decarbonization to Net-Zero and digitalization</b> Facilitating the energy transition and decarbonization process of the economy and digitalization of the network	21 m	56 m	110 m
		Enable fast digital access to households <sup>(2)</sup>		3 m	9 m	15 m
 	Climate	Percentage reduction of GHG emissions (Scope 1&2 Market Based) vs 2019 baseline <sup>(3)</sup>	<b>Enabling the decarbonization to Net-Zero and digitalization</b> Contribution to GHG emissions of Scope 1 and 2 as a result of direct business activities	-28%	-33%	-38%/-40%
		Percentage reduction of Scope 3 GHG emissions vs 2019 baseline <sup>(4)</sup>		<b>Enabling the decarbonization to Net-Zero and digitalization</b> Contribution to GHG emissions of Scope 3 as a result of indirect business activities	-7.5%	-10%
	Green & Circular Economy	Share of revenues linked to Sustainable Products <sup>(5)</sup>	<b>Sustainable innovation and circularity</b> Reduction of emissions related to new products - through the development of low-emissions products (higher recycled content / recyclable products) and virtuous practices such as Design for Sustainability	30%	37%	40%
		Share of recycled content on PE jackets and copper <sup>(6)</sup>		10%	12.7%	15%/16%
 	Diversity & Inclusion	Percentage of desk workers women hired <sup>(7)</sup>	<b>Equity, Diversity, Inclusion &amp; respect for human rights</b> Promotion of specific programs towards a more inclusive and diverse work environment	44.9%	46%	47%/49%
		Percentage of Executive women <sup>(8)</sup>		<b>Equity, Diversity, Inclusion &amp; respect for human rights</b> Promotion of practices to promote gender balance in Prysmian management and BoD	15.7%	18.8%
	People Wellbeing	Safety Assessment Plan <sup>(9)</sup>	<b>Human capital's well-being, engagement &amp; upskilling</b> Potential accidents, mental and physical illness due to a failure to disseminate a health and safety culture in the community in which the Company operates	-	3.4	2.75/5
		Leadership Impact Index <sup>(10)</sup>		<b>Human capital's well-being, engagement &amp; upskilling</b> Engagement: Adoption of people oriented policies to safeguard people's need	55%	57%
 	Solid Governance & Ownership	Percentage of shareholders employees <sup>(11)</sup>	<b>Human capital's well-being, engagement &amp; upskilling</b> Engagement: Adoption of people oriented policies to safeguard people's need	37%	46%	44%/45%
		Completion rate for compliance e-trainings promoting anticorruption <sup>(12)</sup>		<b>Human capital's well-being, engagement &amp; upskilling</b> Upskilling: Strengthening and upskilling the competences of the personnel and develop talent	75%	89.31%

The results achieved in 2023 in relation to the “Percentage of revenues from solutions with better sustainability performance out of the Group’s total revenues” KPI testify how central sustainability is to the innovation activities of Prysmian’s product and service portfolio.

In 2023, this KPI reached a value of 37%, up by 7 percentage points from the previous year.

Prysmian’s role as an enabler of energy transition and digitalization processes is, moreover, confirmed by the performance of KPIs related to quantifying the positive impacts of the Group’s activities on communities, which more than doubled the 2022 baseline.

(1) Estimated households connected to green energy through Prysmian products. It includes installed capacity through photovoltaic panels, onshore and offshore wind turbines, and interconnections intended for renewable energy generation.

(2) Estimated connected households with fast digital access (defined as FTTH, FTTB, DOCSIS 3.0) thanks to Prysmian products.

(3) Reduction in CO<sub>2</sub> emissions (Scope 1 and 2) compared to the year 2019, according to SBTi methodology. Scope 2 is calculated using the Market-based method.

(4) Reduction in CO<sub>2</sub> emissions from the entire value chain (Scope 3) compared to the year 2019, according to the SBTi methodology. In 2023, during the long-term target approval process, Prysmian – at SBTi’s request – also recalculated some Scope 3 categories using updated emission factors. Therefore, the value of Scope 3 for 2022 has been revised from what was published in 2022 Report.

(5) Portion of revenues from sustainable products. With the aim of making the Group’s approach more organic and due to the progress made in developing sustainable products and solutions in all Regions, the company has decided to eliminate the division between Europe and the rest of the world in the calculation of this KPI, as already shown during the Capital Markets Day held in October 2023.

(6) Percentage by weight of recycled content of certain purchased materials. The scope of the indicator includes 1) copper purchased at Group level, excluding occasional suppliers and semi-finished products; 2) polyethylene used for sheathing, excluding those applications for which customers do not allow the use of secondary materials.

(7) Share of women desk workers hired with permanent contract compared to the total employees hired with permanent contract. The index includes all desk workers hired abroad (including global recruiting programs and projects) and all change of contracts from agency/temporary to permanent.

(8) Share of women in executive positions (job grade 20 and above) as a percentage of total executive employees. The number of employees is the headcount as at 31 December 2023, including all permanent contract and temporary ones. The KPI shows the ability of the Group to develop internal figures to take on leadership roles, its capability to hire them from the market and its ability to retain those talents.

(9) Index relating to the level of maturity in the safety management of the Group’s various plants, calculated following an Audit conducted by a specialized third-party company. The index consists of four different categories (governance, employee engagement, risk assessment and injury frequency rate). At the end of the assessment, an overall score is given on a scale of 1 (lowest) to 5 (highest).

(10) Index calculated as the percentage of employees who declared a level of engagement with the company of at least five out of seven points in the Speak Up survey conducted by the company. The indices and the survey were developed in collaboration with POLIMI University in order to ensure their quality and anonymity.

(11) Number of employees with Prysmian shares deposited in company administrative accounts through GROW, YES and BE IN plans as at 31 December, divided by the total number of employees eligible to participate in at least one of the plans.

(12) It includes e-learning conducted through the Group’s business management system and is for all desk workers (excluding business partners, consultants, contractors, employees on leave of 30 days or more and temporary trainees). It is subject to annual approval of the compliance plan by the Board of Directors; topics may include one or more of the following: code of ethics, anti-corruption, gifts, conflicts of interest, Helpline or business policy.

# 1.9 An international network

As a market leader, Prysmian is present in all major ESG indices globally, and plays a leading role in several trade associations and distinguished organizations.

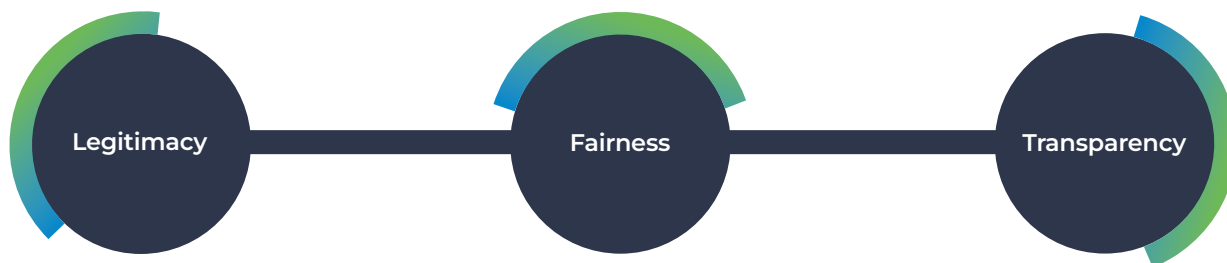
## Prysmian in ESG indices

Index	2021	2022	2023
 Dow Jones Sustainability Indexes	Rank: 87/100 (ELQ World) included and ranked as 1 <sup>st</sup>	Rank: 87/100 (ELQ World) included and ranked as 3 <sup>rd</sup>	Rank 79/100 (EQL World) included and ranked 3 <sup>rd</sup> in the World score
 MSCI	Score: AA	Score: AA	Score: A
 ecovadis Business Sustainability Ratings	Score: 73/100 (Platinum)	Score: 74/100 (Gold)	Score: 76/100 (Gold)
 CDP DISCLOSURE INSIGHT ACTION	Score Climate Change: B (World) Score Water Security: B	Score Climate Change: A- (World) Score Water Security: B	Score Climate Change: A- (World) Score Water Security: B
 SUSTAINALYTICS	Risk: 22.8 (Medium)	Risk: 21.4 (Medium)	Rating: 16.5 (Low Risk)
 FTSE4Good	Score: 3.8/5	Score: 3.8/5	Score: 3.9/5
 Bloomberg	Score: 55/100	Score: 63/100	Score: 65/100
 STOXX	Included (STOXX Italy 45 ESG-X and STOXX Europe 600 ESG-X)	Included (STOXX Italy 45 ESG-X and STOXX Europe 600 ESG-X)	Included (STOXX Italy 45 ESG-X and STOXX Europe 600 ESG-X)
 MIB ESG	Included	Included	Included
 V.E VIGEO.EIRIS	Rank: 51/100	Rank: 57/100	Rank: 58/100

# Proactive role in trade associations

Prysmian's leadership in its industry is also testified by the Group's membership of the most important trade associations globally. A strategic network to share best practices and remain up-to-date on regulatory and product news, with the opportunity to express policy opinions.

Institutional Relations, including corporate lobbying, and participation in trade associations contribute to the creation of corporate value through a complex, stable system of external relations that are inspired by criteria of:



Compliance with the law, applicable regulations, the Code of Ethics and company policies.

Respect for the prerogatives, responsibilities and decision-making autonomy of the parties involved, avoiding the exercise of undue influence in the pursuit of corporate interests.

Carrying out lobbying activities in legal conditions.

In addition, specific general principles must be observed when engaging in these relations:

- In the process of interacting with Institutional Representatives, the company must employ transparent, lawful and autonomous accreditation channels. It must adopt forms of communication that allow the interlocutor to easily and immediately identify both the business organization and the interest it represents.
- The corporate interest involved in an ongoing decision-making process must be made explicit through the submission of proposals, suggestions, studies, research and analysis. These tools must be suitable for highlighting the relevance of the corporate interest and the impacts of the decision.
- Information used during dialogue with the institutional representative should be transferred only after verifying that it is fully comprehensive and reliable. This verification is performed by the departments/functions involved in each initiative.

Some of the main issues subject to the Group's lobbying activities in 2023 were:

- European Green Deal (with a focus on sustainable fibers)
- Broadband Cost Reduction Directive
- Recovery and Resilience Facility (RRF)

Also in 2023, consistent with what is defined in its Code of Ethics, Prysmian made no contributions in any form to political parties or politicians. Below are the main trade associations Prysmian is a member of, which are active in combating climate change, supporting energy transition and digitalization processes and promoting sustainable practices in favor of local communities.

---

Regarding **environmental issues, with a specific focus on climate change**, the Group is a member of the following associations:



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



**Global Alliance for Sustainable Energy.** In 2022, Prysmian joined the “Global Alliance for Sustainable Energy”, an independent global alliance to promote and integrate sustainability and social responsibility in the renewable energy sector. The alliance, which is open to all interested stakeholders, aims to ensure that the renewables sector is fully sustainable and respects human rights throughout the entire value chain.

## WASH 4 WORK

**Wash Pledge.** By signing the Wash Pledge, Prysmian commits to ensuring access to safe drinking water, sanitation and hygiene in the workplace at an appropriate level for all employees across all of its premises. The company is also committed to taking WASH actions throughout its value chain, including both suppliers and the communities surrounding the workplaces in which it operates.

---

In the energy area, the Group is a member of:



**Europacable.** Europacable represents the world’s largest cable manufacturers, as well as highly specialized small- and medium-sized companies, at European institutions, monitoring policy and regulatory debates. Prysmian participates actively in various working parties, and even plays a leadership role in those with a specific focus on sustainability.



**Friends of Sustainable Grids (FOSG).** A non-profit association promoting a pan-European renewable, efficient and large-scale electricity grid that provides secure and affordable energy. The association mainly focuses on such topics as efficient governance, a harmonized regulatory approach and energy education.

---

In the digital area, Prysmian participates in:



**Fibre to the Home (FTTH) Council.** Founded in 2004, this group with 150 members seeks to accelerate the deployment of fiber optic connectivity. Its vision is of a sustainable future made possible by economic growth generated by new services using high-speed FTTH technology.



**European Telecommunications Network Operators' Association.** ETNO has been the voice of European telecommunications network operators since 1992. Its 38 members and observers innovate and invest in the continent’s digital backbone. ETNO’s mission is to develop a positive policy and regulatory environment that enables the deployment of state-of-the-art telecommunications networks and the provision of advanced digital services for European citizens and businesses.



In the area of **corporate social responsibility** and sustainability, Prysmian is a member of:



**UN Global Compact.** Prysmian is a participant of the Global Compact, whose principles and spirit are reflected in the Group’s culture, values and practices. Consistent with the Global Compact’s principles, Prysmian adopts policies and tools that safeguard the environment and human and workers’ rights while supporting local communities and the most vulnerable.



**Responsible Mica Initiative.** In 2021, Prysmian joined – as the first company in the cable industry – the Responsible Mica Initiative (RMI), a non-profit organization committed to eliminating child labor and poor working conditions in the mica supply chain. Participation in the Responsible Mica Initiative is consistent with the social ambition objectives of Prysmian and the Group’s commitment to improving the lives of people, communities and territories in which it operates.



**Valore D.** Italy’s first business association promoting gender balance and an inclusive culture for the growth of companies and the country.

In addition, Prysmian participates in association activity and supports **institutional communication** through the identification of its representatives at the various working groups activated by associations with regulators. In particular, in Italy, the Group is present in **Confindustria** (the main organization representing manufacturing and service companies in Italy), **ANIE** (Italian National Federation of Electrotechnical and Electronic Businesses, brings together strategic players that make available advanced technologies for the Building, Energy, Industry and Infrastructure markets), and **Assonime** (the association for Italian listed companies, which researches and addresses problems affecting the interests and development of the Italian economy).

In order to ensure that all stakeholders are aware of important aspects of the corporate lobbying process and activities, Prysmian publishes information in its financial statements (detailed table below) and on the corporate website ([www.prysmiangroup.com/en/sustainability/association-memberships](http://www.prysmiangroup.com/en/sustainability/association-memberships)) on the main initiatives concluded or in place with institutional stakeholders and the general Group interests pursued through the activities carried out. In 2023, these contributions amounted to around 4.4 millions of Euro.

Type of activity (in thousand of Euro)	2023
Lobbying, interest representation or similar activities	1,223
Organizations, local, regional or national political parties	-
Trade associations or tax-exempt groups (e.g., think tanks)	1,621
Other types of activities	1,576
<b>Total contributions and other expenses</b>	<b>4,420</b>

# 1.10 Corporate Governance

## Directors and auditors

Board of Directors <sup>(4)</sup>	
Chairman	Claudio De Conto <sup>(*) 2)</sup>
Chief Executive Officer	Valerio Battista
Directors	Francesco Gori <sup>(**) 1)</sup> Maria Letizia Mariani <sup>(**) 3)</sup> Jaska Marianne de Bakker <sup>(**) 1)</sup> Massimo Battaini Tarak Mehta <sup>(**) 1)</sup> Pier Francesco Facchini Ines Kolmsee <sup>(**) 3)</sup> Annalisa Stupenengo <sup>(**) 2)</sup> Paolo Amato <sup>(**) 2)</sup> Mimi Kung <sup>(**) 3)</sup>
Board of Statutory Auditors <sup>(5)</sup>	
Chairman	Stefano Sarubbi
Standing Statutory Auditors	Laura Gualtieri Roberto Capone
Alternative Statutory Auditors	Stefano Rossetti Vieri Chimenti
Independent Auditors <sup>(6)</sup>	EY S.p.A.

(\*) Independent Director as per Italian Legislative Decree 58/1998.

(\*\*) Independent Director as per Italian Legislative Decree 58/1998 and Italy's Corporate Governance Code for Listed Companies (January 2020 edition) approved by the Italian Corporate Governance Committee, comprising business associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. (the Italian Stock Exchange) and As-sogestioni (Italian investment managers association).

(1) Members of the Control and Risks Committee.

(2) Members of the Remuneration and Nominations Committee.

(3) Members of the Sustainability Committee.

(4) Appointed by the Shareholders' Meeting on 28 April 2021.

(5) Appointed by the Shareholders' Meeting on 5 June 2019.

(6) Appointed by the Shareholders' Meeting on 16 April 2015.

## Governance and corporate structure

**Effective and efficient, in order to create long-term sustainable value and produce a virtuous circle with business integrity at its core.**

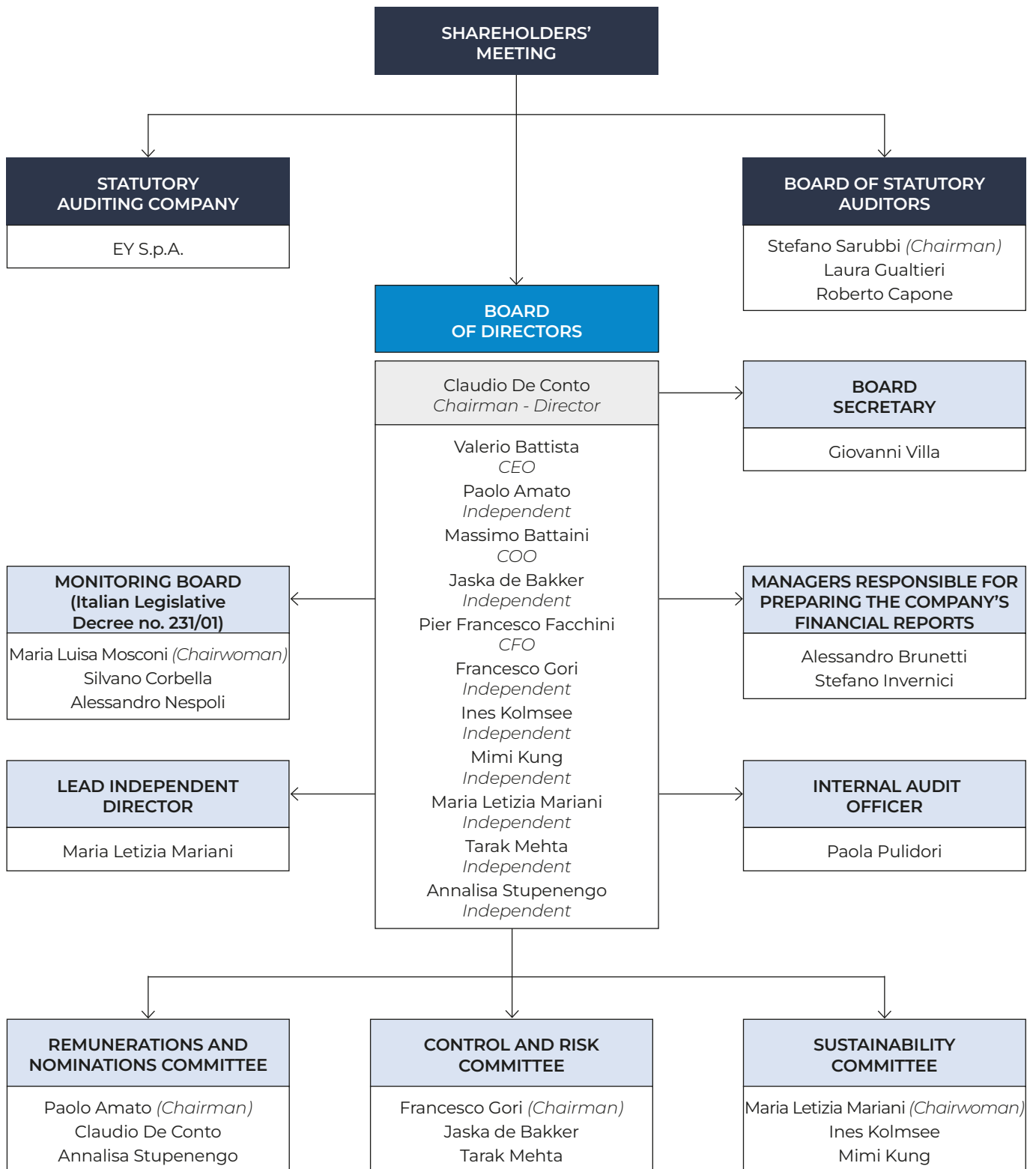
Prysmian seeks a form of governance capable of creating sustainable value over time and generating a virtuous spiral with business integrity at its center. In particular, awareness of the importance of good corporate governance for the achievement of ambitious and strategic objectives means ensuring 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, Prysmian 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 organizational and operating units, as well as ensuring that all business transactions are carried out in an effective and transparent manner. Once again, during 2023 Prysmian continued to comply with the Corporate Governance Code for listed companies approved by the Corporate Governance Committee. For further information about:

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

please refer to the "Report on Corporate Governance and Ownership Structure" approved by the Board of Directors and available in the Company/Governance section of the official website<sup>1</sup>.

<sup>1</sup> <https://www.prysmian.com/en/company/governance>

## Corporate governance structure



Further information regarding (i) the corporate governance system of Prysmian S.p.A. and (ii) its ownership structure, as required by Art.123-bis of Italy's Consolidated Law on Finance can be found in the "Report on Corporate Governance and Ownership Structure" available in the Company/Governance section 1 of the official website, <https://www.prysmian.com/en/company/governance>, prepared in accordance with Art. 123-bis of the Consolidated Law on Finance.

## Board of Directors

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. The Board of Directors is composed of three executive directors and nine non-executive directors. Eight of the non-executive directors are independent within the meaning of Art. 148, paragraph 3 of Italian Legislative Decree no. 58 dated 24 February 1998 (known as the Consolidated Law on Finance or “TUF”), and pursuant to Art. 2 recommendation no. 7 of Italy’s Corporate Governance Code, while one non-executive director is independent within the meaning of Art. 148, paragraph 3 of the Consolidated Law on Finance. In line with the recommendations of the Corporate Governance Code, the non-executive directors are sufficiently numerous and have enough authority to ensure that their judgment carries significant weight in Board decision-making.

### Composition of the Board of Directors as at 31 December 2023:

- 7 men and 5 women;
- 7 members aged between 50 and 60 and 5 members aged over 60;
- 2 directors were elected from the slate of candidates submitted by a group of institutional investors and management funds coordinated by Assogestioni and voted on by a minority of those entitled to attend the Shareholders’ Meeting (12.3 percent);
- 10 directors were elected from the slate of candidates submitted by the outgoing Board of Directors and voted for by the majority of eligible voters attending the Shareholders’ Meeting (85.5%).

### Responsibilities of the Board of Directors:

- powers of ordinary and extraordinary administration, except those reserved by law exclusively to the shareholders’ meeting. The Board of Directors has identified a Chief Executive Officer from among its members and granted him/her all the authority and powers of ordinary management of the company necessary or useful for conducting its business;
- company management;
- Group’s internal control and risk management system, drawing on the support of the other parties, namely, the Control and Risk Committee, the Director in charge of the internal control and risk management system, the head of the Audit Function, the Board of Statutory Auditors, and the Managers responsible for preparing the company’s accounting documents.

For more information on the composition, appointment and functioning of the Board of Directors, please refer to the corporate website, Corporate Bodies section, and to the “Report on Corporate Governance and Ownership Structure”<sup>12</sup>.

Member Year of birth	First appointment <sup>(1)</sup>	Current charge <sup>(2)</sup>	Executive independent	Meetings <sup>(3)</sup>	Other offices <sup>(4)</sup>
Claudio De Conto <sup>(*)</sup> Presidente - 1962	21/07/2010	from 28/04/2021 to 2024	Independent <sup>(5)</sup>	10/10	3
Valerio Battista <sup>(*)</sup> Amministratore Delegato - 1957	15/12/2005	from 28/04/2021 to 2024	Executive	10/10	-
Paolo Amato <sup>(**)</sup> Amministratore - 1964	12/04/2018	from 28/04/2021 to 2024	Independent	9/10	2
Massimo Battaini <sup>(*)</sup> Amministratore e COO - 1961	25/02/2014	from 28/04/2021 to 2024	Executive	10/10	-
Jaska de Bakker <sup>(*)</sup> Amministratore - 1970	28/04/2021	from 28/04/2021 to 2024	Independent	10/10	2
Pier Francesco Facchini <sup>(*)</sup> Amministratore e CFO - 1967	28/02/2007	from 28/04/2021 to 2024	Executive	10/10	2
Francesco Gori <sup>(*)</sup> Amministratore - 1952	18/09/2018	from 28/04/2021 to 2024	Independent	9/10	1
Ines Kolmsee <sup>(*)</sup> Amministratore - 1970	28/04/2021	from 28/04/2021 to 2024	Independent	9/10	3
Mimi Kung <sup>(**)</sup> Amministratore - 1965	12/04/2018	from 28/04/2021 to 2024	Independent	10/10	-
Maria Letizia Mariani <sup>(*)</sup> Amministratore e L.I.D. - 1960	16/04/2015	from 28/04/2021 to 2024	Independent	8/10	1
Tarak Mehta <sup>(*)</sup> Amministratore - 1966	28/04/2021	from 28/04/2021 to 2024	Independent	10/10	1
Annalisa Stupenengo <sup>(*)</sup> Amministratore - 1971	28/04/2021	from 28/04/2021 to 2024	Independent	10/10	1

(\*) Director elected from the slate presented by the outgoing Board which obtained the majority of the votes.

(\*\*) Director elected from the slate presented by a group of shareholders related to asset management companies and institutional investors.

(1) Date on which the director was appointed to the Board of Directors for the first time (ever).

(2) Expiry date envisaged with the Shareholders’ Meeting that will approve the financial statements for the year ending 31/Dec/2023.

(3) Attendance at Board meetings in 2022 (no. of attendances/no. of meetings held. N/A: not in office during the period).

(4) Number of offices held in other companies listed on regulated markets, including foreign ones, in financial, banking, insurance companies, or companies of significant size.

(5) Independent Director as for Unified Financial Act – Italian Legislative Decree no. 58/1998 (T.U.F.).

<sup>2</sup> <https://www.prysmian.com/en/company/governance/corporate-bodies>, <https://www.prysmian.com/en/company/governance>

Following best practices within the Anglo-Saxon world and without prejudice to compliance with any provisions of the regulations in force from time to time, the Board of Directors decided to adopt a Board Skill Matrix through which the existing skills within the Board are identified as well as any gaps and, consequently, indications are provided on the skills of the candidates who are considered useful for the composition of the slates of candidates for the appointment of the Directors<sup>3</sup>.

In anticipation of the expected appointment of a new governing body in 2024, the Board of Directors updated the Board Skill Matrix that will be used for the selection of the next Board member candidates and, subsequently, for those who will actually be appointed. The updated Board Skill Matrix will be as follows:

- **MANAGEMENT, STRATEGY, MERGERS & ACQUISITIONS**

Experience in senior roles as CEO/Chairperson/Senior Executive in listed companies of significant size and complexity, leading strategy, development/transformation of a business or a strategic function, preferably with specific experience in M&A and post-merger integration transactions.

- **SIMILAR INDUSTRIES**

Expertise and experience in the sectors in which the Group operates or in related/complementary sectors in terms of product portfolio, focusing on complex projects in the most strategic areas for the business, including Energy, Telecom & Transmission Networks, and Industrial Solutions.

- **GEOGRAPHY & INTERNATIONAL EXPERIENCE**

Expertise and experience in key countries in which the Group operates

- **TECHNOLOGY, R&D, ENGINEERING AND ICT, DIGITALIZATION, CYBERSECURITY**

Expertise and experience in technology, research and development particularly in material sciences and smart grid development; expertise and experience in innovation, digitalization and information & communication technology, specifically with regard to cybersecurity.

- **FINANCE & RISK MANAGEMENT**

Experience in senior roles in control functions (e.g., CFO, Risk Officer, Internal Audit), preferably in international industrial companies; alternatively, at least 5 years of experience in a Control and Risks Committee or an Audit Committee.

- **GOVERNANCE**

Knowledge of regulations, legislation, and codes of conduct and best governance practices in listed companies; experience preferably as chairperson in Governance or Nominations Committees.

- **SUSTAINABILITY, ESG, HUMAN CAPITAL DEVELOPMENT**

Expertise and experience in knowing how to integrate sustainability/ESG issues into the business vision and into human capital management.

## Board of Statutory Auditors

**The Board of Statutory Auditors is called upon to monitor compliance with the law and the by-laws, as well as compliance with the principles of good business practices in running the Company and also to review the adequacy of the Company's organizational structure, internal control system and administrative-accounting system.**

In compliance with the provisions of Art. 21 of the Company's By-laws, the Board of Statutory Auditors is composed of three standing auditors, including a Chairperson, and two alternate auditors, who will remain in office until the date of the shareholders' meeting called to approve the financial statements for the year ending 31 December 2024. All members of the Board of Statutory Auditors must meet the independence requirements established by Art. 148, paragraph 3 of Italian Legislative Decree no. 58 dated 24 February 1998 (known as the Consolidated Law on Finance or "TUF"), and pursuant to Art. 2, recommendation no. 7 of Italy's Corporate Governance Code.

As at 31 December 2023, two standing members and two alternate members of the Board of Statutory Auditors are men and one standing member is a woman, in compliance with the provisions of the gender-balance requirements for corporate boards.

---

<sup>3</sup> For more information on the 2023 Board Skills Matrix, please refer to the "Report on Corporate Governance and Ownership Structure" available on the corporate website, under Governance section <https://www.prysmian.com/en/company/governance>

One Standing Auditor, appointed as Chairperson, and one Alternate Auditor were elected to the Board of Statutory Auditors from the slate of candidates presented by a group of institutional investors and management funds coordinated by Assogestioni and voted by a minority of those entitled to attend the Shareholders' Meeting (15.2%), while the two other Standing Auditors and one other Alternate Auditor were elected from the slate of candidates presented jointly by the shareholders Clubtre S.r.l., Albas S.r.l. and Angelini Partecipazioni Finanziarie S.r.l. and voted by the majority of those entitled to attend the Shareholders' Meeting (80.8%).

For more information on the composition, appointment and functioning of the Board of Statutory Auditors, please refer to the corporate website, Corporate Bodies section, and to the "Report on Corporate Governance and Ownership Structure"<sup>4</sup>.

Member Year of birth	First Appointment <sup>(1)</sup>	Current charge <sup>(2)</sup>	Independence Code/TUF	Meetings <sup>(3)</sup>	Other offices <sup>(4)</sup>
Stefano Sarubbi <sup>(**)</sup> Presidente - 1965	12/04/2022	from 12/04/2022 to 2025	yes/yes	24/24	14
Roberto Capone <sup>(*)</sup> Sindaco Effettivo - 1955	12/04/2022	from 12/04/2022 to 2025	yes/yes	23/24	22
Laura Gualtieri <sup>(*)</sup> Sindaco Effettivo - 1968	13/04/2016	from 12/04/2022 to 2025	yes/yes	24/24	1
Stefano Rossetti <sup>(*)</sup> Sindaco Supplente - 1965	12/04/2022	from 12/04/2022 to 2025	yes/yes	N/A	3
Vieri Chimenti <sup>(**)</sup> Sindaco Supplente - 1966	12/04/2022	from 12/04/2022 to 2025	yes/yes	N/A	33

(\*) Member elected from the slate jointly presented by the shareholders Clubtre S.r.l., Albas S.r.l. e Angelini Partecipazioni Finanziarie S.r.l. which obtained the majority of the votes.

(\*\*) Member elected from the slate jointly presented by a group of shareholders related to asset management companies and institutional investors.

(1) Date on which the Auditor was appointed to the Board of Statutory Auditors for the first time (ever).

(2) Expiry date envisaged with the Shareholders' Meeting that will approve the financial statements for the year ending 31/Dec/2024.

(3) Attendance at Board of Statutory Auditors meetings in 2022 (no. of attendances/no. of meetings held during the period of the year in which the Auditor was in charge.

N/A: not in office during the period).

(4) Number of offices held in other companies pursuant to art. 148-bis TUF and of the related provisions contained in the Consob Issuers' Regulation.

## Internal committees of the Board of Directors

The Board of Directors has established three committees from among its members with investigative, propositional and advisory functions, and appointed their members, including the chairperson.

The composition, duties and functioning of the Committees are described in the Corporate Governance Regulations adopted by the Board of Directors<sup>5</sup>.

The Committees are composed of three non-executive directors, the majority of whom are independent pursuant to the Corporate Governance Code and the TUF with the exception of the Remuneration and Nominations Committee on which one member qualifies as independent only under the TUF. The term of office of each member corresponds to their term in office as a director.

For more information on the composition, appointment and functioning of the Board's internal committees, please refer to the corporate website, Committees section and the "Report on Corporate Governance and Ownership Structure"<sup>6</sup>.

4 <https://www.prysmian.com/en/company/governance/corporate-bodies>

<https://www.prysmian.com/en/company/governance>

5 [https://www.prysmian.com/sites/default/files/atoms/files/Prysmian-Regolamento-di-Corporate-Governance-%282021-02-03%29\\_Final.pdf](https://www.prysmian.com/sites/default/files/atoms/files/Prysmian-Regolamento-di-Corporate-Governance-%282021-02-03%29_Final.pdf)

6 <https://www.prysmian.com/en/company/governance/committees>

<https://www.prysmian.com/en/company/governance>

# 1.1 Sustainability governance

With the aim of constantly improving the sustainability of its business activities and related communications to stakeholders, in 2022 Prysmian defined a new governance model that clarifies the role and responsibilities of all players:

1. The **Chief Sustainability Officer (CSO)** is responsible for:
  - leading the creation of the ESG strategy, defining targets and setting priorities by developing the Group's Materiality Matrix;
  - supporting the Regions and Business Units in the implementation of actions and initiatives aimed at achieving the Group's sustainability targets;
  - managing sustainability indices;
  - guaranteeing the execution of Stakeholder Engagement activities;
  - leading the internal Sustainability Committee and the network of Local Sustainability Ambassadors;
  - acting as Secretary of the Sustainability Committee;
  - supporting the Administration, Finance and Control Department in the preparation of the Integrated Report;
  - supervising the definition of the contents of the Sustainability Report.
2. The **Group Planning and Control and Group Administration** functions, entrusted to the Managers responsible for the preparation of the financial statements with responsibility for:
  - monitoring the performance of ESG KPIs;
  - coordinating the collection of non-financial data;
  - drawing up the Integrated Report;
  - verifying the accuracy and quality of data.
3. The **Communication and Public Affairs Division**, with responsibility for:
  - developing communication campaigns;
  - collaborating with the CSO for the organization of Stakeholder Engagement events.
4. The **Sustainability Committee**<sup>7</sup> is composed of three non-executive independent directors. 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 of Directors 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 targets 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 programs 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, prepared by the Company's competent functions, before its presentation to the Board of Directors;
  - preparing, upon request from the Board, opinions and proposals concerning specific CSR matters.
5. The internal **Sustainability Steering Committee**, headed by the Chief Sustainability Officer and composed of representatives from the various corporate functions, is responsible for:
  - developing objectives and targets and submitting them to the Group Leadership Team;
  - supporting the Chief Sustainability Officer in the creation of the Materiality Matrix;
  - proposing actions to be implemented at the level of Regions, Bus and functions;
  - monitoring and following up sustainability-related KPIs and outcomes.
6. The **regional and business units Leadership Teams** play a key role in the Group's sustainability commitments.
7. A **Local Sustainability Ambassador Network** established to promote sustainability culture, local and global ESG initiatives and actions at regional level.

<sup>7</sup> <https://www.prysmian.com/en/company/governance>  
<https://www.prysmian.com/en/company/governance/committees>

# 1.12 The digital governance of ESG factors

Prysmian's 2023 Sustainability Report was checked and certified through the group's single digital data management platform. This platform is audited and certified in accordance with the main reference standards.

**The process of digitalizing the sustainability KPIs initiated by Prysmian in 2020 allows the Group to centralize reporting and correlate these variables with financial ones, making for a truly integrated view. The features of the tool used allow for the management of reporting in a collaborative, structured manner and with the help of a workflow process that includes the editing, assignment, validation and approval stages, thus ensuring data accuracy and traceability.**

The ESG factor digital Governance process will be gradually expanded to include other indicators as well, to enable the Group to consolidate a growing database over time that provides evidence of ESG impacts by activity, geographical segment, project, organizational unit and management line.

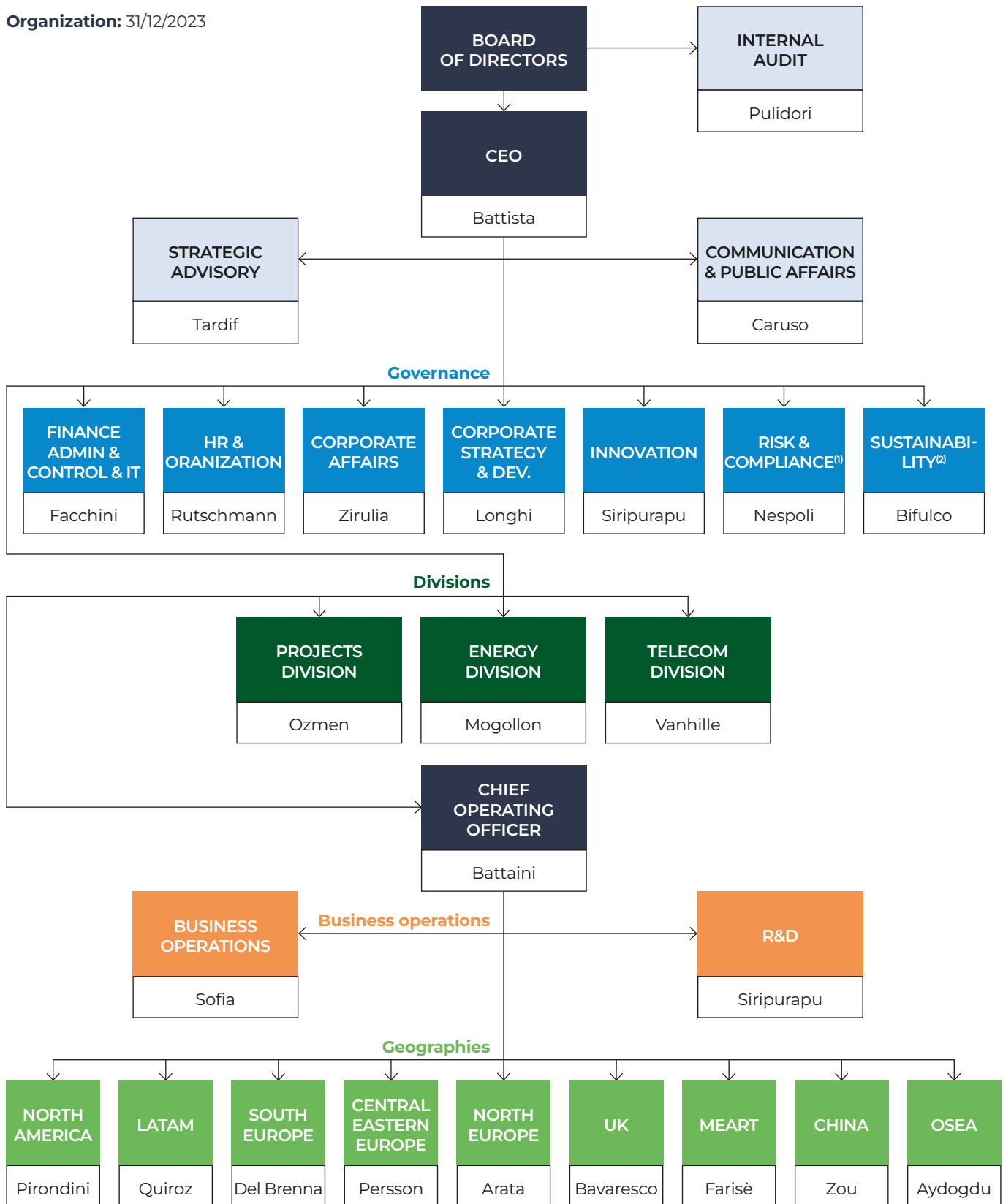
The virtuous path of active analysis and management of these variables undertaken by Prysmian integrates their digital governance with a robust structure of calculation and data collection processes, through procedures that clearly and unambiguously define roles, metrics, processes and responsibilities. To manage the complexity of global data collection, intermediate local and regional control steps are established, with a system of KPI approval prior to Group level consolidation.





# 1.13 Organization chart

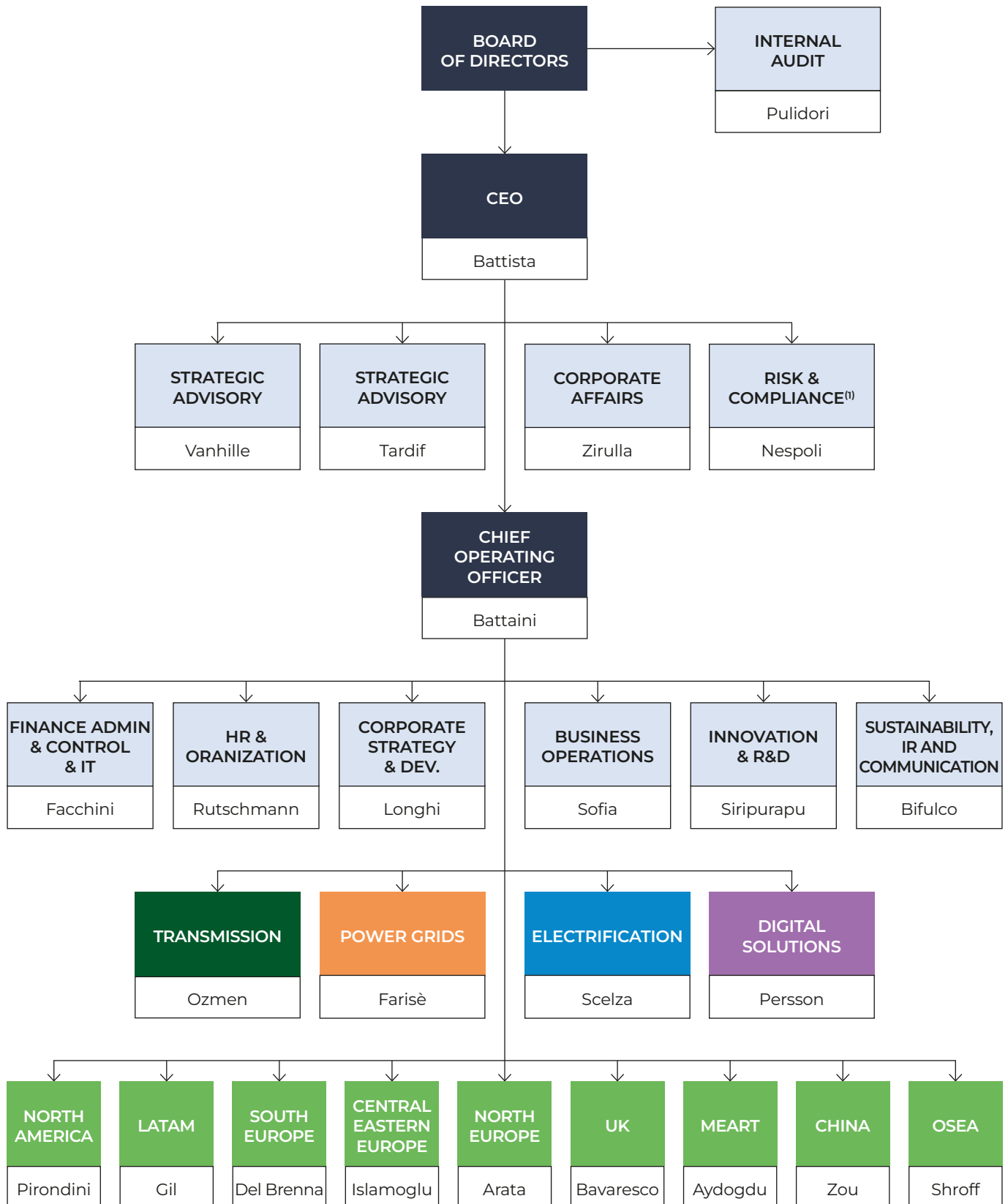
Organization: 31/12/2023



(1) Also reporting to CRC for Compliance Programs Certification.  
 (2) Also responsible for investor relation reporting to Group CFO.

As of 1 January 2024, following the reorganization of Prysmian, the organizational structure is as follows:

**New organization: 01/01/2024**



(1) Also reporting to CRC for Compliance Programs Certification.

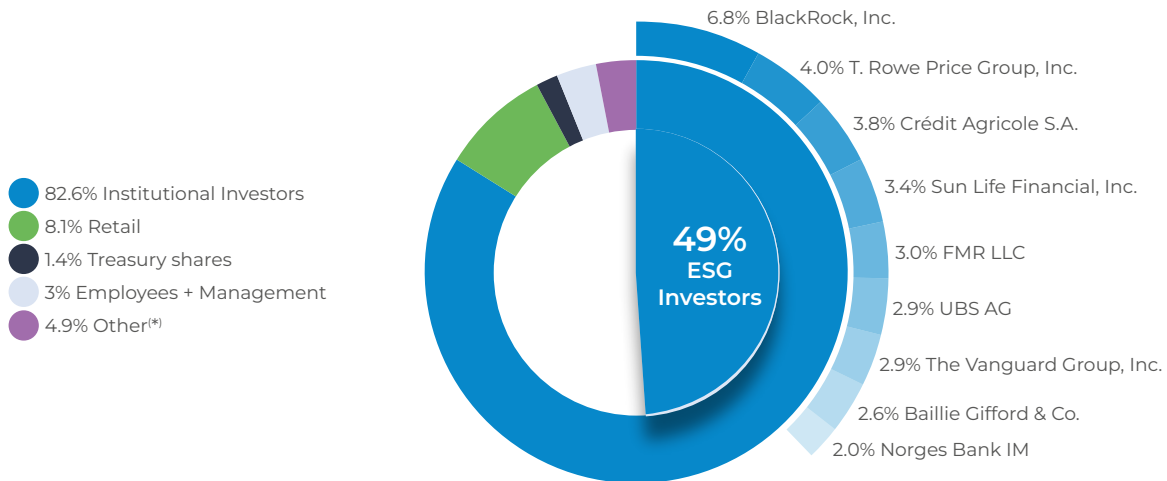
- As of January 2024, the Investor Relations, Sustainability and Communication function was created and assigned to Maria Cristina Bifulco (who also maintains the role of secretary of the Sustainability Committee).
- As of 2024, Risk management remains structurally independent of business lines (divisions) and is accountable to risk management and Compliance.

# 1.14 Value creation and governance

## Composition of the ownership structure

More than 80% of the ownership structure (82.6%) consists of institutional investors

### Share ownership by type and significant shareholders

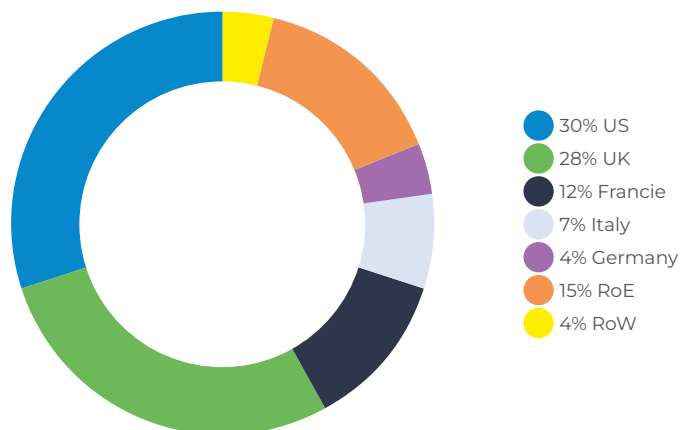


Source: elaboration on Nasdaq data

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

One-third of institutional investors are from the United States (30%). UK (28%) and French (12%) funds have a significant presence.

### Institutional investors by geographical area

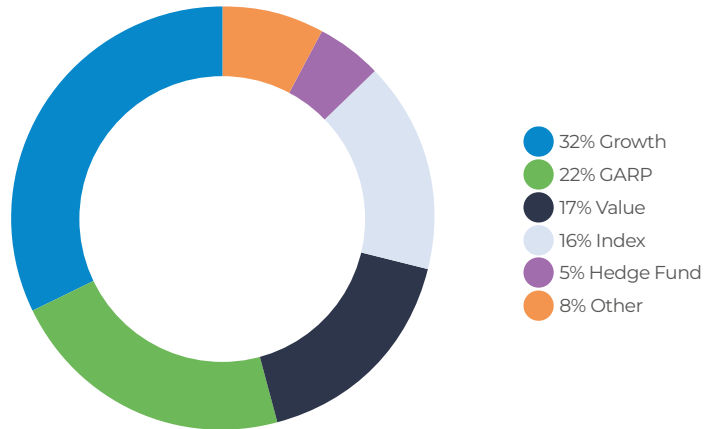


Source: elaboration on Nasdaq data

# Growth and value as drivers of investment

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

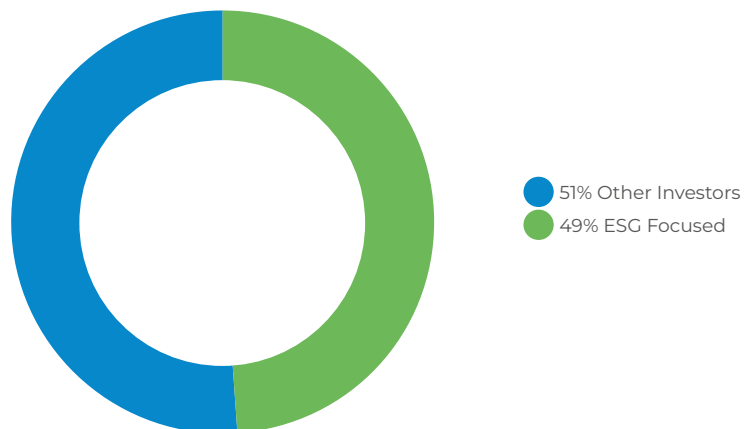
## Institutional investors by investment style



Source: elaboration on Nasdaq data

The total number of ESG investors – that is, those who place environmental, social and governance issues at the center of their investment strategies – in Prysmian’s ownership structure is 49% (data as at 31 December 2023). In terms of type, the majority (about 80%) are core ESG investors, whose investment decisions are guided exclusively by ESG performance factors. These investors usually have a long-term investment horizon and strive actively to maintain constant, constructive dialogue on sustainability matters.

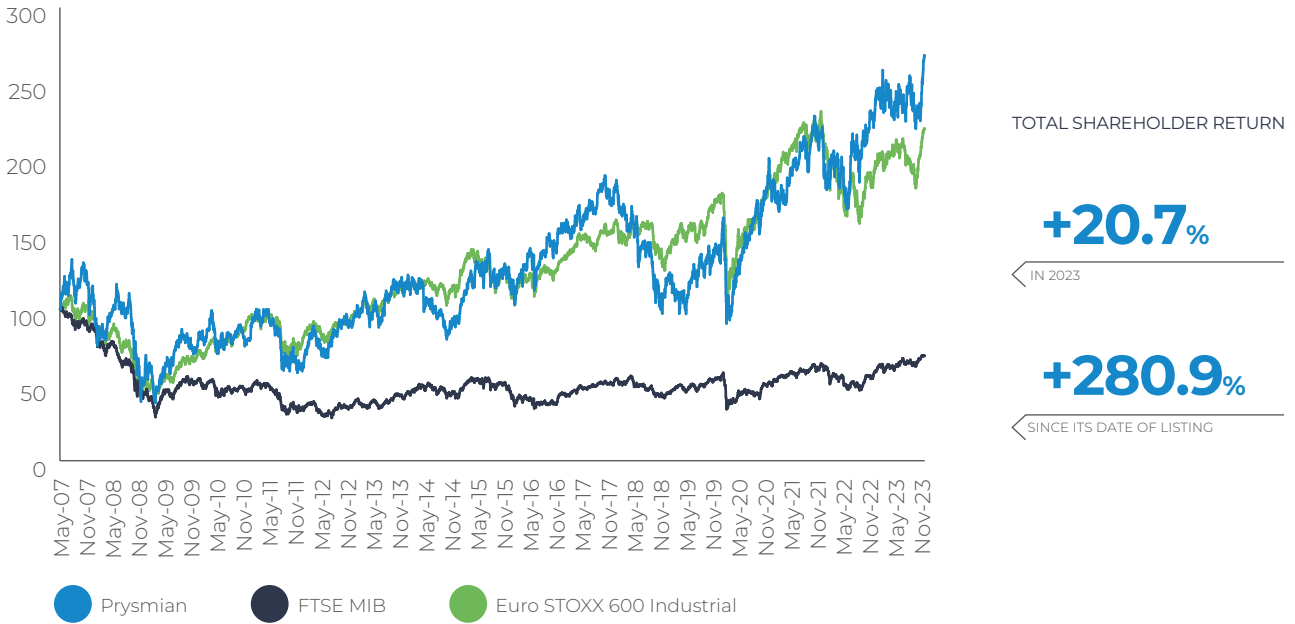
## ESG institutional investors



Furthermore, out of a total of 30,000 employees, one-third is company’s 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.

The Group’s strength and expectations for growth in its target markets, thanks in part to the energy transition, electrification and digital transition megatrends, have enabled Prysmian’s stock to remain highly attractive in the market, confirmed by the opinion of financial analysts who at the end of the year recommended buying the stock (in 76% of total opinions) or keeping it in their portfolio (in 18% of total opinions). The Prysmian stock GAINED 18.8% in 2023, closing the year at Euro 41.17 per share versus Euro 34.66 per share at the end of 2022.

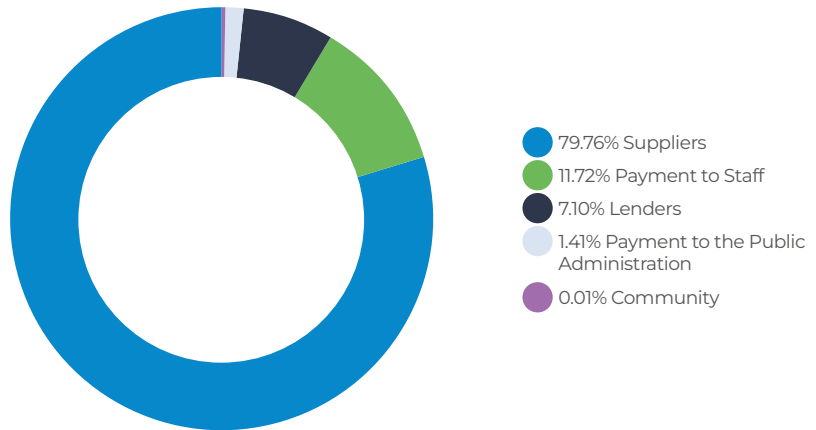
**Performance of Prysmian stock**



**Value creation for all Stakeholders** is also represented by the summary indicator of “economic value generated and distributed”. This indicator, based on the re-aggregation of data from the audited financial statements, measures the overall economic wealth created by the Group.

In 2023, the economic value generated and distributed amounted to Euro 15,938 million (Euro 16,719 million in 2022). Much of this value, a total of Euro 15,391 million (Euro 16,211 million in 2022), was redistributed in the form of:

**Economic value generated**

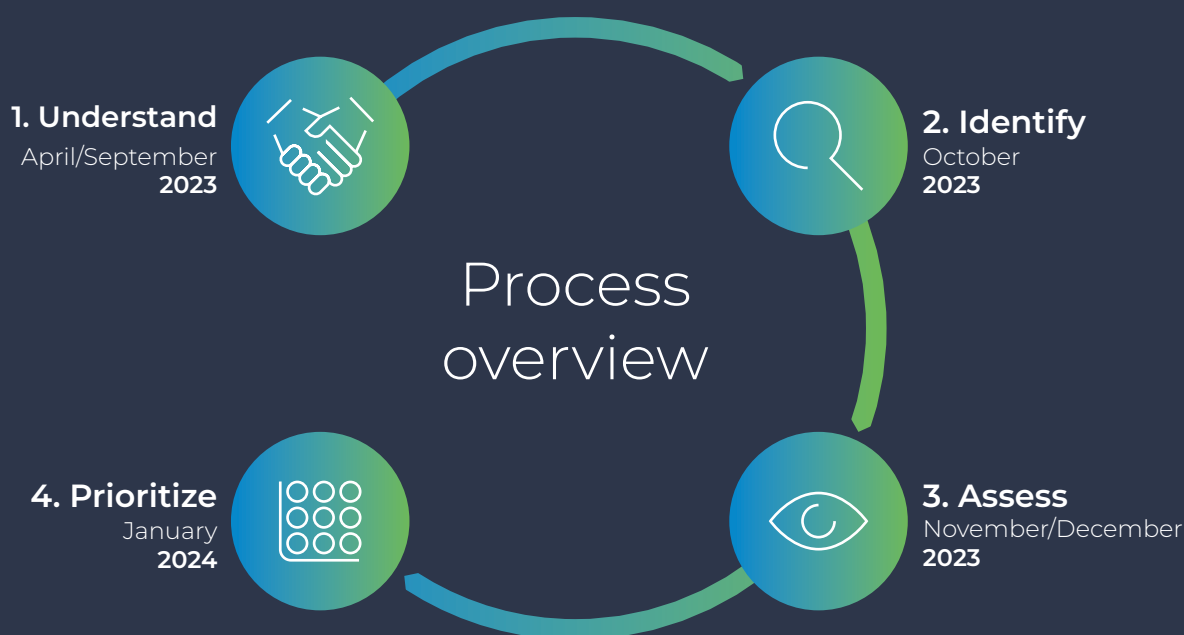




02

# STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

In 2023, in continuity with previous years, Prysmian conducted an analysis to define material topics, considering the impacts, opportunities and risks relevant to the business, in line with international and domestic standards and the demands of its stakeholders.



## 1. Understand

Understand the context of the organization through a **Desk Analysis and Stakeholder Engagement activities**.

## 2. Identify

Identify the **actual and potential impacts** generated in relation to **relevant issues** and **related risks and opportunities**.

- Identification of actual and potential impacts (**30 identified impacts**).
- Identification of relevant issues (**11 relevant issues identified**).
- Identification of risks and opportunities (**21 risks and 8 opportunities identified**).

## 3. Assess

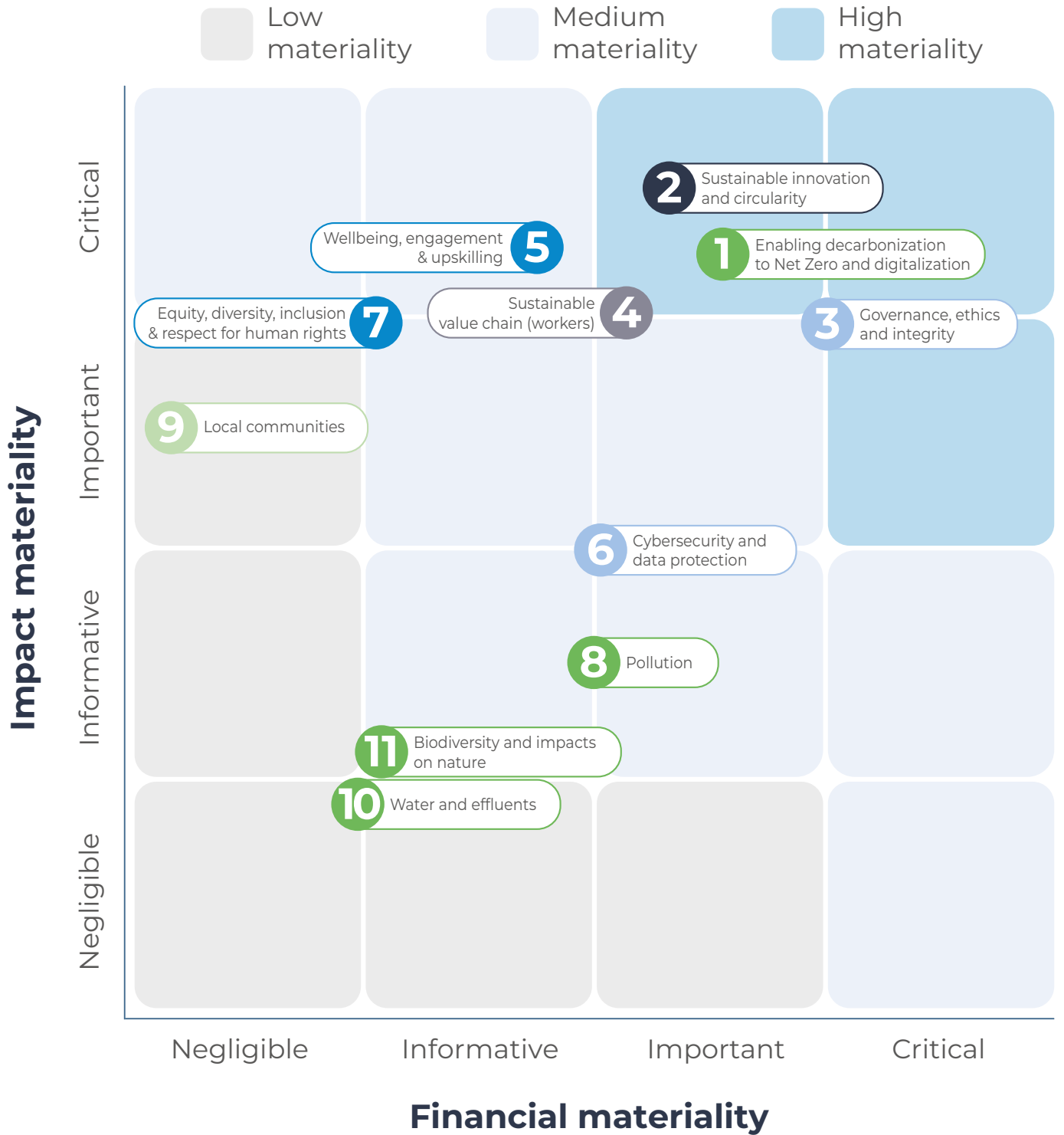
Assess the **significance of impacts, risks and opportunities** through Stakeholder Engagement activities.

- Interviews conducted with both internal Stakeholders and external experts.
- Impact assessment: carried out by internal and external Stakeholders.
- Risk/opportunity assessment: carried out by internal Stakeholders.

## 4. Prioritize

Assign priorities to relevant issues and prepare the **dual materiality matrix**.

# 2.1 Materiality analysis 2023





Materiality	
Enabling decarbonization to Net Zero and digitalization	13 CLIMATE ACTION
Sustainable innovation and circularity	7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Governance, ethics and integrity	5 GENDER EQUALITY, 10 REDUCE INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Sustainable value chain	11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 3 GOOD HEALTH AND WELLBEING
Wellbeing, engagement & upskilling	8 DECENT WORK AND ECONOMIC GROWTH
Cybersecurity and data protection	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Equity, diversity, inclusion & respect for human rights	5 GENDER EQUALITY, 10 REDUCE INEQUALITIES
Pollution	13 CLIMATE ACTION
Local communities	1 NO POVERTY, 8 DECENT WORK AND ECONOMIC GROWTH
Water and effluents	6 CLEAN WATER AND SANITATION, 14 LIFE BELOW WATER
Biodiversity and impacts on nature	13 CLIMATE ACTION, 15 LIFE ON LAND

- Environment
- Products
- Governance
- Value chain
- Prysmian people
- Local communities

The materiality analysis shown above illustrates the material topics for Prysmian, both from the standpoint of impacts generated on the environment, local communities, its employees, collaborators and society at large, and from the standpoint of economic and financial risks and opportunities.

To identify the most significant topics, detailed evaluations were collected from all stakeholders in the group on various occasions. The judgments made were then aggregated through the weighted average method in order to develop an overall summary score for both **financial materiality, placed on the x-axis**, and **impact materiality, placed on the y-axis**. Each topic was placed within the matrix depending on its score for the two areas.

**Impact materiality**  
 The reporting conducted by Prysmian on the sustainability aspects identified through “**Impact Materiality**” was done by following the 2021 GRI Universal Standards, which provide for an analysis of the impacts generated by the company on the economy, environment, people and human rights that result from the organization’s activities or its business relationships.

**Financial materiality**  
 The voluntary elaboration of “**Financial materiality**” examines the risks and opportunities for the organization that affect or could affect the company’s financial position, financial performance and cash flows, access to financing or cost of capital in the short, medium or long term. Prysmian’s financial analysis drew also on the risk assessments carried out in an Enterprise Risk Management context, including the 2023 TCFD Report.

This process made it possible to verify that no relevant topics were left out also from the financial perspective, thus anticipating part of the analyses that will be necessary from 2024 with the implementation of the European Sustainability Reporting Standards (ESRS) and the entry into force of the Corporate Sustainability Reporting Directive (CSRD), which will provide for a “double materiality” approach.

## Evolution of material topics 2023 vs 2022<sup>8</sup>



In 2023, the topics “Sustainable innovation and circularity”, “Sustainable value chain (workers)” and “Governance, ethics and integrity” entered the Higher Materiality area, where in 2022 only the topic “Facilitating decarbonization to achieve Net-Zero and digitalization” was included. This development reflects the evolving strategy of Prysmian and the messages communicated to the market during 2023.

In contrast, the material topics related to “Local communities” and “Biodiversity and impacts on nature” move from “medium materiality” to “low materiality,” as they are perceived by stakeholders – although material to the Group – as less primary.

The material topics related to “Well-being, engagement and improvement of human capital skills” and “Cybersecurity and data protection” were not subject to substantial changes in the 2023 materiality assessment compared to 2022.

<sup>8</sup> For the deviation analysis, the materiality matrix for 2022 was recalculated by applying the same methodology applied in 2023. Of particular emphasis are the following between the Materiality analysis of 2022 vs 2023: (1) in 2022, the “Pollution” and “Water and effluents” topics were not included among the Group Material Topics, and are therefore not comparable with 2023; the material topic “Sustainable innovation and circularity” can be traced back to two material topics in 2022 – “Sustainable innovation of products, applications and processes” and “Efficient, sustainable and circular activities” – for the purpose of comparing 2022 vs 2023, the average of the values for the two Material Topics was taken into account; (2) a partial review of impacts, risks and opportunities was conducted in 2023, without leading to a significant deviation in the very nature of the topics.

## 2.2 Prysmian's impact materiality

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



### Understanding the context: Desk analysis and Stakeholder Engagement activities

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

- **Reports and articles on global trends** (e.g. World Economic Forum, S&P Global);
- **Alignment with the goals set forth in "Prysmian Climate Action" and "Social Ambition";**
- **Sustainability reports/non-financial statement of peers and competitors;**
- **Group stakeholder engagement activities;**
- **ESG rating;**
- **Regulatory developments** (e.g. Italian Decree 254 on non-financial statement, the European Taxonomy, GRI Sector Standard and CSRD);
- **Scenario analysis on the Group's new strategic plan.**

In addition to desk analysis, Prysmian regularly performs a sentiment analysis to monitor changes in the perception of investors with regard to the most significant sustainability topics.

This activity is performed with the support of an AI tool, which transmits the changes identified in real time. The concept of "dynamic materiality" is based on the idea that environmental, social and economic issues considered less important until now might become more material over time. These analyses can be viewed in real time by visiting the "Materiality" section of the corporate website of Prysmian.

The desk and sentiment analysis activities carried out by Prysmian are complemented by **constant dialogue with Stakeholders** as a foundational element of Prysmian's sustainability strategy.

This is why during the year the Group organizes stakeholder engagement projects and activities throughout the value chain, with active listening, the promotion of sustainable behaviors and the creation of innovative products and services having a lower environmental impact, which are capable of meeting their needs and expectations (see the "Sustainable innovation for products, applications and processes" section of this document for more details on sustainable products and services and the related risks).

The creation of sustainable value for all stakeholders is also deeply linked to the management of the value chain, in which Prysmian is adopting a proactive role, both with respect to suppliers (calculation of Scope 3 emissions, inclusion of ESG KPIs in their assessment) and in relation to Customers (surveys and specific engagement activities, analysis on product end-of-life that is part of Scope 3 calculation).

Stakeholder value creation



Actor	Mission	Actions
<b>Customers</b>	Listen and engage with our customers to better serve them and to drive innovation	<ul style="list-style-type: none"> <li>· Customer satisfaction survey</li> <li>· Cable App &amp; Customer Portal</li> </ul>
<b>Shareholders &amp; Investors</b>	Public company with broad shareholders base	<ul style="list-style-type: none"> <li>· Long-term and sustainable value creation</li> <li>· Shareholders' meetings and participation</li> </ul>
<b>Schools, Universities &amp; Research Centers</b>	Invest and promote learning and education as a key driver of improvement and innovation	<ul style="list-style-type: none"> <li>· Prysmian Academy</li> <li>· Local mentoring programs for 500 students</li> </ul>
<b>Local Communities</b>	Promote and contribute to the social and economic development of the communities where we operate	<ul style="list-style-type: none"> <li>· Construction of nursery/school projects</li> <li>· Donation of cables to improve local development</li> </ul>
<b>Employess</b>	Create and nurture a diverse, inclusive, equal opportunities working environment where meritocracy is at the core	<ul style="list-style-type: none"> <li>· Internal projects of upskilling mobility and workforce development</li> <li>· Health &amp; Safety focus</li> </ul>
<b>Suppliers</b>	Proactively promote the decarbonization of our supply chain incorporating ESG drivers in the suppliers selection	<ul style="list-style-type: none"> <li>· ESG evaluation of suppliers base</li> <li>· Sustainability audits</li> <li>· CDP partnership (Carbon Disclosure Project)</li> </ul>

## 2.3 Dialogue with Prysmian's stakeholders

Stakeholder dialogue initiatives are an integral part of the Group's growth strategy, as well as an effective communication channel.

The purpose of these initiatives is to:

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

These *engagement* initiatives are pursued in various ways and via multiple channels.

During the year, Prysmian organized several Multi-Stakeholder events, including:

### **External stakeholder engagement activities:**

- Prysmian Sustainability Week;
- Local events targeting regional/national stakeholders;
- Topic workshops;
- Interviews with leading investors, academics and industry experts;
- Capital Markets Day.

### **Internal stakeholder engagement activities:**

- Top Management Interviews;
- Local events during Sustainability Week;
- Speak up Survey (people engagement survey);
- Calls and meetings with Sustainability Ambassadors;
- Sustainability Steering Committee;
- Prysmian Sustainability Academy courses and activities;
- Sustainability Call for Ideas Project.

To define and implement its stakeholder engagement process, Prysmian follows the guidelines of the 2015 updated version of the AA1000SES International Standard, developed by AccountAbility (Institute of Social and Ethical Accountability).

### Sustainability Week

Amongst the various stakeholder engagement activities, in 2023 the Group organized a week of events named "Prysmian Sustainability Week", held in hybrid mode to reach a global *target*. The event took place in June at the Group's headquarters in Milan, Italy, and was physically attended by about 400 stakeholders and over 6,500 streaming connections from all over the world.

Attendees were representatives of the Group, including Prysmian directors, managers and employees, and external speakers, such as leaders of international organizations and partners in the value chain. The various speakers contributed important points of view on specific sustainability issues, such as climate change and the energy transition, the circular economy, recycling, the *business* impact of environmental processes, diversity and inclusion, impact on local communities, sustainable innovation, digitalization and electrification.



## 2023 Sustainability Call for Ideas Project

The Sustainability Call for Ideas is a Prysmian global initiative aimed at all Group employees in order to gather ideas in relation to four main sustainability-related themes, implement them locally, and potentially expand them globally. The initiative, which involved both white-collar and blue-collar workers from all regions and business units, covered several sustainability aspects identified by Prysmian's top management: safety, customer involvement to improve sustainability throughout the value chain, inclusion and sustainable products and processes. The objectives of this global initiative were: to embed sustainability at regional level and in all production plants by implementing the most significant projects at local level, to promote visibility of the new sustainability governance and to engage all employees.

Each region and business unit produced its own dedicated Call for Ideas, with regional thematic experts and a local jury which selected projects to implement and potentially scale globally. Over 1,100 ideas were collected globally from all regions. Regional juries selected the most promising projects, and the teams involved were invited to Milan for the Sustainability Call for Ideas Fair held during sustainability week in June. The teams presented their ideas to colleagues and external stakeholders who attended the event, as well as in a live streaming presentation session intended for the entire Prysmian population. As a result of the Call for Ideas – and the important results achieved – the Group is committed to implementing the more than 20 projects selected in the course of 2024.

## Dialogue with shareholders

Priority stakeholders certainly include shareholders, concerning whom value creation is one of the Group's most important objectives. For this reason, Prysmian focuses its strategic and financial communication policy on the highest standards of fairness, clarity and transparency. Company activities and procedures aim to lend credibility to company communication flows to the market, with the goal of increasing and consolidating investor confidence, seeking to foster a long-term stock investment approach and avoiding information asymmetries. Guaranteeing that every investor, both current and potential, has the right to receive the same information to make thoughtful investment choices is a priority for the Group. Upon publishing its quarterly data, Prysmian organizes conference calls with institutional investors and financial analysts. In addition, the Company promptly informs the market about any action or decision that could have a material impact on the valuation and performance of the share.



**Relations with the financial market were continuous and intense during 2023, with more than 500 conference calls and one-to-one or group sessions. Some were held virtually, while others were held in person at the Milan headquarters and in the world's main financial centers such as London, Paris, New York and Milan.**

Prysmian also participated in numerous industry conferences organized by leading international brokers, as well as in road shows and topic-specific events focused, for example, on the Energy Transition, Digitalization, Innovation and Sustainability. In addition, the Group is increasingly devoting special attention to its relations with ESG investors, meaning those that focus their investment strategies on environmental, social and governance issues. Continuous engagement with them by the Company and top management – with various organized activities, including the Sustainability Week and dedicated meetings – has helped to further increase the weight of these investors within Prysmian's shareholder base.



**The number of ESG investors has increased substantially in the last five years, rising from about 13% in 2019 to 49% at present. This latter percentage is well above the average for both the industrial sector and the Italian market.**

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

The Investor Relations function has maintained constant contacts with institutional investors, not least via the website, 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.

---

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



Downstream of the Desk Analysis, stakeholders' engagement and Risk Assessment activities already carried out by the Risk Management function in the Enterprise Risk Management area, Prysmian has identified 30 impacts, separated into real and potential, positive and negative, generated by the organization and its business relationships, on the economy, the environment and people, including impacts on their human rights, as indicated in GRI 3 Standard. The impacts mapped were associated with specific material topics (11 material topics identified in 2023 vs. 10 in 2022).

---

## Assessment of impacts through stakeholder engagement activities



The next stage regarded the evaluation of identified impacts. The judgments were given by various types of stakeholders, selected on an ad-hoc basis from the following categories:

- Internal stakeholders: top management and Group BoD members
- External stakeholders: investors, academics, university scholars and researchers

The people involved assigned each impact a value in relation to magnitude (scale of 1 to 4) and probability of occurrence (scale: low, medium, high). This evaluation took place throughout the year through interviews and one-on-one meetings.

For the composition of the materiality matrix and the relative placement of topics within it, only the magnitude of each impact was considered. However, the interview also concerned an analysis of the probability of occurrence, in order to better inform the analysis. The methodology described here, which therefore did not include the use of probability in the ranking, aims to maintain a conservative approach and prevent potentially significant impacts (i.e., with high magnitude) from appearing relatively less material due to a low probability of occurrence.

Below is the evaluation grid used by the selected Stakeholders, along with the respective quantitative metrics::

**Impact evaluation scale**

Level	Scale	Scope	Remediability (in case of a negative impact)
<b>1 - Negligible</b>	Not significant and transient local impact or minor ecological damage / minor ecological enhancement	Prysmian's internal premises/ operations sites and immediate surrounding areas	Remediation / restoration time shorter than 6 months
	No damage to cultural heritage / no cultural heritage enhancement		
	Temporary local community nuisance / minor community positive externalities		
	Loss of pollutant < 10 litres		
	Negligible injury / illness with no temporary disability or minor effects (e.g. headaches, eye irritation, etc.)		
	Less than 100 people impacted		
	Less than 92 kton CO <sub>2</sub> of Scope 1 e 2 emissions and/or less than 29,065,770 kton CO <sub>2</sub> for Scope 3 emissions		
<b>2 - Informative</b>	Contaminated area smaller than 10 ha / enhanced or positively impacted area smaller than 10 ha	Prysmian's internal premises/ operations sites and surrounding areas	Remediation/ restoration time between 7 months and 2 years
	Minor damage to cultural heritage / minor cultural heritage enhancement		
	Local community outrage		
	Loss of pollutant between 10 and 500 litres		
	Minor injury / illness without temporary disability (e.g. minor injuries, eye irritation, headaches, etc.) or Medical Treatment Case (MTC) or Restricted Work Case (RWC) or First Aid Case (FAC)		
	More than 100 but less than 500 people impacted		
	Between 92 kton CO <sub>2</sub> and 250 kton CO <sub>2</sub> for Scope 1 and 2 emissions and/or between 29,065,770 kton CO <sub>2</sub> and 47,086,548 kton CO <sub>2</sub> for Scope 3 emissions		
<b>3 - Important</b>	Contaminated area between 10 ha and 1 square kilometre / enhanced or positively impacted area between 10 ha and 1 square kilometre	Impacts spread beyond Prysmian's premises operations sites and surrounding areas with significant effects on the ecosystem/local communities/ people	Remediation/ restoration time between 2 and 5 years
	Significant impact on ecosystem (e.g. nuisance to wild animals / fish / plant, etc.) / significant positive externalities on the ecosystem		
	Moderate damage to cultural heritage / moderate positive externalities on cultural heritage		
	Spread community outrage / spread positive externalities on local communities		
	Loss of pollutant between 500 and 5,000 litres		
	Serious injury / illness with temporary disability > 1 days but < 40 days of initial diagnosis (e.g. fractures, second degree burns on a limited body surface, allergies, etc.) or life-threatening injury or Permanent Partial Disability (PPD) or Lost Time Injury (LTI) or Occupational Ill Health (OIH)		
	Between 500 and 10,000 people impacted		
Between 250 kton CO <sub>2</sub> and 488 kton CO <sub>2</sub> for Scope 1 and 2 emissions and/or between 47,086,548 kton CO <sub>2</sub> and 74,117,714 kton CO <sub>2</sub> for Scope 3 emissions			
<b>4 - Critical</b>	Contaminated area above 1 square kilometre / enhanced or positively impacted area above 1 square kilometre	Major global impact on the ecosystem/local communities/ people	Remediation/ restoration time above 5 years
	Irreversible damage to ecosystem (e.g. death of wild animals / fish / plant, etc.) / major positive externalities on the ecosystem		
	Irreversible damage to cultural heritage / major positive externalities on cultural heritage		
	Irreversible damage to local communities / significant positive externalities on local communities		
	Loss of pollutant above 5,000 litres		
	Major injury / illness > 40 days of initial diagnosis or with permanent disability (e.g. amputations, complex fractures, cancer, second and third-degree burns, burns over a large body area, etc.) or fatality		
	More than 10,000 people impacted		
More than 488 kton CO <sub>2</sub> for Scope 1 and 2 emissions and/or more than 74,117,714 kton CO <sub>2</sub> for Scope 3 emissions			



Following the assessments made by stakeholders during engagement activities, the impacts were prioritized, classifying them by order of magnitude (from greatest to smallest). For the same magnitude, the greater probability of impact occurrence was taken into consideration<sup>9</sup>.

Material Topic	Impact generated on economy, environment and people	Scope	Category	Type of impact <sup>(1)</sup>	Scale of impact	Likelihood	Remediability	Time horizon
Pollution	Pollution caused by spills in the soil of toxic / polluting materials as a result of accidents during operations or installation, or as a result of operations along the company's value chain.	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	-	Potential	2	Low	Remediation or restoration time between 7 months and 2 years	2-5 years
Pollution	Emissions into the atmosphere of Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant pollutants as a result of direct or indirect business activities, or as a result of operations along the company's value chain.	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	-	Actual	2	-	Remediation or restoration time longer than 5 years	1 year
Pollution	Pollution of waterways in the proximity of Prysmian manufacturing or installation sites, as a result of manufacturing/ installation activities and/or release into process water of pollutants that get transferred into effluents, or as a result of operations along the company's value chain.	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	-	Potential	3	Low	Remediation or restoration time longer than 5 years	5+ years
Pollution	Spill into the soil of polluting materials from installed products	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	-	Potential	2	Low	Remediation or restoration time between 7 months and 2 years	2-5 years
Water and effluents	Water treatment and extraction of waste and pollutants from waterways during operations	Prysmian's internal premises/ operations sites and surrounding areas	+	Actual	1	-	-	1 year

<sup>9</sup> Impact on Water and effluents: for more information on the amount of water consumed, see the section "Environmental Responsibility" of this document; Impact on facilitating decarbonization to achieve Net-Zero (Scope 1, 2 and 3) and digitalization: see the section "Environmental Responsibility" of this document for more information; Impact on Well-being, engagement and improvement of human capital skills: for more information regarding training hours for employees, please refer to the section "People, Prysmian's Human Capital" of this document.

Material Topic	Impact generated on economy, environment and people	Scope	Category	Type of impact <sup>(1)</sup>	Scale of impact	Likelihood	Remediability	Time horizon
Water and effluents	Consumption of water for manufacturing processes reducing the availability of water for wildlife and other usage	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	-	Actual	1	-	Remediation or restoration time between 7 months and 2 years	1 year
Biodiversity and impacts on nature	Enhancement of biodiversity in installations sites after installation operations	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	+	Actual	2	-	-	1 year
Biodiversity and impacts on nature	Loss of Biodiversity in terms of animals and/ or plants near the areas in which the company and their partners along the value chain operate (manufacturing sites, offices, installation sites), or as a consequence of the end-of-life treatment of products.	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	-	Actual	3	-	Remediation or restoration time longer than 5 years	1 year
Enabling the decarbonization to Net-Zero and digitalization	Facilitating the energy transition and decarbonization process of the economy and digitalization of the network.	Major global impact on the ecosystem/ local communities	+	Actual	4	-	-	1 year
Enabling the decarbonization to Net-Zero and digitalization	Contribution to GHG emissions of scope 1 and 2 as a result of direct business activities.	Major global impact on the ecosystem/ local communities	-	Actual	2-3	-	Remediation or restoration time longer than 5 years	1 year
Enabling the decarbonization to Net-Zero and digitalization	Contribution to GHG emissions of scope 3 as a result of indirect business activities.	Major global impact on the ecosystem/ local communities	-	Actual	3	-	Remediation or restoration time longer than 5 years	1 year
Governance, ethics and integrity	Anti-competitive behaviour and corruption events enacted by the Company that contribute to the lack of socio-economic development of the communities in which the Company operates in, limit the effects of Market competition and could result in higher prices of products.	Large impacts on the ecosystem/ local communities/ people beyond Prysmian's operations	-	Potential	3	Low	Remediation or restoration time shorter than 6 months	2-5 years

Material Topic	Impact generated on economy, environment and people	Scope	Category	Type of impact <sup>(1)</sup>	Scale of impact	Likelihood	Remediability	Time horizon
Cyber security and data protection	Promotion of best practices related to cyber security across all business partners and stakeholders through audits and contractual requirements to prevent business disruption along the value chain.	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	+	Actual	2	-	-	1 year
Cyber security and data protection	Unauthorized disclosure and processing perpetrated by the Company of Personal Identifiable Information or sensitive data and information.	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	-	Potential	2	Low	Remediation or restoration time between 7 months and 2 years	2-5 years
Sustainable value chain (workers)	Enactment by companies across the value chain of practices that do not guarantee adequate working conditions	Large impacts on the ecosystem / local communities/ people beyond Prysmian's operations	-	Potential	3	Low	Remediation or restoration time between 2 and 5 years	2-5 years
Sustainable value chain (workers)	Enactment by companies across the value chain of practices against equality, fair treatment, and opportunities for all	Large impacts on the ecosystem / local communities/ people beyond Prysmian's operations	-	Potential	3	Low	Remediation or restoration time between 7 months and 2 years	2-5 years
Sustainable value chain (workers)	Potential lack of respect of Human rights and Sustainable practices throughout the Value chain	Large impacts on the ecosystem / local communities/ people beyond Prysmian's operations	-	Potential	3	Low	Remediation or restoration time longer than 5 years	2-5 years
Sustainable innovation and circularity	Reduction of emissions related to new products - through the development of low-emissions products (higher recycled content / recyclable products) and virtuous practices such as Design for Sustainability	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	+	Actual	4	-	-	1 year
Sustainable innovation and circularity	Proactivity in developing a sustainable organizational process that engages with the entire value chain, promoting materials reuse, recycle and reduction	Large impacts on the ecosystem / local communities/ people beyond Prysmian's operations	+	Actual	3	-	-	1 year

Material Topic	Impact generated on economy, environment and people	Scope	Category	Type of impact <sup>(1)</sup>	Scale of impact	Likelihood	Remediability	Time horizon
Sustainable innovation and circularity	Consumption of natural resources as raw materials for production, with potential damages to the environment and reduction of availability for other uses.	Large impacts on the ecosystem / local communities/ people beyond Prysmian's operations	-	Actual	4	-	-	1 year
Sustainable innovation and circularity	Negative effects on the environment (water, soil, air) due to the improper management of products' end-of life, such as discharge of waste/scrap in natural areas	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	-	Potential	3	Medium	Remediation or restoration time longer than 5 years	2-5 years
Local communities	Economic impacts on local communities through employment and local procurement, taxes, or other payments to local governments, as well as through community development programs and investments in infrastructure or public services	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	+	Actual	3	-	-	1 year
Local communities	Land clearance and changes of land use to accommodate Prysmian operations (e.g. factories) and/or installation sites	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	-	Potential	2	Medium	Remediation or restoration time longer than 5 years	5+ years
Human capital's well-being, engagement & upskillin	Human Capital well-being: Promoting work-life balance practices within the organization	Prysmian's internal premises/operations sites	+	Actual	3	-	-	1 year
Human capital's well-being, engagement & upskilling	Upskilling: Strengthening and upskilling the competences of the personnel and develop talent	Prysmian's internal premises/operations sites	+	Actual	3	-	-	1 year
Human capital's well-being, engagement & upskilling	Engagement: Adoption of people oriented policies to safeguard people's needs	Prysmian's internal premises/operations sites	+	Actual	3	-	-	1 year

Material Topic	Impact generated on economy, environment and people	Scope	Category	Type of impact <sup>(1)</sup>	Scale of impact	Likelihood	Remediability	Time horizon
Human capital's well-being, engagement & upskilling	Potential accidents, mental and physical illness due to a failure to disseminate a health and safety culture in the community in which the Company operates	Impacts spreading beyond Prysmian's premises/ operations sites and surrounding areas with significant effects on the ecosystem / local communities/ people	-	Actual	4	-	Remediation or restoration time between 2 and 5 years	1 year
Equity, Diversity, Inclusion & respect for human rights	Promotion of specific programs towards a more inclusive and diverse work environment	Prysmian's internal premises/operations sites and immediate surrounding areas	+	Actual	3	-	-	1 year
Equity, Diversity, Inclusion & respect for human rights	Promotion of practices to promote gender balance in Prysmian management and BoD	Prysmian's internal premises/operations sites and immediate surrounding areas	+	Actual	3	-	-	1 year
Equity, Diversity, Inclusion & respect for human rights	Lack of the social sustainability practices within the organisational structure and business model including the respect for human rights	Prysmian's internal premises/operations sites and immediate surrounding areas	-	Potential	3	Low	Remediation or restoration time shorter than 6 months	2-5 years

(1) For the "Actual" impacts, the likelihood is not applicable as they are considered certain according to GRI Standards.



# Prioritization of Material topics

The material topics were then evaluated by internal and external stakeholders to test their accuracy. Below is the list of 11 material topics (compared to 10 in 2022) identified by Prysmian in accordance with the GRI standards and ordered according to the results coming from the materiality assessment carried out.

Material Topic	Description
<b>Pollution</b> (ESRS E2 - Pollution)	<ul style="list-style-type: none"> <li>Implementation of technologies, practices and collaborations to reduce the impact of pollutants used along the value chain on the ecosystem and environment.</li> </ul>
<b>Water and effluents</b> (ESRS E3 - Water and marine resources)	<ul style="list-style-type: none"> <li>Analysis of the consequences of production processes on water resources;</li> <li>Development of a sustainable water resource treatment management strategy.</li> </ul>
<b>Biodiversity and impacts on nature</b> (ESRS E4 - Biodiversity and ecosystems)	<p>Awareness of:</p> <ul style="list-style-type: none"> <li>Group's impact on ecosystems;</li> <li>Consequences of biodiversity loss in areas where Prysmian operates.</li> </ul>
<b>Enabling the decarbonization to Net-Zero and digitalization</b> (ESRS E1 - Climate Change)	<ul style="list-style-type: none"> <li>Policies and actions to reduce energy consumption and accelerate the path to zero net CO<sub>2</sub> emissions (Science-Based targets);</li> <li>Supporting the digitalization process.</li> </ul>
<b>Governance, ethics and integrity</b> (ESRS G1 - Business conduct)	<ul style="list-style-type: none"> <li>Governance structure and mechanisms that ensure fair and transparent management of activities and engagement of employees, management, and shareholders;</li> <li>Management model based on stringent standards of ethics and professional integrity;</li> <li>Enforcement of measures to prevent corruption and ensure fair tax practices.</li> </ul>
<b>Cybersecurity and data protection</b> (ESRS S1 - Own workforce)	<p>Advanced Cybersecurity measures for:</p> <ul style="list-style-type: none"> <li>managing information security risks;</li> <li>ensuring data protection and privacy.</li> </ul>
<b>Sustainable value chain (workers)</b> (ESRS S2 - Workers in the value chain)	<p>Promotion of long-term value creation - over the entire value chain - through sustainable management of:</p> <ul style="list-style-type: none"> <li>upstream activities;</li> <li>downstream activities (customer-centric approach);</li> <li>working conditions and welfare of workers.</li> </ul>
<b>Sustainable innovation and circularity</b> (ESRS E5 - Resource use and circular economy)	<ul style="list-style-type: none"> <li>Development of solutions that generate sustainability benefits (e.g., renewable energy solutions, Smart Grid);</li> <li>Ongoing research to develop products and processes with sustainable environmental and social impacts throughout the life cycle;</li> <li>Efficient management of business activities with impact on the environment;</li> <li>Promotion of circularity resulting from recycling processes.</li> </ul>
<b>Local communities</b> (ESRS S3 - Affected communities)	<ul style="list-style-type: none"> <li>Promoting access to energy and telecommunications for communities;</li> <li>Sponsorships and donations for local community development.</li> </ul>
<b>Human capital's well-being, engagement &amp; upskilling</b> (ESRS S1 - Own Workforce)	<p>Initiatives to promote employee well-being through:</p> <ul style="list-style-type: none"> <li>health and safety management systems designed to reduce work-related accidents and illnesses;</li> <li>actions to attract talent and ensure human resources development (training and mentoring; salary and benefits policies and reward systems; career plans; long-term incentives).</li> </ul>
<b>Equity, Diversity, Inclusion and Respect for Human Rights</b> (ESRS G1 - Business conduct)	<ul style="list-style-type: none"> <li>Promoting multiculturalism, social, and digital inclusion;</li> <li>Protection of diversity;</li> <li>Reducing wage inequality;</li> <li>Policies and practices to protect human rights throughout the value chain.</li> </ul>

## 2.4 Prysmian's financial materiality

On 16 December 2022, the Official Journal of the European Union published the Corporate Sustainability Reporting Directive (CSRD) – proposed by the European Commission on 21 April 2021 – that, starting from the 2024 Financial Statements, will amend the current reporting obligations (Non-Financial Reporting Directive transposed into Italian law by Italian Legislative Decree 254/2016). Among the changes, the Directive introduces the concept of double materiality that, in addition to the external impacts generated by the business (inside-out approach), requires the risks incurred and the opportunities that the company can benefit from in financial terms (outside-in approach) to be reported as well. The European Commission mandated EFRAG to develop the new reporting standards. As a result, Prysmian, in advance of legal requirements, decided to set up an analytical system for quantifying risks and opportunities, in line with the Risk Assessment process and methodology already adopted by the Group. For a more detailed explanation of Prysmian's risk monitoring model, please refer to the "Prysmian Risk Model" section of the 2023 Integrated Annual Report.

The exercise carried out to identify material topics according to the Impact Materiality process was the starting point for the identification of Financial Materiality. According to paragraph 49 of ESRS 1, in fact, a topic can also be financially material if it triggers, or could trigger, material financial effects on the enterprise. Specifically, this occurs when a material topic generates or can generate risks or opportunities that have a material influence on the enterprise's development in terms of cash flow and operating profitability (Free Cash Flow and EBITDA, respectively).

These financial parameters are in line with the Group's Enterprise Risk Management (ERM) model. Two-time horizons were identified for their assessment: short-medium term (within three years) and long term (2030). The scale used for quantifying these risks and opportunities (from 1 to 4) is as follows:

Level	Description	Financial Impact	Magnitude
1	MINOR/INSIGNIFICANT	<10 M Euro expected on EBITDA/CASH FLOW	1 MINOR/INSIGNIFICANT < 10 M Euro expected on EBITDA/CASH FLOW
2	MODERATE	10-50 M Euro expected on EBITDA/CASH FLOW	2 MODERATE 10-50 M Euro expected on EBITDA/CASH FLOW
3	HIGH	50-100 M Euro expected on EBITDA/CASH FLOW	3 HIGH 50-100 M Euro expected on EBITDA/CASH FLOW
4	VERY HIGH	>100 M Euro expected on EBITDA/CASH FLOW	4 VERY HIGH >100 M Euro expected on EBITDA/CASH FLOW



# Identification of risks and opportunities

Risks and opportunities have been ordered starting from the highest magnitude and ranking those with the same magnitude by the greatest probability of occurrence. Quantification of the magnitude associated with each risk/opportunity was carried out with the Risk Management function as part of the Group's Enterprise Risk Management activities. Below is the table listing the risks and opportunities identified and sorted according to their relative magnitude.

Material Topic	Description	Category	Scale of Impact	Likelihood	Time Horizon
<b>Water and effluents</b>	Water unavailability leading to potential increase of water purchasing costs, operating costs to improve the resilience of plants in terms of water use and reputational damage.	Risk	1	Medium	More than 5 years
<b>Enabling the decarbonization to Net-Zero and digitalization</b>	Increased severity of extreme weather events leading to higher frequency of property damages and business interruption and potential increase of insurance premium.	Risk	2	Low	More than 5 years
<b>Enabling the decarbonization to Net-Zero and digitalization</b>	Increased production costs due to Carbon Tax or Emission Trading Scheme.	Risk	2	Medium	More than 5 years
<b>Enabling the decarbonization to Net-Zero and digitalization</b>	Intercept the expected global cable market growth and access to emerging markets (solar, onshore wind, ...).	Opportunity	4	High	More than 5 years
<b>Enabling the decarbonization to Net-Zero and digitalization</b>	Use of lower-emission sources through installation of renewable energy systems (e.g. photovoltaic) and purchase of renewable energy.	Opportunity	2	High	More than 5 years
<b>Enabling the decarbonization to Net-Zero and digitalization</b>	Sea level rise will increase the risk of coastal flood leading to property damage and business interruption.	Risk	1	Medium	More than 5 years
<b>Human capital's well-being, engagement &amp; upskilling</b>	Leveraging on Group global presence, enhance high health & safety standards for all plants: - Increase in productivity; - Reduction of litigation costs; - Increased resilience of services/operations; - Reputational advantage.	Opportunity	2	Medium / High	2-5 years
<b>Human capital's well-being, engagement &amp; upskilling</b>	Upskilling: Strengthening and upskilling the competences of the personnel and develop talent. Human Capital well-being: Promoting work-life balance practices within the organization. Engagement: Adoption of people oriented policies to safeguard people's needs. - Increased productivity; - Reduction in employee turnover; - Reduction of costs related to recruiting programs; - Retention and attraction of key personnel and talents.	Opportunity	2	High	2-5 years



Material Topic	Description	Category	Scale of Impact	Likelihood	Time Horizon
Human capital's well-being, engagement & upskilling	Future legislative and/or regulatory changes might affect the operations of the Group, its ability to compete in the marketplace and its financial results.	Risk	2	Medium	2-5 years
Human capital's well-being, engagement & upskilling	Lack of key people and talent attraction management leading to operational, quality issues or project delays in implementation of business strategies.	Risk	1	Medium	2-5 years
Human capital's well-being, engagement & upskilling	Potential accidents, mental and physical illness due to a failure to disseminate a health and safety culture in the community in which the Company operates, leading to potential disruption of services, increase in litigation costs, sanctions, increase cost in training and upskilling program for new hires, reputational damage.	Risk	1	Medium	2-5 years
Biodiversity and impacts on nature	Loss of Biodiversity in terms of animals and/or plants near the areas in which Prysmian operates (manufacturing sites, offices, installation sites), or as a consequence of the end-of-life treatment of products, leading to potential litigation and legal disputes costs, sanctions, fines and reputational damage.	Risk	1	Low	More than 5 years
Biodiversity and impacts on nature	Develop new solution with minimized environmental impact. Increase market share and/or marginality (patentability). Enhancement of biodiversity in installations sites after installation operations leading to reputational advantage.	Opportunity	2	Medium	More than 5 years
Sustainable value chain (workers)	Developing of a sustainable value chain that is extremely sensitive to ESG issues: - Reducing operating costs; - Reputational advantage; - Reduction of litigation costs.	Opportunity	2	Medium	More than 5 years
Sustainable value chain (workers)	Lack of respect of Human rights and Sustainable practices throughout the Value chain, leading to costs for litigations, legal sanctions, fines or reputational damage.	Risk	2	Medium	2-5 years
Cybersecurity and data protection	Unauthorized disclosure and/or processing of Personal Identifiable Information or sensitive data and information leading to potential administrative sanctions in case of breach of data protection and consequential reputational damage.	Risk	3	Medium	2-5 years
Cybersecurity and data protection	Cyber attack causing business interruption and extra costs for cable manufacturing, liquidated damages for delays and ransom.	Risk	2	High	More than 5 years

Material Topic	Description	Category	Scale of Impact	Likelihood	Time Horizon
<b>Cybersecurity and data protection</b>	Safe and protected data and services for all stakeholders: - Reduction of litigation costs; - Increased resilience of services/ operations; - Reputational advantage.	Opportunity	1-2	Medium	More than 5 years
<b>Equity, Diversity, Inclusion &amp; respect for human rights</b>	Lack of the social sustainability practices within the organisational structure and business model including the respect for human rights leading to potential increase in litigation costs, employee turnover and reduction in key people retention.	Risk	1	Medium	2-5 years
<b>Governance, ethics and integrity</b>	Potential sanctions and reputational damages from export activities.	Risk	4	Low	2-5 years
<b>Governance, ethics and integrity</b>	Potential sanctions and reputational damages from breach of antitrust legislation.	Risk	4	Medium	2-5 years
<b>Governance, ethics and integrity</b>	Potential sanctions and reputational damages from breach of anticorruption legislation.	Risk	3	Low	2-5 anni
<b>Governance, ethics and integrity</b>	Potential sanctions and reputational damages from breach of Code of Ethics, policies and procedures.	Risk	2	Medium	2-5 years
<b>Governance, ethics and integrity</b>	Potential legal proceedings, financial losses including fines/penalties and reputational damages.	Risk	2	Medium	2-5 years
<b>Sustainable innovation and circularity</b>	Development and expansion of low emission solutions, in particular in Energy Cable and Fiber markets.	Opportunity	3	High	More than 5 years
<b>Sustainable innovation and circularity</b>	Greening the supply chain by evaluating options to reduce energy use and waste production and increase the use of recycled material.	Opportunity	3	High	More than 5 years

Material Topic	Description	Category	Scale of Impact	Likelihood	Time Horizon
<b>Sustainable innovation and circularity</b>	Enabling the decarbonization of other businesses, such as Energy Cable and Fiber Optics markets: - Increase in revenues due to the growth in demand for lower emissions products and services; - Potential increased attractiveness of low carbon investors, - Reputational advantage.	Opportunity	2	High	More than 5 years
<b>Sustainable innovation and circularity</b>	Potential negative impact on the market due to the emerging of disruptive technologies that can make our technologies and activities obsolete (eg. Hydrogen, etc.) undermining the capacity of creating value for our business partners leading to decrease of revenues and related contribution margin and potential write-offs and early retirement of existing assets due to a reduced demand for products and services.	Risk	2	Medium	More than 5 years
<b>Sustainable innovation and circularity</b>	Potential negative impact due to increased litigation costs (e.g. third party patent owners).	Risk	1	Low	More than 5 years
<b>Sustainable innovation and circularity</b>	Change in competitive landscape leading also to reduced Group's market share due to new entrant players, resulting in decrease of revenue and/or contribution margin due to stronger competitiveness.	Risk	2	Medium	More than 5 years
<b>Pollution</b>	Environmental pollution leading to remediation costs, sanctions, fines and reputational damages.	Risk	2	Low	2-5 years



03

# ETHICS AND INTEGRITY

For Prysmian, ethics is a categorical imperative. We have always believed that a successful company cannot be built without a solid foundation of ethical and moral principles. That is why we work every day to ensure responsible conduct throughout the entire value chain. Our daily decisions and actions are constantly guided by our Code of Ethics, Anti-Corruption Policy and Whistleblowing Policy. Being the bearers of innovative ideas for sustainable development and adopting fair business practices while respecting human rights: this is what business ethics and integrity mean for us. This is how over time we have consolidated the trust of our people, thousands all over the world, and all of our stakeholders.



- More than 10 formalized Governance policies
- 0 Group infringements of anti-corruption regulations
- Significant Group contribution to the societies in which it operates deriving from taxes paid
- 100 information security events handled every month in 2023

## 3.1 Business ethics and integrity: the pillars of sustainability

Prysmian strives constantly to **promote business integrity and transparency throughout the entire value chain**. The complexity of business operations and the international scale of the Group mean that Prysmian is exposed to possible infringements of applicable laws and regulations, with possible repercussions for stakeholders, including employees, customers, contractors and suppliers. In addition, these infringements might damage the Company's reputation, adversely affect the socio-economic development of the communities in which it operates and restrict market competition. Partly to mitigate these risks, Prysmian has defined **governance** rules and implemented a **system of internal controls** that promote integrity and transparency among all business partners and stakeholders, as well as strict processes that must be followed. The actions and procedures comprising the system of internal controls are designed inter alia to provide credible, truthful information to the market about the Group's activities, thus increasing the confidence of current and potential investors in the business and encouraging them to adopt a long-term approach to their investments. The following sections describe the risks identified and the associated mitigation actions pursuant to Italian Legislative Decree no. 254/2016 with reference to the 2023 material topic: "Governance, ethics and integrity".

---

### Risks identified:

- Risk of non-compliance with the Code of Ethics, Policies and Procedures
- Risks of non-compliance with anti-corruption legislation
- Risks of non-compliance with Antitrust legislation
- Export-related risks (sanctions, restrictions, trade tariffs, etc.)

### Description of risks

#### Code of Ethics, Policies and Procedures

The risks relate to violation of the Code of Ethics, the Policies and the Procedures, with the possibility of incurring judicial or administrative sanctions, significant financial losses or reputational damage.

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

**Antitrust** - Prysmian's strong international presence subjects the Group to the antitrust regulations of the various countries in which it operates. Each of these is more or less severe in terms of civil-administrative liability and – where applicable – criminal liability. Over the past decade, the various antitrust authorities have dedicated increasing attention to the business activities of players in the Group's market, evidencing a propensity for international collaboration among themselves. Prysmian intends to operate in the marketplace in full compliance with the rules protecting competition.

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

**Mitigation actions adopted** - Prysmian has deployed a series of organizational tools aimed at enacting the principles of legality, transparency, fairness and loyalty through which it operates and adopts a series of initiatives to define its people's ethical-social and behavioral responsibilities. These documents, presented below, define how to carry out activities and relate to colleagues, as well as how to pursue the ambitions of the Group, with particular regard for environmental and social matters, including human rights.

## Code of Ethics, Policies and Procedures

The **Code of Ethics**<sup>10</sup> (hereinafter also “Code”) represents the “Constitution” of the Group, being the charter of rights and moral duties that defines the ethical-social responsibilities of each member of the organization, consistent with Prysmian’s Vision and Mission. Acting as a veritable guide to daily behavior, the Code plays a strategic role for the Group as a fundamental tool for preventing irresponsible or illegal conduct by those who work in the name and on behalf of Prysmian. In fact, it covers all areas of compliance and also applies to business partners who deal with the Group and are required to read it. The Code of Ethics lives and evolves in parallel with the development of the business and is always open to receive and accept requests for legality and propriety received from stakeholders. The document is aligned with international best practices and incorporates the principles embodied in the UN Universal Declaration of Human Rights and the Fundamental Conventions of the International Labor Organization (“ILO”).

In this light, the Group adopted a **Human Rights Policy**<sup>11</sup>, based on various international standards (such as the International Charter of Human Rights, Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, etc.) and applied in all Prysmian’s locations and activities. In addition, Prysmian has adopted a **Sustainability Policy**<sup>12</sup>, that defines the vision and reference values for various areas: Business Integrity, Governance, Products, Social and Environmental Responsibility. The Policy aims to provide sustainability guidelines for all Group companies, based on the strategic priorities identified by Prysmian as part of its medium/long-term vision. Finally, the Group carries out training activities for all employees and, through the Risk & Compliance and Internal Audit departments, constantly monitors compliance and the concrete application of these rules, not tolerating any type of violation.

**Anti-corruption** - The Group has implemented a series of preventive actions relevant to the fight against corruption. The most important was the adoption of an **Anti-Corruption Policy**<sup>13</sup> that prohibits bribery of both public officials and private individuals and requires Prysmian’s employees to respect it and, if more restrictive, to observe and comply with all the anti-corruption laws in force in the countries where the Group operates.

Of the **corruption prevention** activities within the Group, the following actions are highlighted, which were put in place by Prysmian during 2023:

- in line with the objectives set in prior years, it continued to monitor anti-corruption compliance, with the maintenance of **ISO 37001:2016 “Anti-Bribery Management Systems”** certification by Prysmian S.p.A. (obtained in 2021) and by Prysmian PowerLink S.r.l., the subsidiary dedicated to the Projects segment. Alongside these certifications, Top Management and each Regional CEO have signed Declarations of conformity confirming their commitment to ensure: (i) understanding of the Group’s compliance policies and (ii) completion of the training activities and initiatives;
- **risk-based training activities** on anti-corruption compliance were provided, both online and in classroom and videoconference sessions;
- the **“Third Party Program”** was updated. This Group policy is intended to prevent and manage the risk of corruption deriving from relations with agents, distributors and certain categories of supplier (“Third Parties”). In particular, before establishing business relations with any Third Party, the Policy establishes that due diligence must be carried out in relation to that party using a dedicated on-line platform. As a result of the above activity, a level of risk (high, medium, low) is assigned to each Third Party that, consequently, is subjected to an approval procedure that differs according to the level of risk that emerged. Furthermore, the due diligence work must be repeated every 12, 18, 24 or 36 months, depending on the level of risk identified and the type of Third Party concerned. Furthermore, the Code of Ethics (which includes an anti-corruption clause) is accepted and signed by all contractors, suppliers and agents and, pursuant to the “Third-Party Program” Policy, all new Third Parties must also sign the anti-corruption certificate;
- as part of the Compliance function’s annual plan, **on-site visits** were carried out, including, among other things, an audit of sample transactions;
- in relation to **Whistleblowing**: the Group (i) updated its Helpline Policy<sup>14</sup> (for more information, please refer to the following section “Stakeholder Engagement”) in order to incorporate, among other things, the changes outlined in Directive (EU) no. 2019/1937 and its relevant implementing acts; (ii) had its ISO 37002:2021 “Whistleblowing Management Systems” certification for the parent company Prysmian S.p.A. renewed, which confirms the soundness of the Group’s whistleblowing management system.

The **Conflicts of Interest (“COI”) Policy** was issued in 2019, consistent with the Group’s ongoing commitment to ensuring that the financial and personal interests of employees and consultants do not conflict with their ability to perform their duties professionally, ethically and transparently. The Policy was approved by the Group’s Board of Directors and

<sup>10</sup> Prysmian Code of Ethics is made known to all stakeholders – external and internal – by publication on the corporate website [www.prysmiangroup.com](http://www.prysmiangroup.com), in the Ethics and integrity section, and on the “Prysmian People” intranet <https://www.prysmian.com/en/company/ethics-integrity>

<sup>11</sup> Prysmian’s Human Rights Policy is made known to all stakeholders – external and internal – by publication on the corporate website [www.prysmiangroup.com](http://www.prysmiangroup.com) and on the “Prysmian People” intranet [https://www.prysmian.com/sites/www.prysmian.com/files/media/documents/prysmian\\_group\\_human\\_rights\\_policy\\_eng\\_firma-vb.pdf](https://www.prysmian.com/sites/www.prysmian.com/files/media/documents/prysmian_group_human_rights_policy_eng_firma-vb.pdf)

<sup>12</sup> This Policy, approved by the Group CEO, defines the commitments made by the business and the priorities, governance, strategies and vision linked to Sustainability. It can be found in the sustainability section of the corporate website <https://www.prysmiangroup.com/en/sustainability/strong-commitment/integrated-sustainability-strategy>

<sup>13</sup> The Anti-Corruption Policy of Prysmian was approved in 2019 and most recently updated by the Board of Directors in 2023. It is made known to all stakeholders – external and internal – by publication on the corporate website <https://www.prysmiangroup.com/sites/default/files/atoms/files/anti-corruption-policy.pdf>, in the Ethics and Integrity section, and on the “Prysmian People” intranet.

<sup>14</sup> <https://www.prysmian.com/en/company/ethics-integrity/helpline>

published on the corporate intranet for employees to view. The process requires - through a declaration that all desk workers in the Group are required to complete - that potential conflict of interest situations be disclosed for appropriate assessment. In addition, again with reference to COI, a new on-line platform was implemented in order to report potential conflicts of interest, whether within or outside the business. In particular, all Prysmian employees were required to declare all personal or financial relationships that could potentially result in a conflict of interest. The completion rate for the 2023 campaign was 98%, maintaining the same level as in 2022 on a population of around 8,000 "Desk workers".

The **Gifts and Entertainment Policy** was updated in 2021, which establishes a series of rules to be satisfied before giving or receiving gifts or forms of entertainment. The policy distinguishes whether the parties involved are private firms or government bodies/public officials. Also for this policy, an on-line platform was implemented that governs, based on predetermined parameters, the process that employees must follow to offer/receive gifts or forms of entertainment and obtain the required approvals.

Lastly, a specific **Fraud Risk Management Policy** was introduced in 2022 and distributed to all of the relevant Functions.

**Antitrust** - With regard to anti-competitive behavior and in compliance with the priorities defined in the ERM process, the Group has adopted an **Antitrust Code of Conduct**<sup>15</sup> worldwide that all directors, executives and employees of the Group and, insofar as applicable, third parties, are required to know and follow in the performance of their duties and in dealing with third parties. In addition, more detailed documents have also been adopted covering current antitrust regulations in the European Union, North America, China and Australia.

The Antitrust Code of Conduct provides a clear overview of the risks associated with the failure to apply, or the improper application of, competition rules including, in particular, those regarding cartels (both horizontal and vertical) and the abuse of dominant positions. The Antitrust Code of Conduct is complemented by specific procedures as well as a training program, both online and in the classroom, with the aim of raising awareness among all those who work on behalf of and for Prysmian.

During 2023, in line with a risk-based approach, the Compliance function carried out a specific risk assessment activity in some countries of the European Union and, at the same time, delivered training sessions for some of the Functions most exposed to antitrust risks through classroom, videoconference and on-line training.

**Control of Exports** - In order to prevent and mitigate risk relating to exports, Prysmian has adopted a policy for their management and control 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 prohibited parties
- classification of products to determine the applicable export compliance requirements and understand where and to whom they can be exported, as well as whether or not a license or other authorizations are required
- basic training for all employees on the topic and targeted training for persons in functions responsible for international commercial transactions and the control of exports
- requests for product/technology end-user declarations that they or the buyer complies with the current export regulations

With respect to **Control of Exports**, the Compliance Function supports the Group by implementing IT applications that check all commercial and procurement transactions, on a daily basis, to avoid matches with the various Economic Sanctions lists (USA, EU, UN etc.). In addition, given the changing geopolitical context and the application of severe international sanctions, since 2018 Prysmian has started to classify its products with both civil and military ("dual use") applications. Commencing from 2020, the Compliance Function periodically delivers training sessions to employees on this topic.

**All Compliance Policies** adopted by Prysmian are published on the corporate intranet and are available in all the most important official languages of Prysmian as they are applicable to all employees. The following policies are published on Prysmian's corporate website in the Ethics and Integrity<sup>16</sup>, section: Code of Ethics, Human Rights, Helpline, Anti-corruption and Antitrust Code of Conduct, as they also apply to various external stakeholders.

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

<sup>15</sup> The Antitrust Code of Conduct of Prysmian was updated and approved by the Board of Directors in 2019. It is made known to all stakeholders – external and internal – by publication on the corporate website <https://www.prysmiangroup.com/en/company/ethics-integrity> and on the "Prysmian People" intranet <https://www.prysmiangroup.com/sites/default/files/atoms/files/2-Antitrust-Global-Code-of-Conduct.pdf>

<sup>16</sup> <https://www.prysmiangroup.com/en/company/ethics-integrity>



# Stakeholder engagement

As part of its own commitment to promoting ethical and legal behavior, Prysmian invites all of the Group's stakeholders to report any real or potential violations of the law, the Code of Ethics, and the Policies and corporate procedures, so that they can be examined and dealt with appropriately. In order to create a culture open to reports and guarantee the necessary conditions in terms of confidentiality and security, Prysmian has adopted a **Helpline Policy** that, among other things, specifies the possibility for all Group stakeholders to report misconduct and alleged unlawful activities<sup>17</sup>. In this sense, Prysmian has implemented several channels through which a report can be made, including anonymously, which consist of dedicated telephone lines and a web portal, both managed by independent operators and available in all official languages used by the Group.

In terms of reporting, on a quarterly basis, the Compliance Function, in its capacity as the *Whistleblowing Management Function* pursuant to the ISO 37002:2021 standard, provides updates on the reports received during that quarter, as well as on the progress of any investigations concluded or still on-going, relating to previous quarters to a special committee called Helpline Committee.

The Helpline Committee is an internal cross-functional committee consisting of: Chief Risk & Compliance Officer, Chief Internal Audit Officer, Chief Corporate Affairs Officer, Chief Human Resources Officer, VP Group Compliance and Industrial Relations & Employment Governance & Security VP. Although most of the reports made are investigated internally by the Functions in charge, in exceptional cases, external legal and investigative support is sought and critical issues are reported to the Top Management in a timely manner.

In addition to the Helpline Committee, the Compliance Function reports the Key Performance Indicators ("KPIs") of the reports received during the quarter (e.g. new, closed, confirmed – all or in part – and unjustified matters, disciplinary or corrective actions taken, analyzed by categories, region and country) to the Control and Risks Committee, which may – in turn – request in-depth investigations.

Corrective measures or disciplinary actions are adopted if the legitimacy of these reports is confirmed by the investigative work carried out. These measures are tailored specifically to each report and do not necessarily require or involve changes to corporate policies or processes. In this regard, it should be noted that in 2022 Prysmian was audited and received – at the level of the parent company Prysmian S.p.A. – the ISO:37002 Certification for its whistleblowing management system, becoming one of the first companies in Italy in its sector to obtain this recognition. As anticipated above, this certification was renewed in 2023. Additionally, in compliance with local legislation in the United Kingdom, Prysmian has adopted a policy and related procedures for handling complaints. The Helpline system and the reporting channels were used throughout 2023, as detailed below.

## Reports received in 2023

In 2023, out of a total of 180 reports received, 160 were closed by 31 December. Of these 180, 36 were found to be "confirmed" or "partly confirmed", and in these cases a total of 65 corrective actions were taken, as more than one corrective action was taken for some reports.

These corrective actions comprised: 30 policy or process revisions and specific corrective actions, 14 coaching and training sessions, 9 dismissals and 1 resignation, 9 written or verbal warnings and 2 Performance Improvement Plans.

The 180 reports received in 2023 fell into the following categories:

- **"HR, Diversity and Workplace Respect"** (132 cases), including: **"Employee Relations"** (63 cases); **"Discrimination"** (21 cases); **"Wage/Hours issues"** (17 cases); **"Policy Issues"** (11 cases); **"Workplace Violence & Threats"** (11 cases); **"Substance Abuse"** (5 cases) and **"Sexual Harassment"** (4 cases). Of the 132 reports, 114 were closed, of which 28 (25%) were classified as "confirmed" or "partly confirmed", broken down as follows: 14 under **"Employee Relations"**, 4 related to **"Policy Issues"**, 3 under **"Wage/Hours Issue"**, 3 under **"Workplace Violence"**, 2 under **"Sexual Harassment"**, and 2 related to Discrimination.
- **"Business Integrity"** (45 cases) of which: **"Conflict of Interest"** (20 cases); **"Theft of Goods/Services/Time"** (5 cases); **"Product Quality"** (4 cases); **"Corruption"** (2 cases); **"Fraud"** (2 cases); **"Kickbacks"** (2 cases); **"Retaliation"** (2 cases); **"Misuse of Assets"** (1 case), and **"Other"** (7 cases). By the end of 2023, 39 of these 45 reports were closed, of which 7 reports (18%) were classified as "confirmed" or "partly confirmed", broken down as follows: 3 under **"Conflict of Interest"**, 2 related to **"Theft of Goods/Services/Time"**, 1 under **"Product Quality Concern"**, 1 under **"Misuse of Assets"**.

<sup>17</sup> Prysmian Helpline Policy is part of the Code of Ethics. It is made known to all stakeholders – external and internal – by publication on the corporate website [www.prysmiangroup.com](http://www.prysmiangroup.com), in the Ethics and Integrity section, and on the "Prysmian People" intranet <https://www.prysmian.com/en/company/ethics-integrity>

- In the Corruption and/or Kickback category, there were no “confirmed” or “partly confirmed” reports.
- **“Environment Health and Safety”** (3 cases), of which 1 was classified as “partly confirmed”.

## Performance in 2023

With regard to anti-corruption issues, in 2023 Prysmian recorded the following figures: 12 members of the Board of Directors of Prysmian S.p.A. (100%), 8,504 employees (of which 8,226 white collars and 278 external/sales agents, both of them equal to 100%) and 4,350 business partners received communications about the organization’s policies and procedures

With regard to the ongoing Antitrust investigations and litigation brought by third parties against Group companies consequent and/or related to decisions adopted by the competent authorities, details of which are outlined in the note on Provisions for risks and charges section in the Explanatory Notes to the Consolidated Financial Statements, it should be noted that the Group has recorded a provision for risks and charges of about Euro 184 million as at 31 December 2023. Although the outcome of the outstanding investigations and related disputes is uncertain, this provision is deemed to represent the best estimate of liabilities based on the information available at the time of preparing this document. It should also be noted that three investigations for alleged Antitrust violations, conducted by public authorities against Group companies, were still underway in 2023. For further details, reference should be made to the note “Provisions for Risks and Charges” in the Explanatory Notes to the Consolidated Financial Statements.

Lastly, again in 2023, no infringements of anti-corruption regulations were reported against the Group. Indeed, during the period 2021-2022, the Group did not receive any significant penalties<sup>18</sup> (monetary or otherwise) for non-compliance with environmental, social or economic regulations. For the year 2023, an administrative penalty of approximately Euro 30,000 was assessed for the Marshall (Texas) factory, relating to a delay in uploading the documentation required by the authorities.



<sup>18</sup> Significant monetary penalties mean fines above Euro 10,000.

## 3.2 Prysmian's tax strategy

*The ESG leadership of the Group is founded inter alia on an honest and fair tax strategy, compliant with regulations, that bases relations with the tax authorities and third parties on cooperation and transparency. The guiding principles for tax matters and the related governance procedures adopted by Prysmian are described below.*

The following paragraphs describe the tax risks identified and the associated mitigation actions pursuant to Italian Legislative Decree 254/2016 with reference to the 2023 material topic: "Governance, ethics and integrity".

---

### **Risk identified**

Risks relating to possible improper applications (interpretations and/or errors and omissions) of tax law.

### **Description of risk**

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

### **Mitigation actions adopted**

Prysmian adopts a tax strategy applicable to all Group companies that has been approved by the Board of Directors 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 minimize the substantive impact of any tax and reputational risks.

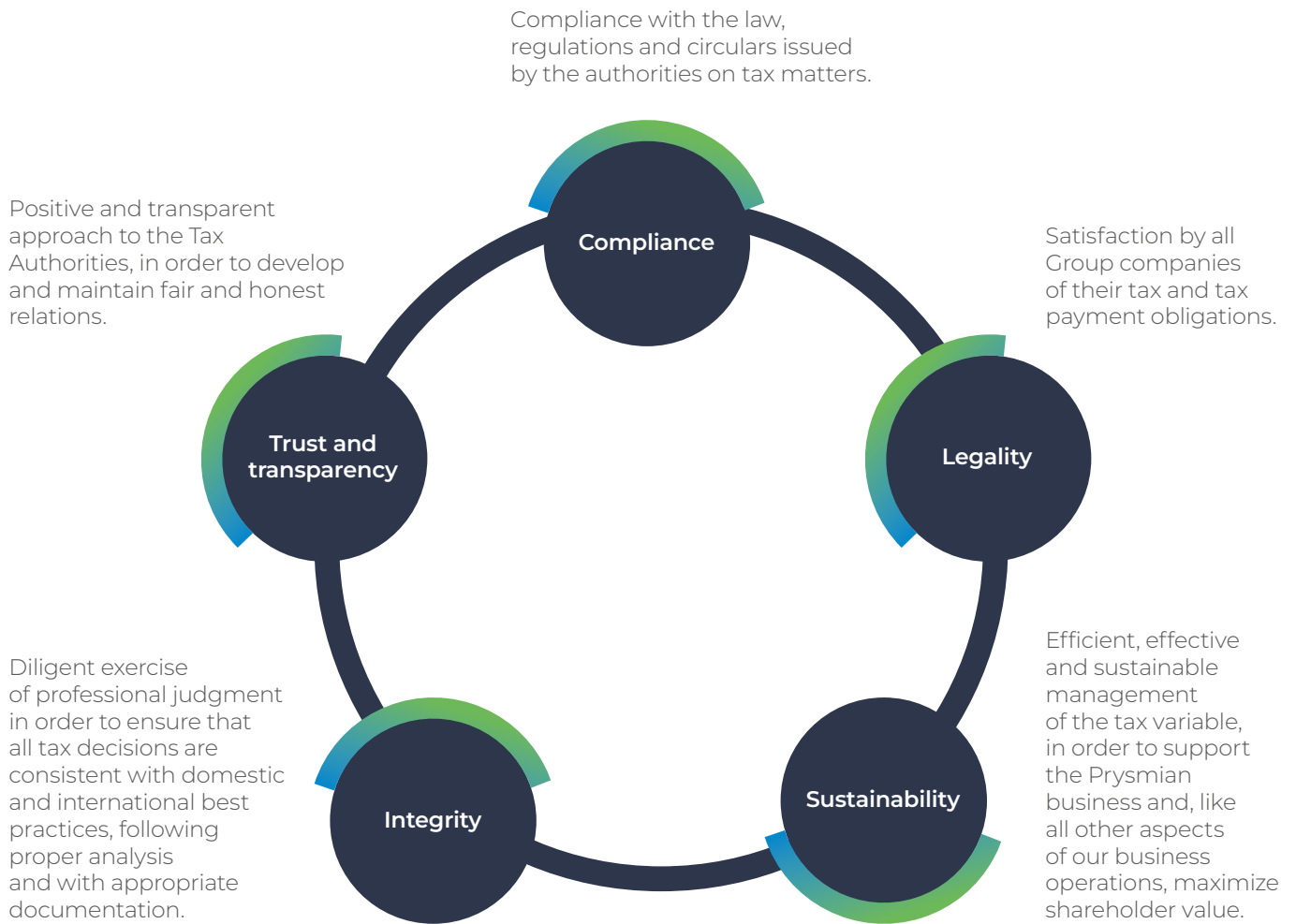
If there are uncertainties about the proper tax treatment of transactions that cannot be categorized readily, the Group applies the tax treatment considered most proper and appropriate, having due regard for legitimate tax-saving opportunities (if any), the opinions of subject experts and the best sector practices. The company is committed to embracing sound and reasonable interpretations, taking a cautious approach in order to avoid negative impacts for the Group. It should also be noted that the Group has tax provisions for about Euro 126 million as at 31 December 2023.

As a general principle, Prysmian adopts a transparent approach to dealings with the Tax Authorities and, in the event of conflicting interpretations of the regulations, seeks proactive discussions with them, including requests for rulings, so that an agreed solution can be found before its income tax declarations are filed. If the Group, again on the basis of external opinions, does not agree with the position expressed by the Tax Authorities in the response to the request for a ruling, it will adjust with a view to risk reduction but reserves the right to seek reimbursement and/or possibly pursue litigation.

The Group has started to define and implement the Tax Control Framework (TCF): a system for managing and monitoring tax risks that has already been applied to the Group's Italian companies and is currently being extended to the Group's other companies. In fact, Prysmian is in favor of initiating "cooperative compliance" paths globally, while within the Italian scope, in December 2021 the Group companies were admitted to the cooperative compliance regime with the Italian Revenue Agency.

---

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



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

The tax function is organized as follows:

- International Tax: support for the CFOs in each country, with the central management and coordination of transfer pricing, the tax aspects of cross-border operations, non-routine and/or non-recurring transactions, inspections by the Tax Authorities in relation to the above operations;
- Italian Tax: responsibility for compliance with the Italian regulations governing direct and indirect taxation (e.g. calculation of taxes, preparation of tax returns), management of inspections by the Tax Authorities, provision of advice and training to management on tax matters;
- "Tax Risk": responsibility for tax governance, with a specific focus on the tax control framework;
- "Local Tax Focal point": at local (individual entity) level, CFOs – supported, if present, by the "Local Tax" – are responsible for: managing tax compliance; managing and disseminating the tax risk culture; facilitating the center-periphery exchange of information on cross-border matters; promptly involving the Parent Company's tax function in the event of non-routine and/or non-recurring transactions; reporting any changes in the selection/management of tax advisors

In addition, to foster internal cross-functional coordination, the Group tax manager attends the meetings of the Audit and Risks Committee at Prysmian S.p.A., in order to report on specific matters, as well as tax groups organized by the leading trade associations.

# Tax reporting in the countries in which the group operates

Starting with the sustainability reporting for 2021, Prysmian has implemented a tax reporting model that supplements, on a voluntary basis, the GRI 207-4 **Country-by-Country Reporting (CbCR)** information (see the “**Requirements**” section) with data on the broader Total Tax Contribution (**TTC**), which is an ESG metric consistent with the standards defined by GRI 207-4 (see the “**Recommendations**” section) and the World Economic Forum (**WEF**).

The reporting model is intended to provide the broad audience of corporate stakeholders with a concise and immediate snapshot of the company’s fiscal position and contributions to countries’ economic and social systems. Indeed, it makes it possible:

- on one hand, to provide an overview of the main economic, fiscal and equity figures representing the size of the business in a given country;
- and on the other hand, to present in full the tax contribution made to the economic and social systems of the countries in which the Group operates, including not just income taxes, but also the other taxes levied on the Group (e.g. payroll taxes, taxes on products and services), and considering not only those taxes that represent a business cost (**Taxes borne**), but also the taxes on third parties collected by the business on behalf of public administrations using recharge, agency mechanisms etc. (**Taxes collected**).

In this sense, Prysmian – continuing on the path toward greater transparency and with a firm belief in the role played by transparency in the tax realm – has made a significant effort that has made it possible to already report in this document the figures for 2023, which are shown for comparative purposes with those for 2022.

Information is provided for the following geographical areas: (i) North America (**NORAM**), (ii) Central and South America (**LATAM**), (iii) Europe, Middle East and Africa (**EMEA**) and (iv) Asia Pacific (**APAC**). Lastly, in each area, information is provided concerning the main countries in which Prysmian carries on operations<sup>19</sup>.

All data is stated in millions of Euro – except for the number of employees (stated in units) – and rounded to the nearest unit. The sum of rounded amounts may at times differ from the rounded total.

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

The following section provides the information required by GRI 207-4 Disclosure and the data are represented based on the reporting standard established by the OECD in Action 13 Country-by-Country Reporting<sup>20</sup>.

Regarding information about the reporting scope, the name of the entities and the tax jurisdiction in which the entities are resident<sup>21</sup> as well as the respective activity carried out, please refer to the appropriate appendix “Company and branch detail for FY 2023”.

<sup>19</sup> Brazil, Canada, the United States, France, Germany, Italy, the Netherlands, Spain, the United Kingdom and China.

<sup>20</sup> Any differences with respect to the consolidated financial statements are mainly attributable to: i) the OECD Action 13 Country-by-Country Reporting criteria, which call for aggregated rather than consolidated information; and ii) consolidation adjustments, made in accordance with the accounting standards adopted when preparing the consolidated financial statements, and not allocated to individual Prysmian’s entities. In evaluating the data, should be also considered that:

- *Revenue from related parties* and *Revenue from unrelated parties* include non-recurring and financial income, as well as revenues from ordinary operations. However, they do not include dividends received from other legal entities within the Group. *Revenue from related parties* also includes the revenues deriving from transactions carried out between group entities that are residents of the same tax jurisdiction.
- *Profit (loss) before taxes* does not include dividends received from other group entities.
- *Corporate income tax paid* comprises the income taxes paid during the reporting year, regardless of the tax year to which they relate. They do not include taxes on dividends received from other group entities.
- *Corporate income tax accrued* comprises the current income tax charge for the year. The total amount does not include deferred taxes, provisions for unconfirmed tax liabilities or the taxes on dividends received from other legal entities within the Group.
- Reasons for the difference between *Corporate income tax accrued* and the theoretical tax due (GRI 207-4-b-x) are described in the 2023 Consolidated Financial Statements;
- The *Number of employees (FTEs)* is calculated at year end using the Full-Time Equivalent (FTE) methodology;
- *Property, plant and equipment* comprise the net carrying amount of property, plant, equipment and inventories.

<sup>21</sup> It should be noted that as the data were not available on a timely basis and given their irrelevance in terms of amount, for representative purposes the data on permanent establishments are reported in the tax residence jurisdiction of the entity to which they belong (the “Main Entity”).

## 2023 Country-by-Country Reporting (Euro/million – except for the number of employees)

2023	Revenue related parties	Revenue unrelated parties	Total revenues	Profit and Loss before tax	Corporate income tax paid on cash basis	Corporate income tax accrued	Number of employees (FTE)	Tangible Assets	Employee Remuneration
<b>North America</b>	<b>1,056</b>	<b>4,905</b>	<b>5,961</b>	<b>612</b>	<b>227</b>	<b>164</b>	<b>7,146</b>	<b>1,556</b>	<b>548</b>
Canada	425	502	927	62	26	19	682	127	53
United States	631	4,403	5,034	550	201	145	6,464	1,429	496
<b>LATAM</b>	<b>409</b>	<b>1,853</b>	<b>2,262</b>	<b>125</b>	<b>24</b>	<b>55</b>	<b>3,275</b>	<b>509</b>	<b>125</b>
Brazil	140	618	758	22	2	13	1,673	242	55
Other	269	1,235	1,504	103	22	42	1,602	267	70
<b>EMEA</b>	<b>5,988</b>	<b>9,090</b>	<b>15,078</b>	<b>187</b>	<b>67</b>	<b>65</b>	<b>16,761</b>	<b>3,392</b>	<b>996</b>
France	620	878	1,499	(11)	1	2	2,570	542	176
Germany	219	868	1,087	(21)	1	-	1,446	228	129
Italy	3,051	388	514	12	1	4	766	149	43
Netherlands	103	499	602	40	1	1	706	169	57
Spain	374	781	1,155	26	4	2	1,198	244	74
United Kingdom	62	556	617	30	5	5	1,046	160	67
Other	1,559	5,120	9,604	111	54	51	9,029	1,900	449
<b>APAC</b>	<b>365</b>	<b>1,097</b>	<b>1,463</b>	<b>21</b>	<b>11</b>	<b>15</b>	<b>2,903</b>	<b>312</b>	<b>98</b>
China	239	411	650	30	5	8	1,608	138	40
Other	126	686	813	(9)	6	7	1,295	174	58
<b>Total</b>	<b>7,818</b>	<b>16,945</b>	<b>24,764</b>	<b>944</b>	<b>329</b>	<b>299</b>	<b>30,085</b>	<b>5,769</b>	<b>1,767</b>

## 2022 Country-by-Country Reporting (Euro/million – except for the number of employees)

2022	Revenue related parties	Revenue unrelated parties	Total revenues	Profit and Loss before tax	Corporate income tax paid on cash basis	Corporate income tax accrued	Number of employees (FTE)	Tangible Assets	Employee Remuneration
<b>North America</b>	<b>1,103</b>	<b>5,391</b>	<b>6,494</b>	<b>594</b>	<b>137</b>	<b>190</b>	<b>7,246</b>	<b>1,495</b>	<b>534</b>
Canada	386	701	1,087	66	14	18	713	142	57
United States	717	4,690	5,408	528	123	172	6,534	1,353	477
<b>LATAM</b>	<b>457</b>	<b>1,521</b>	<b>1,977</b>	<b>44</b>	<b>20</b>	<b>29</b>	<b>3,337</b>	<b>488</b>	<b>103</b>
Brazil	137	607	744	15	1	15	1,621	204	47
Other	320	914	1,234	29	19	14	1,716	284	56

2022	Revenue related parties	Revenue unrelated parties	Total revenues	Profit and Loss before tax	Corporate income tax paid on cash basis	Corporate income tax accrued	Number of employees (FTE)	Tangible Assets	Employee Remuneration
<b>EMEA</b>	<b>6,397</b>	<b>8,924</b>	<b>15,320</b>	<b>(151)</b>	<b>75</b>	<b>61</b>	<b>17,044</b>	<b>3,071</b>	<b>921</b>
France	579	1,009	1,587	(71)	4	3	2,643	503	174
Germany	230	896	1,126	(5)	1	-	1,449	234	110
Italy	3,424	401	506	(10)	-	-	747	135	39
Netherlands	111	469	580	16	1	1	740	167	53
Spain	378	784	1,162	3	1	2	1,173	232	68
United Kingdom	72	629	701	16	3	5	1,128	156	66
Other	1,604	4,735	9,658	(100)	65	50	9,165	1,643	412
<b>APAC</b>	<b>339</b>	<b>1,202</b>	<b>1,542</b>	<b>3</b>	<b>8</b>	<b>14</b>	<b>2,898</b>	<b>328</b>	<b>102</b>
China	221	466	687	15	5	5	1,634	136	43
Other	119	736	854	(12)	4	9	1,264	191	59
<b>Total</b>	<b>8,296</b>	<b>17,038</b>	<b>25,333</b>	<b>491</b>	<b>240</b>	<b>294</b>	<b>30,525</b>	<b>5,381</b>	<b>1,660</b>

## Total Tax Contribution (TTC)

Information about the total tax contribution is presented below. This information covers the full range of taxes paid in the countries where Prysmian is present. The data has been collected and presented on a cash basis, as this is deemed to be the best way to report the actual total tax contribution made<sup>22</sup>. As mentioned above, the taxes paid comprise both:

- **Taxes borne** - taxes that represent a cost for Prysmian;
- **Taxes collected** - taxes on third parties, collected by Prysmian on behalf of the public administrations using agency and similar mechanisms<sup>23</sup>.

The taxes borne and collected are categorized as follows<sup>24</sup>:

- **Profit taxes** – income taxes<sup>25</sup>;
- **People taxes** – payroll taxes;
- **Product taxes** – taxes on products and services;
- **Property taxes** – property and related taxes;
- **Planet taxes** – environmental taxes.

<sup>22</sup> It should be noted that as the data were not available on a timely basis and given their irrelevance in terms of amount, for representative purposes the data on permanent establishments are reported in the tax residence jurisdiction of the entity to which they belong (the "Main Entity").

<sup>23</sup> Despite not representing a cost for Prysmian, these taxes are included as part of the TTC because they also derive from the economic activities carried out.

<sup>24</sup> 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 levied on a third party (e.g. withholdings on interest, royalties).

**People – payroll taxes:** this category includes all payroll-related taxes, including income taxes and social security contributions. The taxes levied on the employer are considered to be taxes borne (e.g. social security contributions, health insurance, pensions, disability contributions), while the taxes levied on workers are considered to be taxes collected (e.g. personal income taxes and social security contributions charges to workers, which are usually withheld by the employer).

**Products – taxes on products and services:** indirect taxes applied to the production, sale or use of goods and services, including taxes and tariffs levied on trade 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 duties, taxes on insurance contracts; non-deductible VAT) and taxes collected (e.g. net VAT paid).

**Property – property taxes:** taxes on ownership, usage or the transfer of tangible or intangible assets. This category comprises both taxes borne (e.g. taxes on ownership and the use of property; taxes on capital applied to increases in risk capital, transfer taxes on the purchase or sale of assets, equity and capital transactions; registration taxes; stamp duty on the transfer of property; stamp duty on the transfer of shares) and tax collected (e.g. taxes on lease payments collected by the lessor and paid to the government).

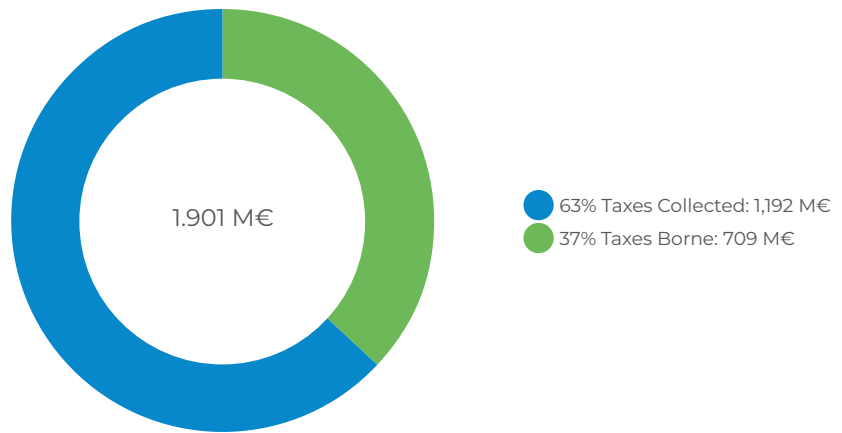
**Planet – environmental taxes:** taxes and levies on energy products (includes vehicle fuel); on motor vehicles and transport services; and on the supply, use or consumption of goods and services considered to damage the environment. Examples of planet taxes include: taxes and excise duty on electricity and gas, taxes on the production of nuclear fuels, carbon taxes and taxes on hydrocarbons.

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

<sup>25</sup> Consistent with the *Total income tax paid (on cash basis)* reported in the table containing the GRI 207-4 data, Profit Tax Borne does not include the taxes on dividends received from other group entities.

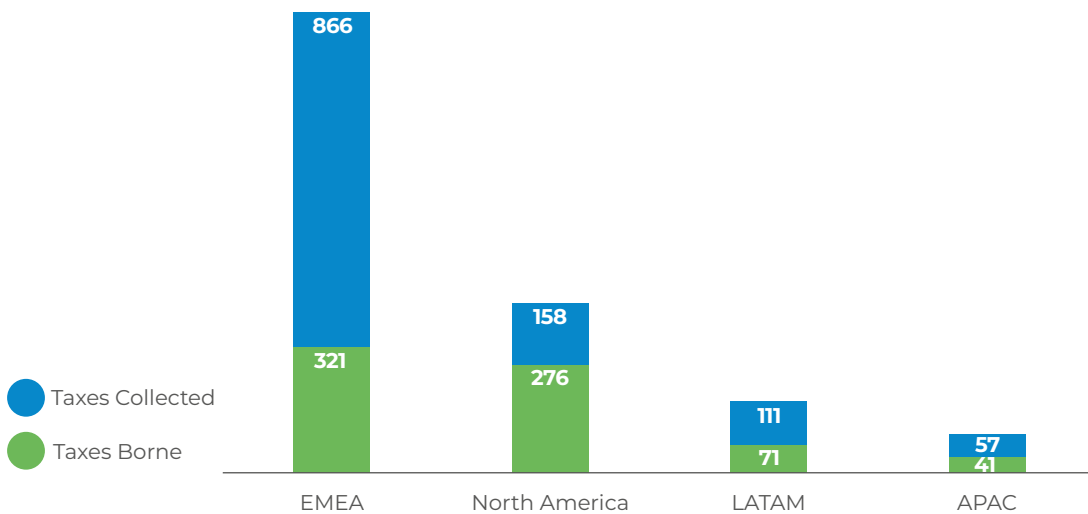
The total tax contribution made by Prysmian in 2023 amounted to Euro 1,901 million: 63% collected and 37% borne.

**2023 Total taxes paid**



The total tax contribution is spread among the four geographical areas in which the Group operates, in a manner consistent with the distribution of revenue and the level of employment: EMEA represents 62% of the Group’s total contribution, NORAM 23%, LATAM 10% and APAC 5%.

**2023 Distribution of the total contribution**



Compared with 2022, the total tax contribution has risen by Euro 224 million (+13%).

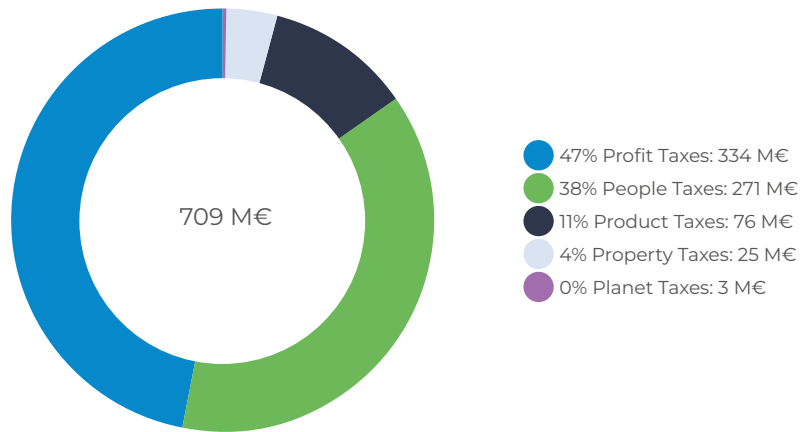
This increase comprises both higher taxes borne and higher taxes collected and mainly involved (i) profit taxes borne of Euro 95 million, (ii) people taxes borne of Euro 26 million and (iii) people taxes collected of Euro 103 million. Geographically, the increase in TTC concerned, albeit with varying degrees of intensity, EMEA, NORAM and LATAM. Please refer to the analysis regarding the main countries in which the Group operates for an overview of the main factors that triggered the trends in the different tax categories.



## Taxes borne

In 2023, taxes borne amount to Euro 709 million. The main share is related to profit taxes, accounting for 47%. People taxes and product taxes account for 38% and 11% of total taxes borne, respectively. Of lesser importance are property taxes (4%) and planet taxes (less than 1%).

### Tax borne

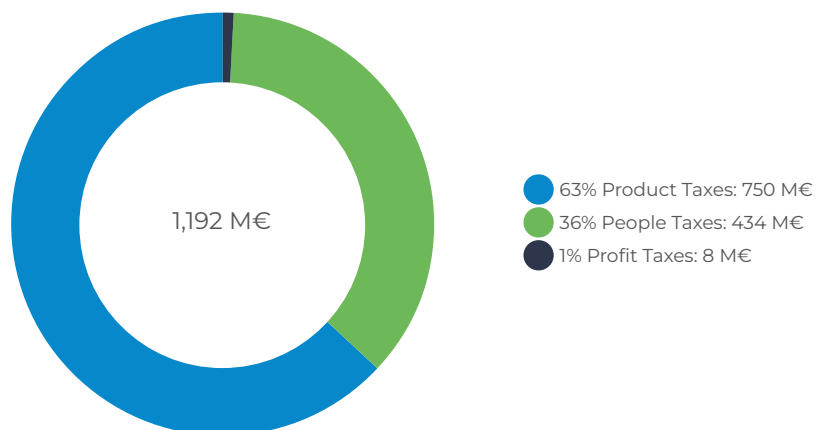


Compared to 2022, taxes borne increased by about Euro 106 million (+18%), mainly due to the increase in profit taxes and people taxes.

## Taxes collected

In 2023, taxes collected amount to Euro 1,192 million. The main share is related to product taxes, accounting for 63%. On the other hand, people taxes account for 36% of total taxes collected. Of less significance are profit taxes (1%) and other taxes (which individually account for less than 1%).

### Tax collected



Compared to 2022, taxes collected increased by about Euro 119 million (+11%) mainly due to an increase in people taxes.

## Focus on the 10 main countries in which the Group operates

The total tax contribution is mainly concentrated in Brazil, Canada, the United States, France, Germany, Italy, the Netherlands, Spain, the United Kingdom and China, consistent with the distribution of revenues and the number of employees.

These ten countries, together making a tax contribution of about Euro 1,404 million, or roughly 74% of the total for the Group, in fact generate about 72% of the Group's revenues and employ 65% of all personnel.

Details are provided below of the total tax contribution for 2023 and for comparative purposes for 2022 for main countries.

**Table analyzing the total tax contribution in 2023 by geographical area (Euro/million)**

2023	North America	Canada	United States	LATAM	Brazil	Other	EMEA	France	Germany	Italy	Netherlands	Spain	United Kingdom	Other	APAC	China	Other	Total
<b>Tax Borne</b>	<b>280</b>	<b>30</b>	<b>250</b>	<b>67</b>	<b>18</b>	<b>49</b>	<b>323</b>	<b>72</b>	<b>21</b>	<b>83</b>	<b>8</b>	<b>24</b>	<b>16</b>	<b>99</b>	<b>39</b>	<b>17</b>	<b>22</b>	<b>709</b>
Profit	227	26	201	24	2	22	72	2	1	31	1	4	5	28	11	5	6	334
People	34	3	31	21	11	10	201	62	17	49	6	17	7	43	15	8	7	271
Product	9	-	9	20	4	16	33	4	3	1	-	1	1	23	14	4	10	76
Property	9	1	8	1	-	1	14	5	-	2	-	2	2	3	1	1	-	25
Planet	-	-	-	-	-	-	3	-	-	-	1	-	-	2	-	-	-	3
<b>Tax Collected</b>	<b>162</b>	<b>40</b>	<b>122</b>	<b>107</b>	<b>34</b>	<b>73</b>	<b>869</b>	<b>86</b>	<b>92</b>	<b>178</b>	<b>96</b>	<b>111</b>	<b>86</b>	<b>220</b>	<b>55</b>	<b>10</b>	<b>45</b>	<b>1,192</b>
Profit	-	-	-	3	1	2	5	-	-	3	-	-	-	2	-	-	-	8
People	111	15	96	46	11	35	259	31	27	106	14	21	19	41	18	7	11	434
Product	50	25	25	58	22	36	606	55	65	69	82	90	67	178	37	3	34	751
Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Tax contribution</b>	<b>442</b>	<b>70</b>	<b>372</b>	<b>174</b>	<b>52</b>	<b>122</b>	<b>1,190</b>	<b>158</b>	<b>113</b>	<b>261</b>	<b>105</b>	<b>135</b>	<b>103</b>	<b>315</b>	<b>95</b>	<b>27</b>	<b>68</b>	<b>1,901</b>

Table analyzing the total tax contribution in 2022 by geographical area (Euro/million)

2022	North America	Canada	United States	LATAM	Brazil	Other	EMEA	France	Germany	Italy	Netherlands	Spain	United Kingdom	Other	APAC	China	Other	Total
<b>Tax Borne</b>	<b>183</b>	<b>18</b>	<b>165</b>	<b>73</b>	<b>15</b>	<b>58</b>	<b>307</b>	<b>63</b>	<b>38</b>	<b>81</b>	<b>7</b>	<b>19</b>	<b>13</b>	<b>86</b>	<b>40</b>	<b>17</b>	<b>23</b>	<b>603</b>
Profit	137	14	123	20	1	19	72	4	1	40	1	1	3	22	9	5	4	238
People	31	3	28	17	8	9	182	51	30	39	5	15	6	36	14	7	7	244
Product	7	-	7	35	5	30	35	3	7	1	-	-	-	24	18	5	13	95
Property	8	1	7	1	-	1	13	5	-	2	-	2	2	2	1	1	-	23
Planet	-	-	-	-	-	-	3	-	-	-	1	-	-	2	-	-	-	3
<b>Tax Collected</b>	<b>122</b>	<b>25</b>	<b>97</b>	<b>76</b>	<b>27</b>	<b>49</b>	<b>817</b>	<b>95</b>	<b>98</b>	<b>102</b>	<b>85</b>	<b>94</b>	<b>84</b>	<b>259</b>	<b>59</b>	<b>7</b>	<b>52</b>	<b>1,074</b>
Profit	-	-	-	4	1	3	1	-	-	-	-	-	-	1	1	-	1	6
People	87	14	73	41	9	32	184	22	34	55	13	14	14	32	17	6	11	329
Product	35	10	25	31	17	14	631	73	64	46	72	80	69	227	42	2	40	739
Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Tax contribution</b>	<b>305</b>	<b>42</b>	<b>263</b>	<b>149</b>	<b>42</b>	<b>107</b>	<b>1,124</b>	<b>159</b>	<b>136</b>	<b>183</b>	<b>92</b>	<b>112</b>	<b>96</b>	<b>346</b>	<b>99</b>	<b>24</b>	<b>75</b>	<b>1,677</b>

In general, in the top ten countries where Prysmian operates, an increase in taxes paid can be observed between 2023 and 2022. This increase is mainly attributable to two factors: (i) the increase in people taxes borne and collected due to the increase in salaries for the year, applied in accordance with the Group's Remuneration Policy and Incentive Plans, which in some countries is associated with increased employment levels; and (ii) higher profit taxes borne attributable to the increasing trend in taxable income over the years and the mechanisms for paying these taxes.

From a more detailed analysis, the most significant changes in the tax contribution in the ten main countries where Prysmian operates concern:

- **Canada**, where there is an increase in taxes paid, both borne and collected, due to (i) higher profit taxes borne of Euro 13 million attributable to payments made in 2023 in relation to 2022, a tax period in which an increase was recognized in taxable income and (ii) higher product taxes collected of Euro 14 million due to an increase in the level of transactions subject to this type of tax;

- The **United States of America**, where there is an increase in taxes paid, both borne and collected, due to (i) higher profit taxes borne of Euro 78 million attributable to the income tax payment mechanism and, in particular, balance payments made in 2023 relating to 2022, a tax period in which an increase was recognized in taxable income, and (ii) higher people taxes collected of Euro 22 million attributable to an increase in remuneration recognized to employees;
- **Brazil**, where there was an increase in taxes paid, both borne and collected, as a result of (i) higher people taxes borne of Euro 3 million attributable to both an increase in remuneration paid to employees and an increase in employment levels, (ii) higher product taxes collected of Euro 4 million consistent with the increase in revenues and (iii) higher people taxes collected of Euro 2 million for the same reasons as those described in relation to people taxes borne;
- **France**, where there was (i) an increase in taxes borne as a result of higher people taxes borne of Euro 11 million relating to an increase in the remuneration paid to employees and (ii) a decrease in taxes collected as a result of lower product taxes of Euro 18 million, consistent with the contraction in revenues despite a Euro 9 million increase in people taxes collected attributable to higher salaries;
- **Germany**, where there is a reduction in taxes borne due to lower people taxes of Euro 12 million compared to 2022, when extraordinary contributions were made to employee pension funds. The total amount of taxes collected remains almost stable due to the effect of (i) lower people taxes of Euro 5 million for the same reason as that described in connection with people taxes borne and (ii) higher product taxes of Euro 5 million relating to the increase in domestic revenues on which these types of taxes apply;
- **Italy**, where there is a slight increase in taxes borne and a more significant increase in taxes collected. With regard to taxes borne, we note (i) higher people taxes of Euro 13 million attributable to both an increase in the remuneration paid to employees and an increase in employment levels and (ii) lower profit taxes of Euro 11 million compared to 2022, the year in which taxes relating to previous years were paid. On the other hand, with regard to taxes collected, there are (i) higher people taxes of Euro 47 million due to the same reasons as those described in relation to people taxes borne and (ii) higher product taxes of Euro 18 million consistent with the increase in revenues.
- **Spain**, where there is an increase in taxes paid, both borne and collected. Taxes borne increased as a result of (i) higher profit taxes borne of Euro 3 million and (ii) higher people taxes of Euro 2 million attributable to both an increase in remuneration paid to employees and an increase in employment levels. Taxes collected increased due to (i) higher product taxes collected of Euro 10 million attributable to an increase in the level of transactions subject to this type of tax and (ii) higher people taxes of Euro 7 million for the same reasons as those described in connection with people taxes borne.
- The **Netherlands**, where there was mainly an increase in taxes collected due to (i) higher product taxes of Euro 11 million consistent with the increase in revenues and (ii) higher people taxes of Euro 4 million attributable to an increase in remuneration recognized to employees;
- The **United Kingdom**, where there is an increase in taxes paid, both borne and collected. Taxes borne increased as a result of (i) higher profit taxes of Euro 2 million and (ii) higher people taxes of Euro 1 million attributable to an increase in remuneration recognized to employees. Taxes collected increased due to the combined effect of (i) higher people taxes of Euro 5 million due to the same reasons as those described in connection with people taxes borne and (ii) lower product taxes in the amount of Euro 3 million, correlated with the decline in revenues.
- **China**, where there is mainly an increase in taxes collected due to higher people taxes of Euro 2 million.

## International Tax Reform – Pillar Two

As better described in Section B. ACCOUNTING PRINCIPLES of the Explanatory Notes, the Organization for Economic Cooperation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (OECD/G20 BEPS) has released the Pillar Two anti-Base Erosion rules ("Pillar Two") aimed at addressing the tax challenges arising from the digitization of the global economy through four new tax mechanisms, requiring multinational enterprises with consolidated revenues exceeding Euro 750 million to pay a minimum level of income taxation.

The rules of Pillar Two, applicable from the fiscal year 2024, have been substantially adopted by various jurisdictions in which the Group operates. Therefore, the Group falls within the scope of application of the substantially adopted Pillar Two rules and has assessed its potential exposure to these rules based on tax declarations, country-by-country reporting, and the most recent financial statements of Group companies.

Based on this assessment, it has been determined that, for the majority of jurisdictions in which the Group operates, the effective tax rate is higher than 15%. However, there might be a limited number of jurisdictions where the exemption provided by the safe harbor is not applicable, and the tax rate for Pillar Two purposes is close to 15%. The Group, demonstrating its transparency in tax matters and a policy not geared towards evasive strategies, does not anticipate a significant impact from the exposure of these jurisdictions to Pillar Two regulations.

## 3.3 Cybersecurity

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

*Below is the identified risk and related mitigation actions pursuant to Italian Legislative Decree 254/2016 (Consolidated Non-Financial Statement).*

---

### **Risk identified:**

In a rapidly changing world where information has significant value and there is 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 have a serious impact 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 with regulatory requirements.

This complexity is particularly relevant for manufacturers that continue to focus on significant innovation in products, services, production processes and industry ecosystems in order to be competitive in a changing global marketplace, adopting new technologies to ensure customer centricity and increase value-added services as well as business efficiency.

Prysmian carried out a quantitative assessment, including scenario or sensitivity analyses, of the impact of cyber-attack risk on manufacturing operations, considering the entire life cycle of assets, the increasing use of IoT systems in operations, and the likely acceleration of these technologies due to energy transition programs.

Based on the “possible” future scenarios defined by the IEA, this analysis confirms a medium impact in the mid-term, with rising operating costs and a medium to high impact in the long term.

### **Mitigation actions:**

In this context, Prysmian has developed its Information Security Strategy, the main objective of which is to establish general guidelines for effectively and efficiently managing, monitoring and protecting the Group’s information assets.

The Group’s Information and IT Security structure consists of a Cyber Security Competence Center that reports directly to the Chief Information Security Officer (CISO), a member of the headquarters HR staff.

Also in accordance with the NICE and ECSF frameworks, to provide a common descriptive language and enable workforce continuity, the unit is divided into five areas of specialization based on activities, expertise, knowledge and professional roles:

1. Security Culture, Governance and Assurance;
2. Security Architectures and Engineering;
3. Security Operations and Analysis;
4. Security Digital Forensic and Incident Response;
5. Industrial Control Systems Security.

The organizational structure calls for the involvement of the Lines of Business in IT security activities through the Information Security Committee, chaired by the SVP Industrial Relations & Employment Governance & Security (CSO) and permanently consisting of the Group CIO and Chief Digital Officer, the Chief Risk & Compliance Officer, the Director of Internal Audit, the SVP Group Operations, the Chief HR and Organization Officer as well as the CISO.

The Group has adopted a comprehensive set of policies, procedures and operating instructions with the aim of managing and governing, at different levels of detail, issues and processes related to information security, in application of the Information Security Strategy and its Framework.

Security documents, such as policies, procedures and operating instructions, are systematically revised and shared with employees, published on the corporate intranet and made available via specific on-line training. Documents related to security, such as policies, procedures, operating instructions, and recommendations, are systematically revised and shared with employees, published on the corporate intranet and made available via specific on-line training. In 2023, the Group's second Cyber Security program was completed, the three-year strategic roadmap was successfully implemented, and activities aimed at strengthening information security and consolidating the maturity achieved were carried out through a set of actions to reduce overall cyber and compliance risks.

Some significant initiatives carried out during the year:

1. The operation of the newly acquired security technologies was consolidated, significantly maintaining the Group's overall level of security, ensuring that increased and exacerbated emerging technological risk is adequately limited and managed: the necessary and ongoing updating of the corporate controls and processes designed to safeguard information assets provides further protection of industrial know-how and competitiveness in the market. The current reliable and well-established technology stack makes it possible to weigh fully the interplay between IT security, privacy, ethics and transparency, in order to better represent the values of each component and fully meet Company expectations, fostering cross-organizational cooperation.
2. An organization's cyber capabilities grow as employees understand more about cyber risks and their role and responsibilities in recognizing and managing them. The online training courses and "Cyber Security Culture" readiness exercises (simulated attacks with a personal impact) are mandatory for all employees. Covering the new and emerging risks, they include those associated with the extensive use of remote working. Since 2023, blue-collar categories have also received compulsory training in production- and factory-related risks, while over 90% of new hires have successfully completed specific on-boarding training. The enhancement of periodic multi-channel campaigns (via e-mail and through corporate social media) has further facilitated the learning, processing and consolidation of content, making training even more engaging and effective.
3. Alongside the established training provided to all Group employees, the first Qualified Information Security Training Program was held in 2023. The program is aimed at individuals in those functions that work most closely with Security and play a significant and synergistic role, in their own function, for Group Security. Already in its first year, the Program has been an important step for improving the integrity and value of corporate security, in the different lines of business, as well as an opportunity to develop personal and professional expertise at both technical and cultural levels in Cyber Security. In 2023, 12 colleagues successfully completed the three progressive level trainings conducted in cooperation with RINA Academy, completing the Program until they obtained the ISO27001:2022 Lead Auditor qualification.
4. The year's geopolitical events confirmed the accuracy of the strategies established in 2022; information security tactics and operational activities around the world responded effectively to both the changes that have occurred and the persistence of conditions of consolidated increased risk. The need for a strategic vision to understand and limit the risks triggered by unpredictable cyber weapons and rampant information wars has been fully reflected in the activities of the Information Security Committee. The Committee met 6 times during the year, to monitor continuously the development of major events, highlight and document threats, analyze and inform the business lines involved, and supervise and sponsor specific activities and initiatives at the branches in the countries concerned.

The process of managing IT security risks is based on the ISO/IEC 27005 international standard and extends the existing general process for the management of business risks adopted by the Group. This process attaches proper importance to security measures, linking them with known threats and risks, and draws on the results of the analysis driven by the Threat Model.

After this analysis, the risks considered unacceptable with respect to the Group's risk profile will be mitigated by defining and implementing risk management actions, which will be appropriately prioritized with reference to the levels of risk identified. Dependency on Group vendors and on outsourced products and services for the support of critical IT operations increases the Company's exposure to cyber risks and attacks. The latest and most advanced vectors of cyber-attacks are directed at suppliers, making additional requirements for constant supervision and monitoring of the security of the Group's third parties necessary.

The Group is continuously and consistently monitoring the security of its digital footprint with the support of cyber scoring agencies and this discipline is applied across the extended ecosystem: the primary scoring agency is Security Scorecard which has measured the maturity of corporate security in 2023 with a stable score of 89 (out of 100).

This score is calculated in real time using a proprietary algorithm that examines two extrinsic, observable classes of data: configuration information (which represents the diligence of a company in implementing risk mitigation best practices) and security events recorded (such as system compromise, data breach, breach of confidentiality or breach of information integrity). Security incidents as well as identifiable and attributable vulnerabilities can have a negative impact on the overall assessment and must be considered and resolved in a timely manner. The Group is committed to ensuring and maintaining a score that exceeds 85/100.

If the risk factors are not properly managed with corrective measures and action plans, the confidentiality, integrity and availability of Group information cannot be properly protected.

This may result in damage or financial losses (loss of market competitiveness due to margin reduction or cost increases), brand reputational losses, operational losses (business interruption or process delays) and legal losses (non-compliance with regulations, laws and contractual requirements).

At the beginning of 2019, the Group defined and adopted a series of performance indicators to evaluate the level of information security. By systematically using KPIs and KRIs, Prysmian can obtain a continuous and updated overview of security, detecting potential deficiencies and addressing them in a timely manner.

These indicators cover all areas of the information security framework defined at Group level, targeting two different needs: business metrics provide the management with the clearest and most direct status information, while technical metrics measure the efficiency and adequacy of the technological solutions adopted.

Once again during 2023 the Information Security Committee supervised the operating plans for the implementation of planned initiatives, with periodic updates.

In 2023, about 100 information security events ("incidents") of varying severity were managed every month. In addition, 31 Internet domains used for malspam, phishing and ransomware campaigns were identified and reported to the competent authorities.

Furthermore, each month more than 200 security clearances were issued, authorizing significant changes to IT systems or providing access to the company's critical resources. Lastly, 26 internal investigations were conducted to contain and prevent theft and fraud, and to tackle potential reputational damage.

Prysmian, a strategic business for its national and European know-how, has continued the collaborations envisaged by its membership of associations and consortia, as well as under conventions with domestic and international institutions, in the form of information sharing about significant cyber events, including attacks on its own IT infrastructure. Growing concerns about an increasingly fragmented and unpredictable world have also triggered a major change in the perceived effectiveness of the cyber security and privacy regulations.

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

In 2023, certification of Prysmian S.p.A.'s ISO/IEC 27001:2013 information security management system was confirmed by Bureau Veritas in the areas of Cyber Security, Information Security and Incident Management. Regarding the governance of foreign subsidiaries, Cyber Essentials and Assurance certifications were confirmed in 2023 for the UK subsidiaries and Level 1 CMMC compliance for the Group's U.S. subsidiaries.

### Autonomous indicators

Description	UM	2023	2022	2021
Number of Information Security training courses	Number	27	18	13
Avg time for high-risk vulnerability resolution	Weeks	15	15	17
Percentage of log sources integrated with SIEM31 (*) solution	Percentage	89	89	83
Number of Security incidents	Number	1,199	707	780
Percentage of cyber-attacks on total security incidents	Percentage	1	3	7
Avg time for forensic activities after an incident	Hours	4	4	4

(\*) Security software that helps recognize potential security threats and vulnerabilities before they have a chance to disrupt business operations



04



# ENVIRONMENTAL RESPONSIBILITY

Prysmian's ambition is to be the global benchmark in sustainability. And we nurture this ambition every day with concrete actions. We are working to be the technology player of choice in the low-carbon transition. Our investments are aimed at increasingly improving sustainability throughout our entire value chain to accelerate the development of cutting-edge cable technologies, assets and services. We are committed to the development of greener and smarter electricity grids, with the awareness that thinking green means thinking about digitalization. Because it will only be possible to create a virtuous and sustainable economy if it goes hand-in-hand with new technologies and an efficient system of information flows.



- Euro 25,000,000 of environmental investments in 2023
- A- rating in the CDP environmental reporting system in 2023 (Leadership band)
- 9,631,104 GJ (-3.4% vs previous year) of energy consumed in 2023
- 72% (+1% vs previous year) waste sent for recycling in 2023
- WASH PLEDGE signed, in line with Group HSEE policy commitments

The following paragraphs describe the environmental risks identified and the associated mitigation actions pursuant to Italian Legislative Decree 254/2016 with reference to the 2023 material topic: "Sustainable innovation and circularity."

---

### **Risk identified**

Environmental risks

### **Description of risk**

The Group's manufacturing activities are subject to specific environmental regulations. These include the management of raw materials, energy resources, hazardous substances, water discharges, atmospheric emissions and waste, as well as the prevention of pollution and minimization of the impact on environmental matrices (soil, sub-soil, water resources, atmosphere, biodiversity and impacts on nature).

Furthermore, changes in these regulations tend to impose increasingly stringent requirements on firms, often calling for improvements in technology (best available techniques) and the relevant risk prevention systems, which generate additional costs. For these reasons, despite the Group's strong, ongoing commitment to environmental protection, its business operations might still have an impact on environmental matrices, with possible implications for the continuity of production and economic and reputational consequences.

### **Mitigation actions adopted**

The Group is actively committed to safeguarding and protecting the environment and conserving natural resources, in order to create sustainable value for the benefit of both the organization and our stakeholders. The Group's commitment to these aspects is expressed not only by the intrinsic characteristics of our products, but also by how our production systems are managed. In particular, the prevention and reduction of their environmental impact is achieved, for example, by the efficient use of natural resources, the optimization of logistics flows and the responsible management of waste. Prysmian's commitment is evidenced, both internally and externally, by communicating and applying its Health, Safety, Environment and Energy policy, (as explained in the section dedicated to Circularity). In order to prevent and mitigate environmental risks, the Group has adopted an ISO14001-certified environmental management system at 98% 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 line with best available techniques (BAT), collects and analyses environmental data using a centralized platform, monitors the exposures to risk using specific indicators, organizes specific training and carries out audit work at the production locations.

In line with the HSEE Policy, the centralized HSE management system (compliant with the ISO 14001 and ISO 45001 standards) is being updated to integrate Energy (in accordance with the requirements of the ISO 50001 standard), and by the end of 2024 will be adopted by all Group business units in the new HSEE version. Meanwhile, over 12% of sites have already implemented the Energy Management System by obtaining ISO 50001 certification, in several countries such as Germany, Turkey, the Netherlands, Costa Rica, Colombia, France and Hungary, in addition to at the Milan Headquarters.

---



## 4.1 Environmental performance of Prysmian



**At the end of 2023, the percentage of ISO14001-certified production sites, concerning Environmental Management Systems, is 98%, while the ISO45001-certified ones, concerning Health and Safety Management Systems, is 75%. Various types of organizational unit within the Group have also been certified, such as R&D, installation activities, and assembly and distribution centers, etc., adding up to 6 ISO 14001 certificates and 6 ISO 45001 certificates.**

The Group promotes the integrated use of ISO 9001-45001-14001-50001 Management Systems, IT system support, the definition of specific targets and key performance indicators (KPIs) for individual Regions or Business Units, as essential elements in the sustainability path of all its companies, in line with the commitments undertaken at Group level.

The matters identified during periodic internal audits or visits by external bodies are managed directly by the sites concerned, which determine the actions to be implemented and the related timing. Where it is not possible to meet the deadline set for compliance, the management at the sites concerned arranges, with support from the country HSE function, to contact the supervisory bodies, confirming the willingness of Prysmian to implement the necessary measures and justifying the request for an extension of the original deadline.

Market requirements for environmental product assessment were also met during 2023, most of which consisted of certified Environmental Product Declarations (EPDs) or, as the case may be, "Carbon Foot Print" (CFP) certifications or the maintenance of previous certifications, according to the needs expressed by certain customers in their tender access requirements as well as internally for various types of initiatives. From the methodological perspective, as required by the related regulations, EPDs evidence an in-depth study of the environmental impact of the products concerned, considering all phases in their life cycle from the manufacture of their raw materials to their end-of-life and transmission into waste, including the related production processes, as well as installation and usage (Life Cycle Assessment – LCA). EPDs do not merely calculate the carbon footprint (represented by greenhouse gases), but extend the analysis to around 20 other environmental impacts. The assessments and certifications were conducted in accordance with the specific EPD Product Category Rules (PCRs) devised by Program Operators in the various countries, selecting those applicable depending on the case and as requested for competitive tendering.

With this year's contribution, certified EPDs totaled about one hundred, covering roughly 120 cables and conductors, mostly low and medium voltage, manufactured by Prysmian in Brazil, France, Italy, Romania and Spain. The results of 200 other cables are assumed by extrapolation. In addition, LCA environmental impact studies on high-voltage cables manufactured in China are currently underway for EPD certification purposes.

Work to prepare, issue and certify EPDs will continue to expand in the near future, in order to cover an increasing number of product families. Indeed, with a view to continuous improvement, a broader strategy is being prepared to direct actions toward an increasingly proactive approach, which – with a view to the future – will consist of the implementation of a group-wide EPD management system, with a range of responsibilities and roles both centrally and peripherally, based on the implementation of certified systems for the large-scale assessment of the environmental impact of EPD-compliant products. To this end, different alternatives will be evaluated to establish the Group's objectives regarding the EPD coverage of parts of the product portfolio.

Note that from 2021 onwards, the performance indicators used by operational functions to evaluate investments and industrial projects include GHG emission savings, where applicable, as an indicator of their actual environmental benefit, in addition to their energy and economic efficiency. Energy Audits that are periodically conducted in different countries provide information on possible areas of improvement and energy savings and GHG emission. In 2023, more than 20 Energy Audits were carried out at the Group's production units, pursuant to specific legislation or within the framework of the Energy Management System (ISO 50001), to verify the adequacy of the Energy Management System, the achievement of established objectives and the effectiveness of the energy efficiency measures already implemented or to be implemented. It should be noted that during the last year, the Internal Audit function also conducted several audits to assess the adequacy of ESG issue management in Prysmian business units, including Energy Efficiency.

# Environmental investments



In 2023, Group investments dedicated to HSE projects, including work on energy efficiency, the reduction of direct GHG emissions and the optimization of both the management of water-based cooling systems and the management of waste, involving circularity initiatives, amounted to about Euro 25 million.

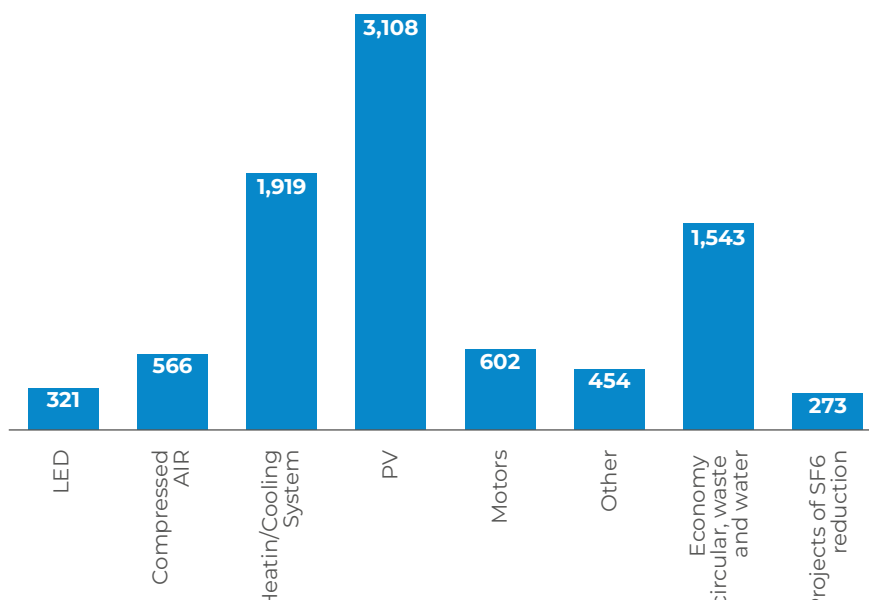
Of these, more than Euro 7 million is related to “GHG Emission Reduction and Energy Efficiency” projects and initiatives, and more than Euro 1.5 million are related to waste management, activities associated with the circular economy and water resource management.

Prysmian participated in the Carbon Disclosure Project (CDP) global environmental reporting system, disclosing data on its emissions, climate change risks and opportunities and emission reduction targets, in addition to publicizing its environmental management initiatives, particularly those aimed at reducing its carbon footprint. In 2023, the Group received an “A-” rating, positioning it within the Leadership bracket and ahead of the European average rating of “B”. Amongst the multiple targeted emission reduction initiatives, the project to reduce SF6 was approved centrally at the end of 2021, with a view to cutting the CO<sub>2</sub>eq emissions associated with the use of this gas by 90% over roughly 5 years

In 2023, activities continued at the Livorno, Gron and Montereau sites: thanks to the significant efforts made, the involvement of every organizational level in managing and monitoring SF6 consumption (especially in product testing activities) and the implementation of specific measures including, the introduction of alternative gases, direct emissions associated with SF6 were reduced by more than 75% compared to the end of 2022.

The project will continue in the coming years until the established reduction targets are met.

## Environmental investments (K Euro)



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 factories, including sites that are currently not required by law to perform energy audits;
- development of energy efficiency projects at local and global level;

- periodic plant visits to verify their compliance with the rules and standards defined;
- specific training sessions for all Prysmian personnel involved in energy management, including raising awareness about energy saving and emission reduction issues, for which the Group has set reduction targets in accordance with the SBTi (Science-Based Target initiative) that include a Net-Zero target for Scope 1 and 2 emissions by 2035.

The **energy efficiency projects** launched or continued in 2023 covered different areas of interest: amongst the known workstreams, the implementation of LED lamps in the last remaining unequipped factories in LATAM, North America and Northern Europe continued in the course of 2023, until covering all of the group's factories. Similarly, the replacement of motors (from DC to AC) and boilers or compressors with more energy-efficient machinery continued at several factories, with a particular focus on the American (Marshall, Williamsport, Lincoln) and Central European (Balassagyarmat, Slatina, Neustadt) areas. Additional investments were made for monitoring the condition of compressed air supply/distribution equipment, leak detection and subsequent maintenance.

One project that was already partially initiated but was significantly accelerated in 2023 is the **implementation of photovoltaic systems**. In addition to the Arco Felice system, which is already in operation, during 2023 the Vilanova (Spain), Neustadt (Germany) and Pignataro (Italy) factories also successfully started up their own plants: the same is happening at the Slatina (Romania) factory, with the system set to begin operating in Q1 2024. These five capitalized systems will generate a combined total of 8.7 GWh per year.

In parallel with owned systems, in the course of 2023 Prysmian intensified its activities to launch additional photovoltaic systems built under lease, through multi-year agreements with suppliers and on-site installations, both on the roofs of its plants and on any adjacent vacant land. Thus, the Morelena (Portugal) and Abrera (Spain) systems were launched in this mode: the former operating as of October 2023, the latter as of January 2024, with a total generation of 2.8 GWh per year. These two leased systems join the first one already operating in Kistelek (Hungary) since mid-2022, alone equivalent to 3.3 GWh per year. Similar initiatives have already been identified and evaluated and are currently being launched in China, Germany and other Group regions. At the same time, in order to increase its renewable energy production, a call for tenders for an **off-site Power Purchasing Agreement** has been launched for the companies in Italy: the call for tenders is expected to close in early 2024.

Lastly, Prysmian is initiating specific work streams aimed at **optimizing electricity use**: one of them is the installation of the Prycam, an energy monitoring tool that Prysmian produces and markets and capable of detecting the energy consumed in real time and sending data (and alarms) to a display platform. During the second half of 2023, the first 150 devices were installed in strategic machines, in four of the Group's European factories: the goal is to reach 2,000 units installed in Q1 2024, and at the same time to launch efficiency projects deriving from an analysis of the information gathered.

## Environmental data reporting

*The following sections describe the risks identified and the associated mitigation actions pursuant to Italian Legislative Decree no. 254/2016 with reference to the 2023 material topic: "Facilitating decarbonization to achieve Net-Zero and digitalization".*

### Risk identified

Risk linked to the emission of greenhouse gases, including increased operating costs caused by the introduction of a carbon tax or the application of the Emission Trading Scheme

### Description of risk

This risk has been analyzed considering a possible increase in production costs that could result from the adoption of more restrictive GHG emission laws and regulations, both in the form of taxation (carbon taxes) and participation in the emissions market (Emission Trading Schemes – ETS). Prysmian carried out an in-depth analysis to assess the impact of that risk in relation to the Group's direct GHG emissions (Scope 1), considering current policies and those announced by governments and supranational organizations in the areas in which it operates. The exposure to risk over the 2022–2035-time horizon and with respect to the IEA scenarios analyzed – STEPS, APS, SDS and NZE – does not appear critical overall, with a low impact over the medium term and a medium impact over the long term, although the impact on operating costs could vary markedly across geographical areas. 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 constantly monitor changes in the laws and regulations governing GHG emissions at an international level, especially in the countries where its production plants are located. In addition, the Group has established a strategic plan, reflected in the Sustainability Scorecard, which includes quantitative targets for reducing greenhouse gas emissions, amongst others. Emission reduction targets have been scientifically validated by the Science-Based Target initiative (SBTi).

---

### **Risk identified**

Risks linked to the increased severity of extreme weather events

### **Description of risk**

The Group constantly monitors the exposure of all its production sites, considering the entire life cycle of the assets, to such weather events as storms, floods, hail etc. using CatNet®, a profiling tool that measures the exposure to geo-specific risks developed by Swiss Re. An exposure assessment with an extended time horizon to 2035 in a conservative scenario of high CO<sub>2</sub> emissions (RCP 8.5) was carried out using this tool, confirming a low overall exposure. Lastly, a sensitivity analysis was carried out for the 2023-2040 period, assuming a further increase in the severity and frequency of the extreme weather events that have affected Group assets over the past 20 years. This analysis confirmed medium exposure to this risk, involving increased operating costs. The assessment of risks linked to the increased severity of extreme weather events has been extended to the entire supply chain, for both upstream and downstream activities, considering a selection of strategic suppliers and customers.

### **Mitigation actions adopted**

The Group has a well-established loss prevention program at all its production factories, which seeks to foresee and mitigate material losses and stoppages caused by extreme events, not least by monitoring changes in the weather. Additionally, risk mitigation actions include a Group agreement with an international company specialized in disaster recovery & restoration services, as well as insurance cover for both direct losses and loss of profits due to production stoppages. The assessment of third-party sustainability risks, including risks linked to the increased severity of weather events, is a fundamental part of the entire supply chain management process.

---

### **Risk identified**

Risks linked to the rise in sea level (climate change)

### **Description of risk**

Since 2017, the Group has monitored the risk of climate change and, in particular, of rising sea levels, with a view to evaluating the potential impact on all production locations, considering the entire life cycle of key assets. A detailed analysis of the exposure to rising sea levels is carried out every year, supporting the analyses performed using CatNet®, a profiling tool that measures the exposure to geo-specific risks developed by Swiss Re, with the analyses performed using Aqueduct, a web platform made available by the World Resources Institute (WRI), in a conservative high CO<sub>2</sub> emissions scenario (RCP 8.5).

The analysis confirmed, over a time horizon extending out to 2080, the absence of direct impacts on the Group's production plants. 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 factories (< 2%). The impact, mainly in the form of increased operating costs or lost sales, would be low. The exposure will be monitored so that action can be taken ahead of time, including the introduction of additional control systems, where necessary. The assessment of risks linked to the rise in sea level has been extended to the entire supply chain for both upstream or downstream activities, considering a selection of strategic suppliers and customers.

### **Mitigation actions adopted**

The Group has a well-established loss prevention program at all its production factories, 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, an agreement has been reached with an international company specialized in disaster recovery & restoration services and insurance cover has been arranged for both direct losses and loss of profits due to production stoppages. The assessment of third-party sustainability risks, including risks linked to the rise in sea level, is a fundamental part of the entire supply chain management process.

---

# Energy

The following table shows the Group's total energy consumption, including that of the fleet.

Energy Consumed (GJ) <sup>(*)</sup>	Total 2023	Total 2022	Total 2021
Electricity from renewable sources	1,948,875	1,921,399	2,593,155
Electricity from non-renewable sources	4,193,696	4,112,089	3,588,272
Natural gas	2,277,375	2,747,360	3,121,660
GPL	127,805	135,365	136,024
Petrol	7,561	7,424	5,905
Diesel	908,062	896,985	411,316
Fuel oil	17,380	5,571	6,050
Steam (purchased, not produced internally)	5,616	9,791	6,977
Purchase district heating or heat from renewable sources	20,318	-	-
Heat (purchased from distribution networks)	123,539	135,931	150,491
Chilled water	-	-	281
Biogas/biocarburante/biomassa acquistata	877	-	-
<b>Total</b>	<b>9,631,104</b>	<b>9,971,915</b>	<b>10,020,131</b>

(\*) The term "Energy Consumed" means the number of Gigajoules (GJ) of energy consumed within the organization. This comprises energy purchased from sources outside the organization (e.g. electricity, heating, cooling and steam purchased for consumption) or generated by the latter (e.g. fuel used in self-generation activities). The 2021 figures include estimates for the Chiplun and Sohar sites. The 2022 and 2023 figures contain estimates for the Chiplun site only, since Sohar reported normally. The figures for 2021, 2022 and 2023 include consumption by the fleet, which were previously reported separately.

The following table shows the energy intensity of the four business lines expressed in Gigajoules per kilometer or tons of product.

	Power cables GJ/Tonne	Telecom cables GJ/km	Optical Fibre GJ/km	Wire rods/Tonne
Energy consumed per km/Tonne of product (2023)	3.65	0.02	0.03	2.02
Energy consumed per km/Tonne of product (2022)	3.57	0.01	0.04	2.05
Energy consumed per km/Tonne of product (2021)	3.38	0.02	0.04	2.24

## Greenhouse gas emissions

Greenhouse gas emissions, measured in tons of CO<sub>2</sub> equivalent, have been calculated using the methodologies indicated in "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition, 2004)", considering:

- For **Scope 1 emissions** (direct GHG emissions):
  - fuel consumption data;
  - release of refrigerant gases from air conditioning systems;
  - release of SF6 gas, mainly used for testing activities.
- For **Scope 2 emissions** (indirect GHG emissions), the consumption of purchased energy (mostly electricity).
- **Indirect GHG emissions (Scope 3)** account for over 99% of the Group's total carbon footprint.

Detailed quantification of Scope 3 emissions has shown that roughly 96% of total emissions generated throughout the value chain are mainly attributable to use of the products sold. The procurement of raw materials represents more than 3% of the Group total, while the remainder is split between logistics, investment and other minor categories.

In 2023 Prysmian identified the suppliers deemed significant according to the sustainability criteria defined by the Group (169 suppliers of metals and raw materials, representing approximately 50% of Prysmian's total expenditure) and invited them, in collaboration with CDP, to report their emissions by responding to the CDP Climate Change questionnaire.

The response rate has increased to 53% since 2022, including some suppliers that answered the questionnaire for the first time. The companies declared their emissions (Scope 1, 2 and in some cases Scope 3) and allocated them to Prysmian based on revenue. In addition, many suppliers stated their goals, the initiatives established to reduce emissions and the performance indicators used (total GHG emissions and/or emissions intensity relative to turnover).

These data, along with other types of analyses and calculations made by the Group to quantify indirect emissions, are essential for supplier assessment and selection and the identification of criteria to engage the entire supply chain on climate issues.

**With regard to GHG emission reduction targets, in June 2023 SBTi approved Prysmian's long-term (net-zero) targets; during the long-term target approval process, Prysmian – at SBTi's request – also recalculated some Scope 3 categories using updated emission factors. Therefore, the value of Scope 3 for 2022 has been revised from what was published in the 2022 Report and is 274,943,685 tCO<sub>2</sub>eq.**

Further information about the methodologies used to calculate the Scope 1, 2 and 3 emissions can be found in the "Methodology" section of this document and Prysmian's 2023 GHG Statement.

Emissions of tCO <sub>2</sub> (*)		Total 2023	Total 2022 (**)	Total 2021
<b>Scope 1<sup>(1)</sup></b>	Direct emissions from combustion(***)	205,762	232,178	216,874
	Emissions from refrigerant gas leaks	5,177	3,696	7,047
	Emissions from SF6 gas leaks	15,192	61,852	117,186
	<b>Total Scope 1</b>	<b>226,131</b>	<b>297,725</b>	<b>341,107</b>
<b>Scope 2<sup>(2)</sup></b>	Location-based	474,715	501,745	512,458
	Market-based	389,928	367,379	365,862
<b>Total</b>	<b>Scope 1 e Scope 2 (Location-based)<sup>(3)</sup></b>	<b>700,846</b>	<b>799,470</b>	<b>853,565</b>
	<b>Scope 1 e Scope 2 (Market-based)<sup>(4)</sup></b>	<b>616,059</b>	<b>665,104</b>	<b>706,969</b>
<b>Scope 3<sup>(5)</sup></b>		<b>267,433,725</b>	<b>274,943,685</b>	<b>284,562,292</b>
<b>Total</b>	<b>Scope 1, Scope 2 e Scope 3</b>	<b>268,049,784</b>	<b>275,608,789</b>	<b>285,269,261</b>

(\*) As in 2020, the GHG emissions of the Chiulun and Sohar sites were estimated in 2021. This was only necessary for the Chiulun site in 2022. The amounts reported in the Group Scorecard do not contain these estimated values.

(\*\*) The Scope 2 tCO<sub>2</sub> data for 2021 include the emissions from the purchase of heat in the form of district heating and steam for 7,468 tCO<sub>2</sub>.

(\*\*\*) Direct emissions from combustion include emissions from the fleet already separately disclosed in previous non-financial statements. In 2023, direct emissions from combustion amounted to 147,820 tons of CO<sub>2</sub> (about 65% of the Group's Scope 1 emissions of 226,131 tons of CO<sub>2</sub>).

(1) Scope 1 emissions comprise the direct emissions of the organization, being those generated from resources under its direct control. Reported Scope 1 emissions refer to combustion processes (natural gas, LPG, petrol, diesel, fuel oil, marine diesel), refrigerant gas leaks (emissions from refrigerant gas leaks currently consist of releases of Chlorofluorocarbons – CFCs – and Hydrochlorofluorocarbons – HCFCs – from air conditioning systems), and SF6 gas leaks.

(2) Scope 2 Emissions comprise the indirect emissions of the organization, being those deriving from its direct consumption excluding generation activities. These include: purchased electricity, district heating and steam.

(3) Scope 2 Emissions – Location-based method quantifies these emissions with reference to average CO<sub>2</sub> emission factors for the energy generated within well-defined (e.g. local, sub-national or national) geographical boundaries.

(4) Scope 2 Emissions – Market-based method quantifies these emissions with reference to the CO<sub>2</sub> emissions of the energy suppliers from which the reporting company purchases, under contract, an electricity package. Markets differ on the contracts available for the purchase of energy or on the claim of specific attributes, but may include: energy guarantees of origin and direct contracts with suppliers (RECs, GOs, I-REC, etc.); supplier-specific emission factors; default emission factors that represent uncontrolled or unclaimed energy and emissions (defined as "residual mix"); average regional, sub-national or national emission factors.

(5) Scope 3 Emissions comprise the indirect emissions generated by the organization throughout the value chain, via its upstream and downstream processes. These include the emissions deriving from purchased goods and services, the purchase of capital goods, fuel consumption and energy-related activities, upstream transportation and distribution, waste generated by operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, and investments.



In addition to calculating GHG emissions at Group level, the calculation method developed by Prysmian can be used to quantify the Carbon Footprint at individual Country/Region level. In 2023, the Costa Rican organization calculated the Carbon Footprint and obtained certification in accordance with the ISO 14064 standard. Prysmian France has also quantified the Carbon Footprint with reference to the French scope, in accordance with the legislative requirement and in line with the GHG Protocol and the methodology of the French "Agence de la transition écologique" Ministry, which in turn complies with ISO 14069 standard. These initiatives show how the Climate Ambition established at Group level is an integral part of the business across every level of the organization. The following table shows the emission intensity for each business line expressed in tons of CO<sub>2</sub> equivalent per ton or kilometer of product.

GHG Emission per km/Ton of product (2023)		Power cables tCO <sub>2</sub> eq/Ton	Telecom cables tCO <sub>2</sub> eq/Km	Optical fibers tCO <sub>2</sub> eq/Km	Rod tCO <sub>2</sub> eq/Ton
<b>Scope 1</b>	Total Scope 1	0.09710	0.00014	0.00024	0.09221
<b>Scope 2</b>	Location based	0.17380	0.00119	0.00184	0.01329
	Market based	0.13082	0.00095	0.00214	0.01558
<b>Total</b>	<b>Scope 1 and Scope 2 (Location based)</b>	<b>0.27090</b>	<b>0.00134</b>	<b>0.00209</b>	<b>0.10551</b>
	<b>Scope 1 and Scope 2 (Market based)</b>	<b>0.22792</b>	<b>0.00109</b>	<b>0.00239</b>	<b>0.10780</b>
GHG Emission per km/Ton of product (2022)					
<b>Scope 1</b>	Total Scope 1	0.10909	0.00014	0.00083	0.09411
<b>Scope 2</b>	Location based	0.18327	0.00113	0.00159	0.01361
	Market based	0.13754	0.00093	0.00086	0.01501
<b>Total</b>	<b>Scope 1 and Scope 2 (Location based)</b>	<b>0.29236</b>	<b>0.00127</b>	<b>0.00242</b>	<b>0.10772</b>
	<b>Scope 1 and Scope 2 (Market based)</b>	<b>0.24663</b>	<b>0.00108</b>	<b>0.00169</b>	<b>0.10912</b>
GHG Emission per km/Ton of product (2021)					
<b>Scope 1</b>	Total Scope 1	0.09378	0.00019	0.00110	0.10271
<b>Scope 2</b>	Location based	0.18755	0.00136	0.00140	0.01529
	Market based	0.12868	0.00116	0.00086	0.02233
<b>Total</b>	<b>Scope 1 and Scope 2 (Location based)</b>	<b>0.28133</b>	<b>0.00156</b>	<b>0.00250</b>	<b>0.11800</b>
	<b>Scope 1 and Scope 2 (Market based)</b>	<b>0.22246</b>	<b>0.00136</b>	<b>0.00195</b>	<b>0.12504</b>

## Other Atmospheric Emissions

At Group level, considerable attention is paid to Greenhouse Gas (GHG) emissions, which have high significance at Group level, both because of Prysmian's commitments to environmental sustainability and because these emissions regard all operating units, as they are directly associated with the use of energy sources and – to a lesser extent – the use of certain greenhouse gases.

In line with the HSEE Policy's commitment to preventing pollution and minimizing health risks, Prysmian also monitors **Volatile Organic Compound** emissions from certain production processes and maintenance at Group level. Significant reductions in these emissions have already been achieved in the past by gradually introducing new methods and/or products, particularly for cable degreasing, cleaning and stamping operations. In any case, Prysmian continues to monitor this indicator, estimating – as a precaution – that the total amount of VOCs emitted into the atmosphere is equal to the total consumption of substances containing organic solvents.

In 2023, the total amount of Volatile Organic Compounds (VOCs) emitted into the atmosphere was about **500 tons**.

# Waste

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

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

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

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

The data on waste generated is collected and reported promptly at operating unit level using a common database (HSEDM). The reporting system makes it possible to aggregate this data by legal entity, country, region and ultimately for the entire Group. In general, the operating unit coincides with the plant, except in certain cases in which there are several operating units within the same plant. The Group's commercial and administrative offices and distribution centers are not included in the waste reporting procedure as they are not material.

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

The management of waste and its proper disposal are regarded as important matters that are managed locally within the Environmental Management System.

During 2023 special attention was paid to standardizing internal activities for the management of production waste, a significant item in factory waste management. In cooperation with the affiliates and industrial directors in each region, an official Group Operating Instruction was drafted to present the best practices already in use and to define/standardize the basic rules for separating, handling, weighing and recording factory production waste.

The goal is to maintain control over the process so as to maximize its effectiveness, both from an economic (value ascribed to the waste) and environmental (better separation and differentiation of the various types of waste) point of view. Compliance with this Instruction is subject to audit starting in January 2024. The level of global deviation within the scope of the company remained constant at 2022 levels. Manufacturing efficiency initiatives continued, both with the cooperation of Central Manufacturing and at a purely local level. These practices aim to reduce production waste, making it more efficient.

The following results are provided as examples:

- **Presov (Slovakia):** extra lengths of cable at the jacketing stage were reduced by 15% (composite scrap of copper, sheath and possible metal braid).
- **Kistelek (Hungary):** copper leftover waste at the stranding stage was reduced by 30%.

- **Pikkala (Finland):** an improved process control and quality mindset led to the reduction of the overall waste rate from 6.6% to 5.5%, with a change in absolute value of about 800 tons less waste produced.
- **Mudanya (Turkey):** improved control of support activities (logistics, R&D testing) have led to a considerable reduction in “non-production” waste, equivalent to about 1000 tons.

## Generation of waste and impacts of the waste generated

**The management of waste is highly correlated with the processes that generate it and those followed for its disposal. Prysmian contributes directly and indirectly to the positive and negative impacts associated with waste generation. The direct impact of the Group on the creation and quality of waste is linked to its production activities. In this context and consistent with the European guidelines for waste, Prysmian is committed to preventing the production of waste by promoting circular activities.**

In a broader context, Prysmian intends to become an industry leader in the use of recycled materials and the design of products that can be recycled more easily. For this purpose, greater care is dedicated to supplier selection, both up- and downstream of the value chain. This has resulted in increased purchases of recycled materials and, on the other, in the activation of business relationships with waste managers who share Prysmian's vision in terms of sustainability and circularity.

## Actions to prevent waste generation throughout the Prysmian value chain

Upstream, Prysmian has decided to include more specific HSE requirements in its processes for selecting new business partners. To achieve this, a project has been underway since 2021 to implement a vendor management portal in order to standardize various purchasing processes. This project will make it possible to structure the supplier qualification processes using questionnaires, with questions covering many topics including HSE.

Downstream, with regard to relations with the various waste management contractors, Prysmian has introduced specific requirements and/or performance indicators applicable to the various types of suppliers, with random HSE audits to verify waste operations, in accordance with contractual agreements and regulatory requirements. Among the performance indicators to be included in the requirements for competitive tendering, Prysmian is considering adding a recycled materials percentage. On this last point, some units have already taken advance action. For example, in the Netherlands, the call for tenders to select a new waste management service provider included specific requirements regarding circularity and recyclability (requirements based on the performance of their plants).

## Waste reporting process

The waste reporting process uses a common tool (HSEDM) that covers all production sites except for Chiplun (India); accordingly, data for that plant is estimated. Environmental data (including the quantity of waste) is input monthly, providing a detailed picture of how consumption and the production of waste vary over time.

In order to obtain more certain, precise and reliable data and increase the commitment in this area at various organizational levels, HSE Corporate worked with management in 2022 to implement a new procedure for the multi-level control and approval of environmental data input to HSEDM. The procedure involves reporting the following information:

- **the total weight in tons and the percentage of waste generated, broken down by composition;**
- **the total weight in tons and the percentage of hazardous and non-hazardous waste intended for disposal at external sites, and its breakdown according to disposal methods (incineration, landfilling, other disposal operations);**
- **the total weight in tons of waste not intended for disposal but for recycling at external sites, with a breakdown by hazardous waste and non-hazardous waste;**
- **the methods of calculation and assumptions made, estimation criteria adopted and tools used to report the waste generated.**

In order to report using consistent criteria, as required by the relevant European regulations, the Corporate HSE function decided to apply the same waste classification criteria in all operating units. In this respect, the main types of waste generated by production activities have been split into specific categories, assigning a level of danger (hazardous waste and non-hazardous waste) to each of them.

There are various destination categories for each type of waste:

- **Recycling** – for which Prysmian has set a Group target (increase in % recycled);
- **Incinerator;**
- **Landfill;**
- **Other** (residual category).

The total waste generated by Group, shown in the following table, includes that of the fleet.

Waste produced by type (kg)	Total 2023	Total 2022	Total 2021
<b>HAZARDOUS</b>	<b>12,381,045</b>	<b>14,050,194</b>	<b>13,924,252</b>
Ingredients of hazard	401,187	607,561	568,389
Asbestos	538,141	1,258,609	1,167,066
Equipment containing PCBs	5,194	5,040	339
Solvents	240,960	220,901	154,637
Waste waxes and fats	142,941	173,927	187,043
Waste oils	563,208	686,913	657,773
Copper and aluminium sludge	790,547	867,378	1,052,258
Waste emulsions	3,143,551	3,395,798	2,876,611
Waste inks	13,530	38,131	45,042
Contaminated sawdust	223,509	146,717	98,319
Other hazardous waste	6,318,278	6,649,220	7,116,775
<b>NON-HAZARDOUS</b>	<b>222,782,796</b>	<b>220,355,520</b>	<b>199,677,575</b>
Compound scrap	24,669,586	23,682,339	21,956,798
Non-hazardous packing	25,596,033	25,492,982	26,159,244
Non-hazardous ingredients for compound	2,317,789	1,875,905	1,156,012
Sludges	23,240,231	22,982,236	1,799,508
Urban waste	21,434,446	23,099,982	23,184,858
Other materials	27,353,525	26,334,108	27,567,830
Various alkalis	287,360	462,900	684,360
Scrap cable	97,883,825	96,425,069	97,168,965
<b>Total</b>	<b>235,163,841</b>	<b>234,405,714</b>	<b>213,601,827</b>

The figures for 2023 include estimates for the Chiplun site, while the Sohar site has reported normally since 2022.

The table below shows the waste destination for the 2021-2023 three-year period:

	2023	2023%	2022	2022%	2021	2021%
<b>HAZARDOUS</b>	<b>12,381,045</b>		<b>14,050,194</b>		<b>13,924,252</b>	
Landfill	1,740,750	14%	2,166,186	15%	2,419,302	17%
Incinerator	2,852,812	23%	2,815,748	20%	3,134,748	23%
Recycled	6,027,126	49%	6,620,003	47%	6,492,312	47%
Other	1,760,357	14%	2,448,257	18%	1,877,890	13%
<b>NON-HAZARDOUS</b>	<b>222,782,796</b>		<b>220,355,520</b>		<b>199,677,575</b>	
Landfill	41,793,434	19%	42,373,457	19%	42,212,602	21%
Incinerator	13,030,721	6%	13,104,990	6%	11,686,255	6%
Recycled	162,821,860	73%	159,240,565	72%	140,297,687	70%
Other	5,136,781	2%	5,636,508	3%	5,481,031	3%
<b>TOTAL</b>	<b>235,163,841</b>		<b>234,405,714</b>		<b>213,601,827</b>	
Landfill	43,534,184	18%	44,539,642	19%	44,631,904	21%
Incinerator	15,883,533	7%	15,920,738	7%	14,821,003	7%
Recycled	168,848,986	72%	165,860,569	71%	146,789,999	69%
Other	6,897,138	3%	8,084,765	3%	7,358,921	3%

The final destination of a small amount of waste was still unconfirmed when the report was published (as permitted by local legislation).

Amongst the initiatives aimed at improved waste management put into place by Group companies, it is worth mentioning in particular the “zero landfill” goal for all sites set by the Latin American company as part of its strategic planning, to be achieved by 2025. A dedicated project was launched with the aim of mapping waste, suppliers and destinations and assessing opportunities for the diversification of landfill waste.

Country	% waste going to landfill 2023	% waste going to landfill 2022
Argentina	14%	9.36%
Brazil	22.45%	34.83%
Chile	36.18%	53.17%
Colombia	3.47%	3.83%
Costa Rica	1.43%	5.31%
Mexico	23.16%	36.17%
<b>Total</b>	<b>20.98%</b>	<b>31.77%</b>

Part of the increases recorded in 2023 were due to asbestos remediation work that involved sending waste to the landfill.

## Circular economy

Prysmian is committed to implementing circular economy practices to reduce its environmental impact, using fewer resources to manufacture its products and keeping materials within the production cycle as long as possible.

The Group’s approach to circularity addresses three main aspects:

### 1. Procurement of recycled materials:

In recent years, Prysmian has focused effort **on research into and the development of a supply chain capable of offering recycled materials**, especially metals and plastics for the insulation and protection of cables. Notably, the use of secondary materials in the cables industry is often limited by their availability. As an example, this is the case for recycled copper, with limited market supply that is often only suitable for more basic applications.

Accordingly, it is essential to launch long-term projects based on dialogue with suppliers, which enable them to make the investments needed to build circular supply chains.

### 2. Minimization of scrap materials:

Over the years, Prysmian has worked hard to make better and more conscious use of its resources, thus reducing the scrap generated by every production process.

The Group highlights this commitment by applying its **Health, Safety, Environment and Energy Policy**, as updated and approved by Prysmian CEO Valerio Battista and the top management in 2023, for the systematic management of all HSE aspects and the optimized use of resources and materials. All these issues are considered mandatory for the achievement of Group objectives and the creation of value for all stakeholders. Prysmian communicates this policy to all internal and external stakeholders by publishing it on the Group’s website<sup>26</sup> as well as on the corporate intranet.

### 3. Recycling of waste downstream of the factories:

For several years now, Prysmian has set targets in order to increase the percentage of recycled waste, thus also reducing the amount of waste sent to the landfill and/or for incineration. In addition to communicating its targets, the Company shares its views, ideas and results with various stakeholders in order to facilitate collaboration and create meaningful relations.

**In 2023, the percentage of waste (hazardous + non-hazardous) sent for recycling reached 72%, and the portion of waste sent to the landfill constitutes, on average, about 19% of the total amount of waste generated. Please refer to the “Waste reporting process” section and the relative tables.**

<sup>26</sup> [https://www.prysmian.com/sites/default/files/atoms/files/HSEE%20Policy\\_2020\\_signed.pdf](https://www.prysmian.com/sites/default/files/atoms/files/HSEE%20Policy_2020_signed.pdf)

# Water

The following sections describe the risks identified and the associated water consumption mitigation actions pursuant to Italian Legislative Decree 254/2016 with reference to the 2023 material topic: "Sustainable innovation and circularity".

---

## Risk identified

Risks related to the availability of water

### Description of risk

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

### Mitigation actions adopted

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

---

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

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

Cooling water is recirculated, either totally or partially, at most plants in order to optimize the volume of water drawn. From the analysis conducted on **93%** of the operating units, the results show that most of the factories have recirculation systems, with percentages ranging from **99%** to **100%** in **45%** of the cases and from **95%** to **99%** in **27%** of the cases. Recirculation rates below **95%** were found in about **10%** of the plants. This situation does not apply to the remaining **11%** of plants.

The Group reports any information useful for understanding its water resource management methods, highlighting the systems and procedures already in place, which help to limit the significance of its impacts. At the same time, Prysmian communicates the assessments carried out and the conclusions that have emerged, ensuring maximum transparency to all Stakeholders.

Considering the quantity and quality of water sources, the type of usage and existing recirculation systems, it was determined that the most significant water-related impact is not directly associated with organizational activities, but rather with the supply chain and, in particular, with the production cycles of suppliers of raw materials, especially metals. For this reason, in addition to continuing to track and audit "critical" suppliers with reference to sustainability criteria and indicators, Prysmian extended assessment of the risks related to water availability to the entire supply chain in 2021.

In addition, the Group has introduced specific rating systems, including ISO14001 certification and completion of the CDP Water Security Questionnaire, as indicators of the proper management of all environmental aspects/impacts by its suppliers.

Also in 2023, the Group's major suppliers (169 suppliers of metals and raw materials, representing about 50% of the Group's total expenditure) were invited to complete the CDP Water Security questionnaire. The response rate was 39%, slightly higher than last year. Information and data reported through the CDP allowed Prysmian to perform an initial assessment of the significant impacts and/or risks associated with the Water resource in its Supply Chain, in terms of absolute consumption, efficiency of water resource use – particularly in areas with “water stress” – and potential pollution of water resources.

Prysmian plans to extend this assessment to a more significant portion of the Supply Chain, and to this end will reinforce supplier engagement, with the aim of ensuring a higher response rate to the CDP Water-Security questionnaire and integrating the completion of the survey and the corresponding score obtained amongst assessment and selection criteria.

At local level, the water-related impact is analyzed via the Environmental Analyses carried out as part of the ISO 14001:2015 management systems, and in line with local legislation.

In particular, Prysmian:

- a. Measures the volume of water drawn at its plants.** This data is monitored at both local and Group level, recorded in the Environmental Management System at corporate level and disclosed in this Sustainability Report, as required by the guidelines for GRI 303 Water and Effluents. Prysmian assumes that water consumption is the same as the volume of water drawn. When determining the volume of water drawn at plants, all variables are measured either directly (through dedicated meter) or indirectly (using a water report). Water consumption is reported by all plants except for Chiplun (India), whose data has been estimated. With regard to the discharge of water, the Group collects data on the quantity of water returned to surface waters in a specific section of the common database (HSEDM), where each plant can input the volumes recorded. The type of measurements performed on effluents and their frequency are established locally, partly because industrial discharges are virtually zero in many cases thanks to recirculation systems. The data is periodically monitored and measured locally within the Environmental Management System. Increased effort by the Group to monitor water-related parameters might well result, in future, in a complete calculation of total discharges so that the trends can be analyzed better.
- b.** Carries out a water stress analysis, considering the ratio of water demand to available water up to the year 2040. This analysis uses the “Aqueduct” tool, developed by the World Resources Institute (WRI), as also recommended by “GRI 303 Water and Effluents” Standard and the Task force on Climate-related Financial Disclosures (TCFD), to evaluate the geographical position of the Group's plants exposed to the risk of reduced water availability. In 2023, the water drawn from water stress areas represented about 28% of the total volume drawn by the Group.

Prysmian does not measure or monitor at Group level the volume of water discharges by treatment method, given the low significance of this parameter. Treatment units are installed upstream of discharges, if necessary, in order to ensure regulatory compliance, minimize the potential impact on the receiving body of water and avoid incidents of any kind.

The table below provides information about the amount of water drawn by source in the 2021-2023 three-year period:

Water drawn (m <sup>3</sup> ) by source 2023	Water stress areas	All areas	Total
Water from wells	1,497,471	2,430,695	3,928,166
Water from public water main	457,524	2,134,877	2,592,401
Water from other sources – Fresh water	-	519,512	519,512
<b>Total</b>	<b>1,954,995</b>	<b>5,085,084</b>	<b>7,040,079</b>
Water drawn (m <sup>3</sup> ) by source 2022	Water stress areas	All areas	Total
Water from wells	1,704,920	2,476,684	4,181,604
Water from public water main	474,587	2,387,648	2,862,234
Water from other sources – Fresh water	-	717,636	717,636
<b>Total</b>	<b>2,179,507</b>	<b>5,581,968</b>	<b>7,761,474</b>

Water drawn (m <sup>3</sup> ) by source 2021	Water stress areas	All areas	Total
Water from wells	1,975,482	2,745,141	4,809,692
Water from public water main	432,853	2,120,525	2,601,554
Water from other sources – Fresh water	-	1,208,089	1,230,884
<b>Total</b>	<b>2,408,335</b>	<b>6,073,755</b>	<b>8,642,130</b>

On the other hand, it is presumed that water consumption is well approximated by water drawn.



In line with the pledges of the HSEE Policy, in 2023 Prysmian signed the WASH PLEDGE, which is the first corporate-sponsored initiative on access to safe water, sanitation and hygiene at the workplace, launched in 2013 and re-proposed in 2021 by the World Business Council for Sustainable Development (WBCSD). With this pledge, signed by the Chief Sustainability Officer of Prysmian in July 2023, Prysmian aims to ensure access to safe water, sanitation and hygiene in the workplace for all workers at the Group's production units, supporting partners throughout the supply chain and the communities where our units are located. Prysmian has already initiated activities relating to WASH issues, requiring all production units to complete the Self-Assessment questionnaire made available by the WBCSD <https://www.wbcscd.org> by the end of 2023, to conduct an initial screening aimed at supporting decision-making and the initiatives and actions to be taken.

In early 2024, the HSE and Sustainability functions will analyze the responses obtained, identifying any gaps and/or required improvements, and define a Plan to be implemented in the different Regions in the coming years, to ensure compliance with the WASH criteria, providing for the engagement of the supply chain and local communities where necessary.

## Biodiversity

The following section describes the risks identified and the associated mitigation actions pursuant to Italian Legislative Decree no. 254/2016 with reference to the 2023 material topic: Biodiversity and impacts on nature.

### Risk identified

Biodiversity-related risks (e.g., impact on animal and/or plant species near areas where Prysmian operates, consequences of Prysmian products and dependency on ecosystems)

### Mitigation actions

The environmental aspects potentially impacted by Prysmian, with possible adverse consequences for the condition of the biosphere, include the biodiversity of animal and plant species.

In line with its HSEE Policy, updated in 2023, Prysmian is committed to identifying and assessing any biodiversity-related risks, applying a hierarchical mitigation approach (avoid, minimize, restore and compensate) to all operations.

With reference to the Group's **operating units**, Prysmian has established an inventory of protected areas, which shows that most plants belonging to Prysmian are not located in or near protected areas or where endangered species are potentially present.

In 2023, to meet and reinforce the commitments made, Prysmian has decided to quantify any impacts on animals and/or plants in the vicinity of the areas in which it operates, as well as any impacts/dependencies on ecosystem services that the Group's units rely on, in order to seek opportunities to reduce and mitigate these risks.

For production sites, the Group screened with the "Biodiversity Risk Filter" tool provided by WWF, taking into consideration the location of Prysmian sites and applying different risk categories and indicators. The Group's biodiversity footprint shows that about 13% of Prysmian sites are potentially affected by significant biodiversity-related risks. How-



ever, an analysis at the level of each plant made it possible to customize the tool result, confirming that the physical and reputational risks identified have already been assessed and/or mitigated, confirming the absence of potential dependencies or significant impacts on biodiversity for all of the Group's production sites.

The construction of new plants or the performance of local activities/services involves careful planning that on the basis of biodiversity regulations, the presence and geographical proximity of protected areas or areas where potentially endangered species are present and specific feasibility studies, aims to reduce impacts on biodiversity, not only in relation to the preservation of existing conditions, but sometimes from the perspective of Biodiversity Net Gain (BNG).

This goal is continuously monitored through the implementation of actions aimed at avoiding and preventing the occurrence of negative impacts on biodiversity.

---

In the context of **marine and land installation activities**, which may take place in areas of high natural interest, environmental impacts in areas where Prysmian is required to operate, including biodiversity, are assessed at the project level. Any protection measures to safeguard species identified as at risk according to national regulations, and the mitigation measures required in case of undesirable events, are an integral part of the project contract documentation that contains the specific requirements issued by the competent authorities,

---

Offshore installation may involve operations in areas where there is considerable diversity of cetacean species that use sounds of different frequency bands for multiple activities, such as communication, navigation, hunting and, more generally, group social activities such as bonding, warnings and maternal relationships. In these cases, Marine Mammal Observer (MMO) and Passive Acoustic Monitoring (PAM) are used on board the vessel to check for "animals of interest", to conduct pre-operational research of marine mammals before work begins and to ensure continuous monitoring during operations.

Prysmian applies best practices that can ensure that any material used as an erosion and offshore cable protection system is made from natural or engineered stone in order not to inhibit the growth of epibenthic species, by providing three-dimensional complexity in height and in interstitial spaces where feasible. Prysmian decided to employ bioactive concrete (i.e., containing bio-enhancing mixtures) to strengthen primary erosion protection (e.g., concrete mattresses) and to promote biotic growth. In addition, because this type of mattress replicates the local marine environment, marine species use the infrastructure as their habitat, thus resulting in a more environmentally sustainable alternative that offers better protection than traditional concrete mattresses.

Where Posidonia is present, specific equipment that can ensure the protection of this plant is used to bury the cables in trenches and backfill them. As far as the Elba-Piombino project is concerned, a buoyancy control machine developed specifically for the protection of underwater cables in a marine environment inhabited by Posidonia was used. The equipment consists of a chain trencher installed on a buoyancy control structure and activated by divers. The machine is equipped with several burying systems, a system for harvesting and repositioning Posidonia, and a machine to prevent the crushing of plants.

After the trenching and jetting activities, the backfilling phase is initiated to reestablish the original seafloor level down to the base of the leaf substrate, thus facilitating the natural (or artificial, through replanting) restoration of the plant. Bird populations whether wintering, migratory, habitually present and/or breeding species are protected in accordance with European nature directives (Habitats Directive 79/409/EC and Birds Directive 92/43/EC).

Special Protection Areas (SPAs) for rare or vulnerable species, as well as for all regularly migrating species, are identified and monitored during project implementation, paying special attention to the presence of waterways, lakes, swamps and marshes of international significance. Where necessary, bird deterrents such as "Hawk Kites" are used, or sound-proofing systems (eco-barriers) or other types of deterrents such as reflective tapes are installed.

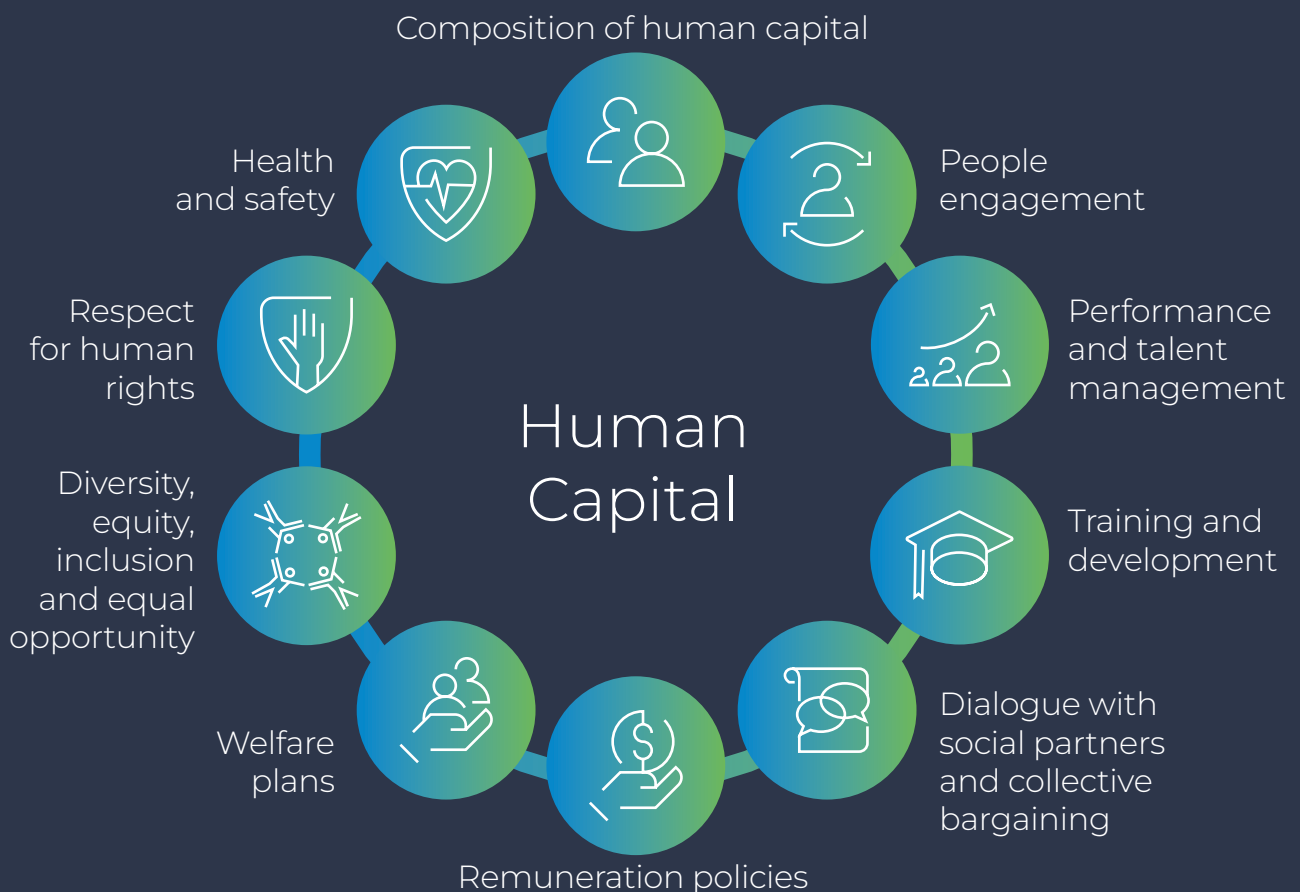
In 2023, project-based risk analyses that include an assessment of environmental aspects associated with biodiversity impacts have shown a residual risk that deems the occurrence of potentially relevant scenarios unlikely.



05

# PEOPLE, PRYSMIAN'S HUMAN CAPITAL

Prysmian has always invested in its people and in the local communities where it operates. Because for us, growth means being connected and spreading the culture of sustainability throughout the entire corporate population all over the world. We know that every one of our employees is different and has a story, and we are aware of the importance of each individual within the organization. This is the real linchpin of Prysmian's trajectory. Caring for, valuing and cultivating our people is the goal of our Social Ambition. Because only by increasing the level of Diversity, Equity and Inclusion, including digital diversity, will it be possible to be the virtuous company we strive to become.



- About 30,000 employees, of whom 20% are women
- 143 new hires, +40 vs. previous year from global "STEM IT" attraction and recruiting program
- 7,140 desk workers involved in the P3 evaluation process, including 67% men, 31% women, 2% other category
- 35.67 hours of training per capita in 2023 (+23% vs previous year)
- 64% of employees covered by collective bargaining agreements
- Human Rights Due Diligence of production sites 100% completed and 9 audits for 9 factories in 2023

In an era marked by challenges and uncertainty, such as those characterizing the global socio-economic and geopolitical context during 2023, Prysmian's human capital strategy, launched in 2015, has focused increasingly on caring for its people and pursuing sustainability objectives.

The following Prysmian-generated **impacts** are associated with the material theme "Well-being, engagement and improvement of human capital skills".

- **Positive impacts:**
  - Well-being of human capital: promote work-life balance practices within the organization;
  - Upskilling: reinforcement and improvement of personnel skills and talent development;
  - Engagement: adoption of policies to safeguard and promote the well-being of people;
- **Negative impacts:**
  - Potential injuries, mental and physical illnesses due to failure to spread the health and safety culture in the work environment.

Specifically, to mitigate negative impacts and, at the same time, improve on the positive results already achieved in prior years, Prysmian implemented a series of initiatives during 2023 in the following areas:



The actions and plans developed and implemented by Prysmian in 2023 regarding these areas were strongly inspired by the 2030 Social Ambition, which focuses on the areas of Diversity & Inclusion, Digital Inclusion, Local Community Engagement, Engagement & Training and Health & Safety. These goals were also confirmed and consolidated during the presentation of the 2027 Strategic Plan during the Prysmian's first Capital Market Day in October 2023.

For more information regarding Prysmian's Social Ambition, please refer to the section "Prysmian's two ambitions: Climate Change and Social Ambition" of this document.

With reference to the Material 2023 topic "Well-being, engagement and improvement of human capital skills", below are **the risks** identified by the Group related to personnel management and mitigation actions pursuant to Italian Legislative Decree 254/2016:

---

#### **Risk identified**

Risks related to personnel management (not having or losing key resources, talent management etc.)

#### **Description of risk**

Prysmian promotes the creation and development of an experienced and well-trained workforce, supporting them in their diversity, in order to create an ever more inclusive working environment. The Group remains exposed to the risk of not having or losing key resources in strategic operational functions, especially in a new market context characterized by the energy transition and the strong push towards digitalization, which require new skills. These persons can be identified by their managerial responsibilities and/or the specific know-how needed to implement business strategies. They are difficult to replace in the short term.

#### **Mitigation actions adopted**

In order to guarantee business continuity in line with strategic objectives, the Group has established various programs designed to incentivize continuous training, professional growth and employee involvement, as well as appropriate systems of remuneration. Among these: global recruiting and development programs – Build The Future, Stem It, Sell It and Sum It; performance and talent management systems – Group Academies and Local Schools, the MyMentorship project, Internal Job Postings and Job Banding; short- and long-term variable remuneration mechanisms, linked in part to sustainability objectives; non-compete agreements and broad share ownership. In addition, each year the Group organizes a global engagement survey, inviting all employees to respond and share their opinions anonymously. This makes it possible to initiate global and local action plans for the continuous improvement of the working environment.

---

Through the above initiatives focusing on employee engagement and well-being, the Group can take advantage of the following **opportunities**:

- Increased productivity;
- Reduced staff turnover;
- Reduced costs associated with recruitment programs;
- Retention of key resources and attraction of new talent.

## 5.1 Composition of human capital

As at 31 December 2023<sup>27</sup> the Prysmian workforce numbered 30,086 FTEs, of whom 8,090 desk workers (comprising executives and white-collar employees), and 21,996 blue-collar staff. This calculation also includes agency staff, amounting to 1,222 FTE (including 51 Desk Workers and 1,171 Blue Collar). In the following tables, the number of employees is expressed in Headcount and refers only to permanent and fixed-term contracts.

The following table shows the number of Group employees as at 31 December 2023<sup>28</sup> broken down by geographical area<sup>29</sup> and by contract type (note the absence of employees for whom a fixed minimum number of working hours is not guaranteed):

	EMEA	APAC	North America	LATAM	Total 2023
Number of employees	16,197	2,832	7,219	3,351	<b>29,599</b>
Number of permanent employees	15,573	2,796	7,198	3,344	<b>28,911</b>
Number of temporary employees	624	36	21	7	<b>688</b>
Number of full-time employees	15,817	2,831	7,213	3,348	<b>29,209</b>
Number of part-time employees	380	1	6	3	<b>390</b>

The table below shows the number of employees by contract type over the three-year period 2021-2023:

	Total 2023	Total 2022	Total 2021
Number of employees	<b>29,599</b>	30,185	29,013
Number of permanent employees	<b>28,911</b>	28,901	27,660
Number of temporary employees	<b>688</b>	1,284	1,353
Number of full-time employees	<b>29,209</b>	29,857	28,695
Number of part-time employees	<b>390</b>	328	318

The following table analyses employees by gender and type of contract:

Prysmian at 31.12.2023	Male	Female	Other	Total
Number of employees	23,529	6,055	15	<b>29,599</b>
Number of permanent employees	22,972	5,924	15	<b>28,911</b>
Number of temporary employees	557	131	-	<b>688</b>
Number of full-time employees	23,297	5,898	14	<b>29,209</b>
Number of part-time employees	232	157	1	<b>390</b>

<sup>27</sup> This is the total workforce of Prysmian, calculated in FTEs, and includes 100% of the Group's total employees, i.e. all subsidiaries or companies subject to the Group's management.

<sup>28</sup> There may be slight discrepancies when comparing headcount figures for 2021, 2022 and 2023 due to internal contract transformations and deferred departures of non-operation personnel.

<sup>29</sup> For details of the countries included in the respective geographical regions, please refer to the map of Prysmian factories shown in the "Prysmian: Connect, to lead" section.

Prysmian at 31.12.2022	Male	Female	Total
Number of employees	24,376	5,809	30,185
Number of permanent employees	23,368	5,533	28,901
Number of temporary employees	1,008	276	1,284
Number of full-time employees	24,191	5,666	29,857
Number of part-time employees	185	143	328

The following table analyses employees by geographical area and position:

Prysmian at 31.12.2023	White Collar	Blue Collar	Total
EMEA	4,828	11,369	16,197
APAC	855	1,977	2,832
Nord America	1,625	5,594	7,219
LATAM	918	2,433	3,351
<b>Totale</b>	<b>8,226</b>	<b>21,373</b>	<b>29,599</b>

The following table analyses the percentage split of employees by position, gender and age group:

Prysmian at 31.12.2023	≤30				30-50				≥50			
	Men	Women	Other	Total	Men	Women	Other	Total	Men	Women	Other	Total
White Collar	52.2%	47.7%	0.1%	100.0%	64.6%	35.3%	0.1%	100.0%	73.9%	26.0%	0.1%	100.0%
Blue Collar	77.7%	22.3%	0.1%	100.0%	84.7%	15.2%	0.1%	100.0%	88.6%	11.3%	0.1%	100.0%
<b>Total</b>	<b>71.6%</b>	<b>28.3%</b>	<b>0.1%</b>	<b>100.0%</b>	<b>79.0%</b>	<b>20.9%</b>	<b>0.1%</b>	<b>100.0%</b>	<b>84.5%</b>	<b>15.5%</b>	<b>0.0%</b>	<b>100.0%</b>

Prysmian at 31.12.2022	≤30			30-50			≥50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
White Collar	56.2%	43.8%	100.0%	66.5%	33.5%	100.0%	74.5%	25.5%	100.0%
Blue Collar	79.6%	20.4%	100.0%	85.5%	14.5%	100.0%	89.5%	10.5%	100.0%
<b>Total</b>	<b>74.5%</b>	<b>25.5%</b>	<b>100.0%</b>	<b>80.2%</b>	<b>19.8%</b>	<b>100.0%</b>	<b>85.2%</b>	<b>14.8%</b>	<b>100.0%</b>

Prysmian 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%
<b>Total</b>	<b>76.7%</b>	<b>23.3%</b>	<b>100.0%</b>	<b>81.2%</b>	<b>18.8%</b>	<b>100.0%</b>	<b>86.0%</b>	<b>14.0%</b>	<b>100.0%</b>

The following tables show, with reference to the entire Prysmian, the total number of new hires and leavers during the three-year period 2021-2023.

New hires 2023																				
	EMEA				APAC				North America				LATAM				Group			
	Men	Women	Other	Total	Men	Women	Other	Total	Men	Women	Other	Total	Men	Women	Other	Total	Men	Women	Other	Total
<b>Blue Collar</b>																				
<30	578	93	-	671	156	16	-	172	1,023	423	2	1,448	170	158	1	329	1,927	690	3	2,620
31-50	253	53	-	306	66	7	-	73	376	178	2	556	94	36	-	130	789	274	2	1,065
>50	67	14	-	81	8	2	-	10	112	37	1	150	7	2	-	9	194	55	1	250
<b>Total</b>	<b>898</b>	<b>160</b>	<b>-</b>	<b>1,058</b>	<b>230</b>	<b>25</b>	<b>-</b>	<b>255</b>	<b>1,511</b>	<b>638</b>	<b>5</b>	<b>2,154</b>	<b>271</b>	<b>196</b>	<b>1</b>	<b>468</b>	<b>2,910</b>	<b>1,019</b>	<b>6</b>	<b>3,935</b>
<b>White Collar</b>																				
<30	137	116	-	253	12	19	-	31	34	26	-	60	18	21	-	39	201	182	-	383
31-50	166	134	-	300	30	33	-	63	55	45	1	101	55	46	-	101	306	258	1	565
>50	27	19	-	46	4	3	-	7	32	21	-	53	4	2	-	6	67	45	-	112
<b>Total</b>	<b>330</b>	<b>269</b>	<b>-</b>	<b>599</b>	<b>46</b>	<b>55</b>	<b>-</b>	<b>101</b>	<b>121</b>	<b>92</b>	<b>1</b>	<b>214</b>	<b>77</b>	<b>69</b>	<b>-</b>	<b>146</b>	<b>574</b>	<b>485</b>	<b>1</b>	<b>1,060</b>
<b>Blue Collar+White Collar</b>																				
<30	715	209	-	924	168	35	-	203	1,057	449	2	1,508	188	179	1	368	2,128	872	3	3,003
31-50	419	187	-	606	96	40	-	136	431	223	3	657	149	82	-	231	1,095	532	3	1,630
>50	94	33	-	127	12	5	-	17	144	58	1	203	11	4	-	15	261	100	1	362
<b>Total</b>	<b>1,228</b>	<b>429</b>	<b>-</b>	<b>1,657</b>	<b>276</b>	<b>80</b>	<b>-</b>	<b>356</b>	<b>1,632</b>	<b>730</b>	<b>6</b>	<b>2,368</b>	<b>348</b>	<b>265</b>	<b>1</b>	<b>614</b>	<b>3,484</b>	<b>1,504</b>	<b>7</b>	<b>4,995</b>

Leavers 2023																				
	EMEA				APAC				North America				LATAM				Group			
	Men	Women	Other	Total	Men	Women	Other	Total	Men	Women	Other	Total	Men	Women	Other	Total	Men	Women	Other	Total
<b>Blue Collar</b>																				
<30	330	87	-	417	78	9	-	87	847	298	1	1,146	113	52	-	165	1,368	446	1	1,815
31-50	467	84	-	551	101	30	-	131	650	210	2	862	152	57	-	209	1,370	381	2	1,753
>50	377	37	-	414	55	6	-	61	331	58	-	389	44	-	-	44	807	101	-	908
<b>Total</b>	<b>1,174</b>	<b>208</b>	<b>-</b>	<b>1,382</b>	<b>234</b>	<b>45</b>	<b>-</b>	<b>279</b>	<b>1,828</b>	<b>566</b>	<b>3</b>	<b>2,397</b>	<b>309</b>	<b>109</b>	<b>-</b>	<b>418</b>	<b>3,545</b>	<b>928</b>	<b>3</b>	<b>4,476</b>
<b>White Collar</b>																				
<30	57	37	-	94	6	9	-	15	22	10	-	32	19	9	-	28	104	65	-	169
31-50	198	101	-	299	40	33	-	73	81	26	-	107	65	42	-	107	384	202	-	586
>50	132	53	-	185	23	3	-	26	81	30	-	111	26	2	-	28	262	88	-	350
<b>Total</b>	<b>387</b>	<b>191</b>	<b>-</b>	<b>578</b>	<b>69</b>	<b>45</b>	<b>-</b>	<b>114</b>	<b>184</b>	<b>66</b>	<b>-</b>	<b>250</b>	<b>110</b>	<b>53</b>	<b>-</b>	<b>163</b>	<b>750</b>	<b>355</b>	<b>-</b>	<b>1,105</b>
<b>Blue Collar+White Collar</b>																				
<30	387	124	-	511	84	18	-	102	869	308	1	1,178	132	61	-	193	1,472	511	1	1,984
31-50	665	185	-	850	141	63	-	204	731	236	2	969	217	99	-	316	1,754	583	2	2,339
>50	509	90	-	599	78	9	-	87	412	88	-	500	70	2	-	72	1,069	189	-	1,258
<b>Total</b>	<b>1,561</b>	<b>399</b>	<b>-</b>	<b>1,960</b>	<b>303</b>	<b>90</b>	<b>-</b>	<b>393</b>	<b>2,012</b>	<b>632</b>	<b>3</b>	<b>2,647</b>	<b>419</b>	<b>162</b>	<b>-</b>	<b>581</b>	<b>4,295</b>	<b>1,283</b>	<b>3</b>	<b>5,581</b>



New hires 2022															
	EMEA			APAC			North America			LATAM			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Blue Collar</b>															
<30	546	157	<b>703</b>	143	23	<b>166</b>	623	151	<b>774</b>	456	321	<b>777</b>	1,768	652	<b>2,420</b>
31-50	686	171	<b>857</b>	221	29	<b>250</b>	727	229	<b>956</b>	339	277	<b>616</b>	1,973	706	<b>2,679</b>
>50	103	23	<b>126</b>	22	1	<b>23</b>	186	63	<b>249</b>	19	17	<b>36</b>	330	104	<b>434</b>
<b>Total</b>	<b>1,335</b>	<b>351</b>	<b>1,686</b>	<b>386</b>	<b>53</b>	<b>439</b>	<b>1,536</b>	<b>443</b>	<b>1,979</b>	<b>814</b>	<b>615</b>	<b>1,429</b>	<b>4,071</b>	<b>1,462</b>	<b>5,533</b>
<b>White Collar</b>															
<30	147	107	<b>254</b>	25	42	<b>67</b>	46	29	<b>75</b>	35	36	<b>71</b>	253	214	<b>467</b>
31-50	222	150	<b>372</b>	78	49	<b>127</b>	79	49	<b>128</b>	64	48	<b>112</b>	443	296	<b>739</b>
>50	31	25	<b>56</b>	23	4	<b>27</b>	36	16	<b>52</b>	3	4	<b>7</b>	93	49	<b>142</b>
<b>Total</b>	<b>400</b>	<b>282</b>	<b>682</b>	<b>126</b>	<b>95</b>	<b>221</b>	<b>161</b>	<b>94</b>	<b>255</b>	<b>102</b>	<b>88</b>	<b>190</b>	<b>789</b>	<b>559</b>	<b>1,348</b>
<b>Blue Collar+White Collar</b>															
<30	693	264	<b>957</b>	168	65	<b>233</b>	669	180	<b>849</b>	491	357	<b>848</b>	2,021	866	<b>2,887</b>
31-50	908	321	<b>1,229</b>	299	78	<b>377</b>	806	278	<b>1,084</b>	403	325	<b>728</b>	2,416	1,002	<b>3,418</b>
>50	134	48	<b>182</b>	45	5	<b>50</b>	222	79	<b>301</b>	22	21	<b>43</b>	423	153	<b>576</b>
<b>Total</b>	<b>1,735</b>	<b>633</b>	<b>2,368</b>	<b>512</b>	<b>148</b>	<b>660</b>	<b>1,697</b>	<b>537</b>	<b>2,234</b>	<b>916</b>	<b>703</b>	<b>1,619</b>	<b>4,860</b>	<b>2,021</b>	<b>6,881</b>

Leavers 2022															
	EMEA			APAC			North America			LATAM			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Blue Collar</b>															
<30	283	132	<b>415</b>	116	13	<b>129</b>	464	110	<b>574</b>	421	214	<b>635</b>	1,284	469	<b>1,753</b>
31-50	441	97	<b>538</b>	134	19	<b>153</b>	574	172	<b>746</b>	368	183	<b>551</b>	1,517	471	<b>1,988</b>
>50	285	34	<b>319</b>	26	5	<b>31</b>	264	59	<b>323</b>	55	14	<b>69</b>	630	112	<b>742</b>
<b>Total</b>	<b>1,009</b>	<b>263</b>	<b>1,272</b>	<b>276</b>	<b>37</b>	<b>313</b>	<b>1,302</b>	<b>341</b>	<b>1,643</b>	<b>844</b>	<b>411</b>	<b>1,255</b>	<b>3,431</b>	<b>1,052</b>	<b>4,483</b>
<b>White Collar</b>															
<30	56	34	<b>90</b>	18	16	<b>34</b>	35	13	<b>48</b>	21	14	<b>35</b>	130	77	<b>207</b>
31-50	246	117	<b>363</b>	51	42	<b>93</b>	83	42	<b>125</b>	80	54	<b>134</b>	460	255	<b>715</b>
>50	124	39	<b>163</b>	22	5	<b>27</b>	58	23	<b>81</b>	27	6	<b>33</b>	231	73	<b>304</b>
<b>Total</b>	<b>426</b>	<b>190</b>	<b>616</b>	<b>91</b>	<b>63</b>	<b>154</b>	<b>176</b>	<b>78</b>	<b>254</b>	<b>128</b>	<b>74</b>	<b>202</b>	<b>821</b>	<b>405</b>	<b>1,226</b>
<b>Blue Collar+White Collar</b>															
<30	339	166	<b>505</b>	134	29	<b>163</b>	499	123	<b>622</b>	442	228	<b>670</b>	1,414	546	<b>1,960</b>
31-50	687	214	<b>901</b>	185	61	<b>246</b>	657	214	<b>871</b>	448	237	<b>685</b>	1,977	726	<b>2,703</b>
>50	409	73	<b>482</b>	48	10	<b>58</b>	322	82	<b>404</b>	82	20	<b>102</b>	861	185	<b>1,046</b>
<b>Total</b>	<b>1,435</b>	<b>453</b>	<b>1,888</b>	<b>367</b>	<b>100</b>	<b>467</b>	<b>1,478</b>	<b>419</b>	<b>1,897</b>	<b>972</b>	<b>485</b>	<b>1,457</b>	<b>4,252</b>	<b>1,457</b>	<b>5,709</b>

New hires 2021															
	EMEA			APAC			North America			LATAM			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Blue Collar</b>															
<30	472	177	649	128	29	157	603	135	738	513	182	695	1,716	523	2,239
31-50	529	148	677	234	55	289	646	174	820	449	129	578	1,858	506	2,364
>50	93	18	111	26	-	26	227	55	282	22	8	30	368	81	449
<b>Total</b>	<b>1,094</b>	<b>343</b>	<b>1,437</b>	<b>388</b>	<b>84</b>	<b>472</b>	<b>1,476</b>	<b>364</b>	<b>1,840</b>	<b>984</b>	<b>319</b>	<b>1,303</b>	<b>3,942</b>	<b>1,110</b>	<b>5,052</b>
<b>White Collar</b>															
<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
<b>Total</b>	<b>308</b>	<b>186</b>	<b>494</b>	<b>115</b>	<b>85</b>	<b>200</b>	<b>152</b>	<b>72</b>	<b>224</b>	<b>168</b>	<b>78</b>	<b>246</b>	<b>743</b>	<b>421</b>	<b>1,164</b>
<b>Blue Collar+White Collar</b>															
<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
<b>Total</b>	<b>1,402</b>	<b>529</b>	<b>1,931</b>	<b>503</b>	<b>169</b>	<b>672</b>	<b>1,628</b>	<b>436</b>	<b>2,064</b>	<b>1,152</b>	<b>397</b>	<b>1,549</b>	<b>4,685</b>	<b>1,531</b>	<b>6,216</b>

Leavers 2021															
	EMEA			APAC			North America			LATAM			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Blue Collar</b>															
<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
<b>Total</b>	<b>950</b>	<b>208</b>	<b>1,158</b>	<b>260</b>	<b>51</b>	<b>311</b>	<b>1,120</b>	<b>272</b>	<b>1,392</b>	<b>834</b>	<b>273</b>	<b>1,107</b>	<b>3,164</b>	<b>804</b>	<b>3,968</b>
<b>White Collar</b>															
<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
<b>Total</b>	<b>322</b>	<b>141</b>	<b>463</b>	<b>73</b>	<b>55</b>	<b>128</b>	<b>146</b>	<b>54</b>	<b>200</b>	<b>129</b>	<b>60</b>	<b>189</b>	<b>670</b>	<b>310</b>	<b>980</b>
<b>Blue Collar+White Collar</b>															
<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
<b>Total</b>	<b>1,272</b>	<b>349</b>	<b>1,621</b>	<b>333</b>	<b>106</b>	<b>439</b>	<b>1,266</b>	<b>326</b>	<b>1,592</b>	<b>963</b>	<b>333</b>	<b>1,296</b>	<b>3,834</b>	<b>1,114</b>	<b>4,948</b>

In 2023, the overall outgoing turnover rate was **18.9%** (18.3% for the male population and 21.2% for the female population), while the incoming turnover rate was **16.9%** (14.8% for the male population and 24.8% for the female population).

The voluntary turnover rate was 12.2% (11.3% for the male population and 15.4% for the female population).

The outgoing turnover rates were: EMEA 12.1%; APAC 13.9%; North America 36.7%; LATAM 17.3%.

With regard to the outgoing turnover rate by age group, the largest movements were among the under thirties (42.8%), followed by those between thirty and fifty (14.7%) and, lastly by employees over fifty (13.9%).

The rates for overall incoming turnover were: EMEA 10.2%; APAC 12.6%; North America 32.8%; LATAM 18.3%.

The incoming turnover rates by age group were: 64.9% under thirty; 10.2% between thirty and fifty; 4% over 50.

The following table shows the number of Group contractors<sup>30</sup>, calculated as the ratio of total hours worked by "contractors"/theoretical annual workable hours assumed to be equal to 1,800:

	2023	2022
Number of non-employee workers	5,236	4,897



<sup>30</sup> This disclosure requires the organization to report the number of workers who are not employees and whose work is controlled by the organization. Control of work implies that the organization directs the work performed or has control over the means or manner in which the work is performed.

## 5.2 People engagement

Engaging the workforce means, first and foremost, paying attention to and monitoring the needs and requirements of its people. For this purpose Prysmian organizes an annual global survey to which it invites all employees, executives, and white-collar and blue-collar workers to respond and anonymously share their opinions on the work environment, integration, development and relationship with the organization. This initiative is managed in collaboration with an independent third party that supports this work to ensure comparability, confidentiality and data consistency. The analysis of the results of this survey is also enabling us to focus on certain areas through specific global and local initiatives for the continuous improvement of the work environment.

In 2022 the survey (48 questions for white collar and 20 for blue collar) was administered in collaboration with SDA Bocconi: 86% of employees, or a large portion of white-collar workers (83%) and an even larger portion of blue-collar workers (87%), participated in the survey, which concluded with an Engagement Index<sup>31</sup> of 61% and a Leadership Impact Index<sup>32</sup> of 55%.

Above all, Prysmian has paid enormous attention to the result of the Leadership Impact Index, which is also integrated into the LTI (Long-Term Incentive) plan that ended in 2022. After a meticulous phase of sharing and analyzing the outcomes of the survey, the company launched a granular and articulated action plan in 2023 aimed at continuous improvement of the company's working environment and micro-climate. These initiatives were developed around three work areas:

- **human capital management practices**, with a particular focus on the issues of compensation and recognition, in addition to training and development;
- **organizational and work environment** with projects for collaboration, inclusion, the employee experience and employee health and well-being;
- **greater strategic alignment and the strengthening of manager leadership** and trust within teams. To this end, new organizational communication and listening tools have been deployed.

Through close collaboration between HR and the other functions, the company initiated around 200 actions at local and factory level and more than 20 global initiatives.

The new SpeakUp 2023 was launched between November and December 2023 in collaboration with Polimi University as an independent third party. Once again intended for the entire population, it ended with 85% participation (90% desk workers and 84% blue collar workers). The Engagement Index and Leadership Impact Index results reflected the efforts made during 2022, coming to around 63% and 57%, two percentage points higher than the previous year. In addition, the fact that the company confirmed the inclusion of the Leadership Impact Index in the 2023-2025 LTI plan demonstrates its full awareness of the importance of people engagement to the Group's sustainable growth and a solid desire to continue cultivating it over time.

### Ability to attract talent

In an ever-changing labor market environment characterized by challenges such as generational turnover and gender balance, Prysmian recognizes the strategic importance of talent acquisition, especially for companies operating in technical-industrial sectors. This commitment has resulted in constant renewal and development of key projects and initiatives, with the aim of supporting the business and strengthening the corporate culture. The initiatives put in place by the Group focused on three main areas:

1. **attraction and employer branding programs, to improve the company's visibility in the labor market;**
2. **promotion of internal mobility via the Internal Job Posting tool;**
3. **digital innovations in the recruiting process in order to improve the candidate experience thanks to the personnel management platform, Workday.**

<sup>31</sup> The Engagement Index is considered a result greater than or equal to 5 – on a scale of 1 (low) to 7 (high) – on two questions in a survey measuring employee engagement.

<sup>32</sup> The Leadership Impact Index is considered a result greater than or equal to 5 – on a scale of 1 (low) to 7 (high) – on five questions in a survey measuring employee engagement. The indices were developed in collaboration with SDA Bocconi.

With the aim of making selection processes increasingly rigorous and methodologically sound, and for this reason exclusively oriented towards the search for merit and talent, 2023 was also the year of the launch of new policies such as the "Conflict of Interests in Recruitment", and the updating of existing policies such as the "Diversity Recruitment Policy", first adopted in 2019.

**Investments continued to be made in training relating to the candidate selection and interview process for both the HR function and line managers, generating more than 30 total hours of training.**

With a view to the continuous development of its human capital, Prysmian intends to facilitate internal mobility, and to this end has launched Internal Job Posting (IJP), a system for posting and applying for open positions within the Group, fostering the internal development and enhancement of people already working in the company who show growth potential.

The IJP had been launched as a pilot project in the United States in 2019 and was then expanded globally starting in 2021. Thanks to the launch of the Workday digital platform in March that year, the number of colleagues who have taken the opportunity for a professional transition through the IJP has increased sharply (+17% during the last year): 136 in 2021, then 171 in 2022 and 200 in 2023.

In summary, in the more than 10 years since its launch, the Group's Recruiting Programs have greatly contributed to attracting valuable resources externally, while also playing a key role in the progressive achievement of gender balance in employee hiring globally. They also provided new colleagues with important training and development opportunities that over time fostered their growth and engagement within the organization. The various programs are described in detail below.

## ***Build the Future, Graduate Program***

The numbers from 2023:

- 57 new graduates
- almost 35,000 candidates
- 60% female representation
- 12 editions since 2012

The objective of the Graduate Program is to recruit, support and develop new graduates for central roles in areas key to the future of Prysmian, such as Operations, R&D and Sales. The Graduate Program comprises various stages, from a careful selection process to the assignment of an important technical or managerial role after three years of international experience. Further growth in recruitment is expected in 2024. Notably, since 2021 Build the Future has been accompanied by "Empower your community", a program intended to recruit new graduates who, by directly supporting the Group's companies, are primarily engaged roles linked to digitalization and sustainability. Five new graduates were recruited as part of the "Empower your community" program in 2023. This number will surpass ten hires in 2024 as the program is expanded to more regions.

2024 will be the year of the 13th edition of the Graduate Program, which over the last year has also been revisited and redesigned in order to increasingly meet business needs and development requirements.

The new structure includes a 5-year program in which the first year will be devoted to job rotation in the two main departments of R&D and Operations. The second year will still run locally, consolidating experience in one of the two departments and in preparation for a 3-year international assignment, the duration of which has remained unchanged.

The program is open to applicants with a STEM background.

## STEM IT

The numbers from 2023:

- 143 professionals hired (40 more new hires than in 2022)
- 62% female recruitment

The objective of the STEM IT program 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 at Prysmian. The program, in addition to training ("on Boarding & Training on the Job") of about 2 months for integration within the local organization and the role, also includes the assignment of a corporate mentor and ongoing technical training relying on Prysmian Faculty trainers and the involvement of internationally prestigious universities. The STEM IT training is spread over 5 years and encompasses the following modules: fundamentals of cable manufacturing, Product Management, Industry 4.0, Soft Skills, Sustainability and Project Leadership. As mentioned previously, the STEM IT program also features a section dedicated entirely to female leadership, known as "Women in STEM IT".

## SELL IT

The numbers from 2023:

- 48 salespersons hired
- 69% female recruitment

The objective of the SELL IT program is sales force growth and development. Following the same steps as the STEM IT Program, SELL IT also starts with a careful selection of candidates and continues with a training program ("On Boarding & Training on the Job") of about 2 months, aimed at placing them in the local reality and the role. This also includes the assignment of a corporate mentor and ongoing technical training through Prysmian Faculty trainers and the involvement of universities of international standing.

SELL IT training is spread over 5 years and includes the following modules: Product Management, Marketing and Sales Skills, Soft Skills, Sustainability and Advanced Negotiation. Recruitment through the SELL IT program has seen an increase compared to 2021 and 2022.

## SUM IT

- 9 professionals
- 44% female recruitment

SUM IT, launched in 2020, is entirely dedicated to professionals working within the industrial control function. The program follows the training path already described in previous projects and is spread over five years. It includes the following modules: fundamentals of cable manufacturing, industrial controlling, reporting, soft skills and sustainability.

Overall and consistent with the gender balance objectives, the Group's Global Recruiting Programs have seen growing recruitment of women over the last three years, as shown in the table below:

	2021	2022	2023
Men	56%	39%	38%
Women	44%	61%	62%

## 5.3 Performance and talent management

### Prysmian People Performance (P3)

Prysmian believes that every employee can make a significant contribution to the company's success.

**The "Prysmian People Performance (P3)" program, intended for all desk workers globally, provides the opportunity to set clear goals and align them with the company's targets.**

P3, supported by the online HR platform, not only monitors individual performance, but also promotes behaviors aligned with the leadership model. In this way, transparent and direct communication is fostered between managers and employees, allowing for the ongoing sharing of results and distinguishing performance based on objective assessments.

The project includes occasions for frequent and structured interaction between manager and employee: in the initial goal setting phase, mid-year and at the end of the project to share assessments. In addition, the Workday platform offers feedback tools available at any time: it is possible to provide them to anyone in the company, requesting them for oneself as well as for another employee. During the year, new ways were also activated to provide immediate and agile judgments.

**During 2023, the company was engaged in the execution of a global initiative aimed at training on effective global feedback sharing that reached a total of 3,878 people.**

In 2022, the P3 performance assessment process involved 7,140 employees (including 4,877 men and 2,239 women) and wrapped up in March 2022. The 2023 P3 was launched in February, involving 8,081 desk workers. This cycle will end in spring 2024, including the final stages of calibration and subsequent feedback. Final data, including gender details, are provided in the table below.

Prysmian 2022	Men	Women	Other	Total
Number WC employees in the P3 program	4,815	2,202	123	7,140
Percentage WC employees in the P3 program	67%	31%	2%	100%
Number WC employees - Poor evaluation	195	67	25	287
Number WC employees - Solid evaluation	3,718	1,786	88	5,592
Number WC employees - Outstanding evaluation	902	349	10	1,261

The final assessment is based on two criteria:

- "Achievements": measurable targets based on specific KPIs linked to the role;
- "Leadership": behavioral guidelines.

Behavioral guidelines are based on the Leadership model shown below, divided into six key principles, as well as compliance with the Code of Ethics.

		Leadership traits	
Drive	We are customer driven	Actively explore and understand customer needs. Make customers the top priority and go the extra-mile to exceed expectations.	
	We think ahead	Consider market trends and strategic goals to anticipate the future. Pursue focused innovation and improvement.	
Trust	We value diversity	Embrace diversity and inclusion leveraging on the value that it can bring to promote collaboration and cooperation within the organization.	
	We empower people and help them thrive	Foster a culture of ownership and accountability. Always act as a role model, ensuring integrity and delivering on promises.	
Simplicity	We take action	Keep things simple in order to facilitate timely and focused decisions. Balance a short term value within a mid term perspective.	
	We deliver results	Achieve consistent results, focusing on priorities and ensuring both effectiveness and efficiency in the process of delivery.	

## Prysmian People Performance Potential (P4)

Con l'obiettivo di implementare un processo di individuazione del talento e di elaborazione dei piani di successione, nel 2017 Prysmian introdusse un tool strutturato a due anni chiamato "Prysmian People Performance Potential (P4)". Questo programma valuta il potenziale di individui talentati, i.e. quelli che sono stati alti performer in P3 nei due anni precedenti, basandosi su tre indicatori: **motivazione, cambiamento di leadership e velocità di apprendimento.**

Alla fine della valutazione del potenziale, è essenziale definire un piano di crescita per lo sviluppo del talento. Durante il 2023, il 31% dei Desk Workers è stato coinvolto nella valutazione P4, che è la stessa percentuale di coloro che hanno ricevuto una valutazione per due anni consecutivi che soddisfano i criteri descritti sopra. In aggiunta, il processo di discussione riguardante i piani di successione avviene ogni due anni e nel 2023 ha coinvolto 1686 posizioni (tutte le posizioni esecutive di gruppo e alcune altre posizioni rilevanti di medio management, inclusi i manager di fabbrica e le loro linee frontali), un aumento significativo rispetto alle 386 posizioni discusse nel 2021. Questo esercizio ha fornito visibilità sul 60% di queste posizioni trovate da avere almeno un successore rispetto al 40% con nessun piano di successione su cui specifici piani d'azione sono in corso.

Talent management process – P4 – 2023 results	Men	Female	Total
Desk workers included in the performance assessment program	1,549	638	2,187
% desk workers included in the performance assessment program	70.80%	29.20%	100%

## The new performance and development evaluation process

An innovative annual process was implemented in 2023 to assess the performance and identify the potential of all desk workers, amounting to around 8,000 people. This new system stands out due to its simplicity, inclusiveness and, above all, its person-centered orientation. This system, which starting from January 2024 has replaced the previous P3 and P4 assessment systems, provides opportunities for employees to guide and share their aspirations, geared toward professional and personal growth, by promoting a culture of continuous feedback between manager and employee and vice versa (reverse feedback), as well as between colleagues.

In the final months of 2023, training sessions were organized for all desk workers with a view to providing information and tools on the new performance process called P+. Several activities are planned at global and regional level in 2024 to accompany and support our people in this significant change in both methodology and culture (change management).



## 5.4 Training and development

Staff training and development are fundamental components of Prysmian's responsibility to People. In 2023, the total average training hours per employee was 35.7, 23% per FTE more than the previous year. This represents significant progress from 2021, when there was an average of 18 hours of training per employee. The positive trend is in line with the growth targets outlined in the Group's 2030 Social Ambition.

### Hours of training provided

	Men	Female	Other	Total
White Collar	240,725	135,309	95	376,130
Blue Collar	566,641	117,247	705	684,593
<b>Total</b>	<b>807,366</b>	<b>252,556</b>	<b>801</b>	<b>1,060,723</b>

### Average training hours provided per employee

	Men	Female	Other	Total
White Collar	44	50	17	46
Blue Collar	31	36	85	32
<b>Total</b>	<b>34</b>	<b>42</b>	<b>58</b>	<b>36</b>

Prysmian's educational offerings are structured through the following initiatives: the School of Management, the Professional School and the Digital School that cover a global scope, and the Local Schools that meet the specific educational needs of individual regions.

The **School of Management** focuses on the managerial growth of potential and talent (in accordance with the internal P4 talent management process) and the training of newly hired graduates through the above-mentioned "Build the Future." The latter are particularly involved in a training program called "Post Graduate Program" that aims to accompany the entry of these young talents into the company, supporting their all-round skills development and investing in both technical and business and leadership subjects.

The year 2023 was also the year of the second editions of the Leadership Programs for Middle Managers (Journey to International Leadership – JIL) and Executives (Journey to Advanced Leadership – JAL), with the involvement of a further 130 people, in addition to the 130 already appointed in 2022 and who will complete the journey in 2024. The JIL and JAL, both with a total duration of 18 months, primarily aim to train participants in key general management content, while accompanying them towards the application of these concepts at Prysmian, thus fostering the sharing of the Group's strategic objectives for the coming years and the strengthening of the one-company culture. Participants are also required to work on concrete projects, once again choosing and then applying theories and tools learned during the training courses, thus fostering a healthy cross-fertilization between classroom activities and daily operations that makes the JIL and JAL two effective training and development initiatives that are in step with the most recent trends in executive education.

Consistent with the one-company logic, the Group's commitment in terms of management training extends across its entire scope (Region and Business Division) through Regional Leadership Programs (RLPs). The RLP is a development journey that allows for a broader population of managers to be rapidly involved in the flow of change and to contribute to the achievement of the strategic goals of the Region and thus of the Group, creating a link between the local and the global, but responding to regional growth requirements. The goal is to ensure alignment with and knowledge of the Group's strategy amongst everyone in the company who also plays a key role at regional and local level.

The portfolio of people development initiatives is further enhanced with an internal Mentoring program called “My-Mentorship” intended for all employees with corporate seniority of more than one year who are interested in boosting their technical or soft skills. Mentoring is also a powerful tool for exchange and contamination amongst managers, and its combination with the programs described above (RLP, JIL, JAL) has been confirmed. In 2023, 231 new mentoring tracks were activated.

---

The **Professional School**, on the other hand, is devoted to the development of advanced strategic skills at technical-functional level, with a view to international networking and career development for “high-performing” employees (based on the internal P3 process) and new hires through the STEM IT, SELL IT and SUM IT programs. A range of 29 Professional courses, divided by function, is available: Manufacturing, Supply Chain, IT & Digital, Purchasing, Sales, Quality, R&D and HSE, in addition to cross-functional courses dedicated to all, such as Project Leadership and Advanced Negotiation Skills. More than 150 internal Corporate and Regional instructors collaborate on course implementation, putting their knowledge at the service of our talent. In the course of 2023, there were 1025 participants in the Professional School. In addition to all of the technical and functional academies, the Professional School offers an internal Master in Human Resources, now in its third edition, which trained colleagues from around the world this year.

---

**Digital**, the third and final Corporate Academy School, offers about 30 courses and supports the global sharing of technical and functional content for Desk Workers and Non-Desk Workers. In 2023, the number of courses increased by 30% and participants by 13% to a total of 9,265 people involved.

---

**Local Schools**, present across all regions since in 2021, respond to contingent needs linked to workforce characteristics, the local business and the relevant market.

---

The organization of each School is autonomous, delegated to the regional HR team, but aligned and in synergy with the Corporate team, particularly in the coordination of programs and initiatives with a cross-regional impact and for training data monitoring activities that are part of the measurement of the Integrated Report indices.

In 2023, the educational offerings of the Local Schools were enhanced through the training of local teachers in two areas:

- Soft Skills (70 trainers certified in Conflict Management, Problem Solution Fit, Smart Decision Making, Remote Meeting Management, Customer Centricity, Remote Public Speaking, Stress Management, Emotional Intelligence, Influence and Communication Skills, and more than 69 sessions delivered)
- Professional School Fundamentals courses delegated and customized locally by the Regions: Manufacturing Fundamentals, HSE Fundamentals and Supply Chain Fundamentals.

Thanks to the delegation of Fundamentals, in 2023 more than 400 people in 8 regions were trained in 2023, also involving participants in the STEM IT, SELL IT and SUM IT programs.

To foster mutual enrichment and the exchange of good and best practices between regions and BUs, and ensure local-global alignment, the global Academy team leads weekly meetings with regional and business People Development Leaders, thereby facilitating the dissemination of Local School training plans.

Lastly, in 2023 Prysmian consolidated the activities of the **Global Sustainability Academy**, which involves all Group employees in the more than 50 countries in which the business operates. The initiative – launched in 2022 – aims to spread the culture of sustainability within the entire company population and further strengthen the Group’s commitment to implementing its Climate & Social Ambitions. The Sustainability Academy training program features the involvement of internationally prestigious Business Schools.

In 2023 the structure of the program comprises five modules – Awareness, Knowledge, Impact, Leadership and ESG KPIs – which are differentiated depending on the target audience. In 2023, more than 5,000 employees were involved in the Sustainability Academy training programs.

In 2023, Prysmian also strengthened investments in the global and uniform tracking of training data, and in particular the digital collection and counting of training hours at local level. The company has updated and digitalized part of the global internal control procedure for the collection of training hours, making it increasingly straightforward to record hours delivered in order to communicate them transparently and effectively to the outside world. On a quarterly basis, the global Academy in particular provides the Regions and Business Units with support for the overall calculation of training hours and to perform a spot check of the data entered into the system and the relative feedback in the event of inconsistencies, with a view to continuous improvement.

# Training and development program objectives and benefits for the business

School of Management programs have a range of benefits, as they help develop employees' skills, improve their productivity and motivation and increase their cultural and global awareness. In addition, these pathways facilitate a more inclusive and diversified corporate culture by improving communication and strengthening the global network among employees and their ability to work as a team. Global leadership programs provide strategic business insight by exposing employees to diverse cultures, markets and business practices, thus generating natural alignment with corporate targets. Currently, a total of 390 employees are involved in Global Leadership Programs.

An important benefit of such programs comes from the opportunity to train the Group's future leaders, addressing their engagement and motivation, as well as technical and managerial skills.

The Professional School and Local Schools, on the other hand, which are also part of the portfolio of courses offered by Prysmian to its employees, aim to achieve three main objectives:

- The first is to share advanced strategic and operational knowledge about key business areas so that strategy implementation is consistent across all levels of the organization and ensures extreme proximity to customers and markets. These training actions are part of a program of re-skilling and up-skilling the entire organization.
- The second objective is to foster international and local networking among participants who are selected with similar or complementary roles, in order to generate an exchange of best practices between regions and among production facilities and create a network to support faster and more effective resolution of problems that arise in day-to-day operations, while maintaining a focus on long-term targets. The global Lean Six Sigma training program, for example, aims to develop and share projects that lead to production cost savings through process standardization and raw material recycling. In 2023 the savings brought by the 115 new Lean Six Sigma projects carried out with global and local mentorship was Euro 9,627 thousand.
- The third objective is to foster networking between participants and internal faculty, which includes internal technical experts and leaders from all functions. This allows people to create greater motivation and commitment to their role as well as develop a greater sense of belonging to the company.

Another central theme in Prysmian's Professional School is the Sustainability of its business actions, which is why the **Sustainability Academy** was created. In fact, to achieve the strategic Social and Climate Ambition goals set by the organization, the Sustainability Academy aims to share awareness and knowledge of the KPIs that characterize the entire organization and increase the effectiveness of individual contributions to performance indicators.

The **positive impacts** on motivation and engagement exerted by training programs are also reflected in the increased retention of those who have the opportunity to access them. The turnover rate of all people who participated in a School of Management or Professional School training program between 2022 and 2023 is 0.4%, a figure that is almost zero and still much lower than the voluntary turnover rate for white-collar employees, which is 10.1%.

In addition, **the increase in the Engagement Index recorded in recent years, which reached 63%** in 2023, is further evidence of how much the training programs carried out by Prysmian have a positive impact on people's well-being and engagement in company life. At Prysmian, the close connection between the assessment of potential and development and training programs is also increasingly valued. 41% of the people in the company's succession plans were placed within the management and professional training programs between 2022 and 2023: this is in order to carefully and thoughtfully train the group's talent first of all. In addition, Prysmian generally fosters the internal development of the resources who participate in its programs, so much so that 56% of those who received a promotion in 2022 had completed at least one of the Business or Professional pathways in previous years.

Finally, Prysmian decision to have its own in-house Academy is justified by an **estimated savings of between 72% and 86% compared to the purchase of catalog** programs offered by some of Europe's leading Business Schools (comparison made between costs of programs developed specifically for Prysmian and similar ones provided by leading Business Schools such as SDA Bocconi and Polimi GSoM).

## 5.5 Dialogue with social partners and collective bargaining



In 2023, the percentage of Group employees covered by collective bargaining agreements was 64%.

For employees not covered by collective bargaining agreements negotiated directly by Prysmian and the works council, Prysmian applies the working and employment conditions envisaged in the collective bargaining agreements negotiated and agreed at national or industry level (i.e. not directly by Prysmian or by members of the works council, but rather by relevant industry employers' associations and national or industry trade unions).

In the absence of a collective agreement applicable to the specific factory/site/workplace, Prysmian applies dedicated employment policies that are notified to individual employees and accepted by them through the formalization of their personal employment contracts. The situation clearly varies a great deal but, in all cases, the terms and conditions of employment are always well defined and collectively known and accepted.

With reference to organizational changes and the related minimum notice period, each country in which the Group is present complies with the related local regulations in force.

The Group steadfastly maintains its focus on cultivating social dialogue on a constructive and continuous improvement basis, firmly believing that the contribution of the social partners is always a decisive stimulus and support in Human Resource management policies.

Notwithstanding the fact that workers' representatives and trade unions operate freely, subject to local legislation and practices, the Group guarantees their involvement and consultation in the main collective personnel management processes at all existing trade union levels, from factory level to international level (European Works Council).

**In many of the countries in which the Group operates, 2023 was also a year marked by the signing of agreements with workers' representatives and trade unions:** any corporate process or project with an impact on HR for which union consultation was required in most cases ended with the finalization of an agreement or with a record of a complete disclosure procedure. Union agreements concerned both ordinary renewals of the economic and regulatory parts of expiring collective bargaining agreements and new working time conditions and shifts when necessary due to specific market conditions.

It should be highlighted that, as usual, with reference to organizational changes and the related minimum notice period, each country in which the Group is present complies with the related local regulations.

In addition, at European level, on 26 May 2023 Prysmian renewed the agreement establishing the European Works Council (EWC) with union representatives from the majority of European factories.

Under the new agreement, the Committee will consist of 27 union representatives from all European countries where Prysmian has a presence. The presence of an executive body (called the Select Committee) of the European Works Council was also confirmed, which can count on the contribution of seven members, elected by the 27 members of the General Committee.

Trade union conflict within the Group was insignificant at global level in 2023, thanks to the constant pursuit of the described industrial relations policy aimed at preventing any source of dispute that could potentially generate conflict at different levels, through constructive dialogue, usually accompanied by proactive union consultation.

During 2023, Prysmian announced that it will cease operations at some of its production facilities (Calais, Köpenick and Washington). Aware of its responsibilities to the local areas, the company is defining all viable solutions in full cooperation with public authorities and union representatives in order to reduce impacts on communities. Negotiations have been initiated with stakeholders to implement social plans involving various measures, including job relocations to other Group sites and redundancy incentives. The goal is to enable each employee to find the most suitable solution for their personal needs.



**In 2022, Prysmian launched an innovative share-based variable compensation (BE-IN) and profit-sharing plan on the Company's shares, potentially targeting more than 25,000 of the Group's blue- and white-collar employees across more than 35 countries. Approved by an overwhelming majority at the Shareholders' Meeting, the Plan is spread over the years 2022, 2023 and 2024 and calls for the allocation of up to 3,000,000 shares.**

**The main objective of the plan is to share the value creation generated by Prysmian with a broad base of employees, mainly blue-collar workers; the plan also aims to strengthen engagement and the sense of belonging of the Group's employees by promoting their stable investment in the Company's share capital.**

For Prysmian's management, it is crucial to align the interests of all Stakeholders, from employees to shareholders, around the common goal of long-term sustainable value creation. To achieve this goal, it is therefore essential to involve those who are not recipients of share-based incentive plans usually reserved for managers and executives, such as the GROW plan.

Employees may participate in the plan on a voluntary basis, unless established otherwise in any agreements with trade union organizations, by opting to receive the payment of a portion of the monetary incentive to which they are entitled or production bonuses in the form of shares, the number of which will be calculated based on the extent of each individual bonus and the assignment value (the average share price in the 30 trading days prior to the assignment date). The Company may define a minimum and/or predetermined percentage for the conversion of the monetary bonus into shares on an annual and individual basis. The plan also calls for employees to be awarded an additional number of shares, for a value of up to a maximum of 50% of the share of the monetary bonus covered by shares, as well as an additional amount of shares after 12 months, provided that the shares initially received are not sold before the end of that annual period.

With the necessary adjustments, the Plan can also be activated even when there are no pre-existing collective monetary incentives.

In 2023, the local management of many Group factories and affiliates negotiated and agreed with the local company committee and the trade unions to implement the Plan when requested. The global implementation process has been satisfactory, reaching more than 50% of the plan's eligible population, with the prospect of increasing this percentage even more next year.

Employee involvement in share ownership is of paramount importance at Prysmian, which already stands out due to its decision to pay the bulk of incentives reserved for management, the annual MBO and the three-year Long-Term Incentive Plan, in shares. In addition, with the YES Plan launched in 2013, Prysmian employees also have the opportunity to buy Company shares under favorable conditions during multiple annual periods.

**Currently, Prysmian employees, including Top Management, hold about 3% of the Company's share capital, a significant percentage in a Public Company where there are no majority shareholders capable of exercising control.**

## 5.6 Remuneration policy and welfare plans

Like all people-oriented initiatives, also the remuneration policy adopted by Prysmian is designed to attract and recognize talented resources, who have the skills needed to address the complexity and specialized nature of the business, in addition to the international competitive context in which the Group operates.

This policy is defined in a way that aligns the long-term interests of employees, management and shareholders, pursuing the priority objective of creating sustainable value over time for all stakeholders. The remuneration policy is largely founded on the principle of sharing the results achieved, via systems that establish a real and verifiable link between pay and performance, both individually and at Prysmian level.

The remuneration policy for expatriate employees and senior executives is determined centrally while, for other personnel, local programs are implemented in accordance with the guidelines on remuneration defined centrally.

The remuneration policy for executive directors and key management personnel is determined as the result of a shared and transparent process, during which both the Remuneration and Nominations Committee<sup>33</sup> and the Board of Directors play a central role.

Indeed, the Committee periodically submits the remuneration policy to the Board of Directors for approval and checks on its application during the year, engaging the shareholders when necessary for their feedback and input. The pay structure for executive directors, key management personnel and executives comprises a fixed remuneration component, a short-term variable remuneration component and a medium/long-term variable remuneration component.

**For 2023, the ratio between the total annual remuneration (fixed remuneration plus annual variable remuneration and long-term variable remuneration) of the Chief Executive Officer and the<sup>34</sup> total median annual remuneration of Group employees, overall, worldwide is equal to 70.**

In 2023, annual total compensation for the Chief Executive Officer decreased compared to 2022 due to the lower value of the long-term variable component, so the ratio of the percentage decrease in annual total compensation for the Chief Executive Officer to the median percentage increase in annual total compensation for all employees was -7.7 (the ratio of the percentage increase in annual total compensation for the Chief Executive Officer to the median percentage increase in annual total compensation for all employees had been 0.90 in 2022).

Furthermore, the ratio between the total annual remuneration for 2023 (fixed remuneration plus annual variable remuneration and long-term variable remuneration) of the Chief Executive Officer, compared to the median annual remuneration of Group employees overall worldwide is equal to 60 (compared to 89 in 2022). The ratio of the percentage decrease in annual total compensation for the Chief Executive Officer to the average percentage change in annual total compensation for all employees was -9.1 (the ratio of the percentage increase in annual total compensation for the Chief Executive Officer to the average percentage change in annual total compensation for all employees had been 0.58 in 2022). Shareholders, together with investors, are regularly urged to provide feedback and suggestions regarding the remuneration policy. Their opinions are considered when preparing the mentioned policy, which is periodically submitted to a vote at the shareholders' meeting.

<sup>33</sup> Further information about the activities of the Remuneration and Nominations Committee and the vote expressed by the shareholders is available in Section II of the "Report on Remuneration Policy and Compensation Paid" <https://www.prysmian.com/en/company/governance/remuneration-policy>

<sup>34</sup> Temporary workers, agencies, interns, Nantong plant workers and workers employed on vessels were excluded from the calculation of average and median wages. The average and median remuneration was determined using the theoretical gross annual remuneration as at 31 December 2023 plus variable components (MBO and LTI plans) related to the relevant year according to best estimates where data were not available, excluding non-recurring items and labor costs. For part-time workers, the theoretical full-time figure of gross annual compensation as at 31 December 2023 was taken into account.

As part of its transparency on remuneration issues, Prysmian has issued guidelines, in compliance with local laws, that link pay measures at all levels of the organization and variable remuneration plans to individual performance assessment. The fixed component of remuneration is reviewed annually and, if necessary, updated to remain competitive with market conditions, the position held and personal performance, while always complying with local regulations. This meritocratic approach is based on a global system of organizational position and performance evaluation, which is applied on a consistent basis throughout the Group.

**Sustainability is playing an increasingly important role in the remuneration policy of Prysmian<sup>35</sup>. Part of the variable short- and long-term remuneration of all managers, including executive directors and key management personnel, is linked to the achievement of sustainability targets, which are monitored using ESG indicators.**

---

## Welfare system

Throughout the Group, the monetary package is supplemented by additional benefits, such as supplementary pension and healthcare policies, personal injury insurance, a company car for those entitled and company canteen or restaurant vouchers. These benefits are adapted to local conditions, having regard for market characteristics and relevant regulations.

Participation in the creation of sustainable value over time is open to all employees, via the Value4All program based on share ownership plans allowing them to become stable shareholders.

The Value4All program includes both the YES Plan, the discount purchase plan for employees now in its tenth year in 2023, and the BE IN Plan, the new plan dedicated to the non-managerial population that allows for the conversion of production bonuses into shares.

The objectives pursued by Prysmian via the Value4All program are to increase the participation, engagement, sense of belonging and business understanding of employees, ensuring that the interests of shareholders, customers and employees converge over time, and reinforcing the internal perception of Prysmian as a single and unique enterprise, truly "One Company", thus building a stable base of employee-shareholders.

For more details on the BE IN Plan, please refer to the section "Dialogue with social partners and collective bargaining".

This focus on individuals is confirmed by Prysmian's commitment to investing in the development of employee-company relations, via numerous initiatives designed to foster engagement. The Group also enters into agreements with external partners for the supply of products and services at special rates for employees, such as discounts on theatre tickets, gym subscriptions, magazines and products purchased in shops. These benefits are equally valid for full-time and part-time employees.

---

<sup>35</sup> Further information about Prysmian's remuneration policy for executive directors and key management personnel as well as ESG goals linked to variable remuneration can be found in the document "Report on Remuneration Policy and Compensation Paid" <https://www.prysmian.com/en/company/governance/remuneration-policy>

As of 1 January 2023, the Global Maternity Policy, revised in 2021, was fully implemented in all Group countries. As of 15 May 2023, a new Global Parental Policy was formalized and implemented in all Group countries. The “Diversity, Equity, Inclusion and Equal opportunity” section of this document contains further information on this topic.

This year, Prysmian again implemented national initiatives (Italy/Headquarters) that make it possible to:

- obtain a free flu jab, delivered on company premises;
- donate blood in collaboration with Avis;
- take advantage of an increasingly comprehensive free check-up service in collaboration with Niguarda Hospital with a view to prevention and a focus on the health of employees in the Milan Bicocca area (with a change in the frequency of check-ups from biannual to annual for those over 55);
- participate in health and wellness programs based on employee demographic characteristics, such as cancer prevention and early detection examinations for men and women and breast examinations for all women;
- participate in initiatives dedicated to sports and physical activity and take advantage of a discounted membership to a yoga/Pilates center, as well as participate in monthly Pilates classes dedicated to specific departments;
- participate in first-aid training seminars;
- obtain insurance coverage at special rates with AON;
- participate in the award of 80 scholarship for Secondary School and 20 scholarships for the University education of the children of employees. These scholarships were set aside in 2023 and will be awarded in early 2024;
- receive an annual pass for public transport at a discounted price under an agreement with ATM;
- participate in gender-based violence awareness seminars for women, and seminars organized in collaboration with Feltrinelli Education focusing on emotions, as well as seminars on mental health and stress management.

Again at Corporate level with a view to tackling the emergency caused by higher energy costs and inflation, Prysmian has launched various initiatives to protect the purchasing power of employees, including:

- distribution of petrol vouchers worth Euro 200 to all employees, for a total value of about Euro 480 thousand;
- increase in the value of meal vouchers for all employees, for a total value of about Euro 210 thousand.



## 5.7 Diversity, equity, inclusion and equal opportunity

The following **impacts** generated by Prysmian are associated with the material topic "Equity, diversity, inclusion and respect for human rights":

- **Positive impacts:**
  - Promotion of specific programs to develop a more inclusive and equitable work environment;
  - Promotion of practices to support gender equality, both within group management and the Board of Directors.
- **Negative impacts:**
  - Lack of practices to promote social sustainability within the corporate structure and business model, including the violation of human rights.

With reference to human resource management and the sustainability of the company's human capital, Prysmian has set as a strategic goal the enhancement of Diversity, Equity and Inclusion (DE&I) and equal opportunity through the development and updating of processes and procedures, innovative data-driven programs and an increasingly inclusive corporate culture.

In line with this commitment, Prysmian has formalized a global "**DE&I Manifesto**", which is available on the Corporate website, in accordance with the Social Ambition 2030. In addition, each Region or Business Unit has designated at least one **Local DE&I Partner** responsible for disseminating the DE&I Manifesto and organizing activities based on local needs or environments.

This year's portfolio of global DE&I activities is presented below, with many initiatives also implemented locally.


**1. Global Diversity Recruitment Policy**, available on the Group's corporate website<sup>36</sup>: this procedure, which has been formalized at corporate level, defines an appropriate selection and recruitment process that applies a standardized 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 made official globally in March 2019, renewed in November 2023 and translated into six languages in addition to English (Italian, German, Spanish, French, Portuguese and Chinese).

**2.** In order to foster a work environment that ensures equal opportunity, inclusion and non-discrimination, the Company supports the principle of pay equity by periodically monitoring the **Gender Pay Gap** which, as part of its Social Ambition goals, it has committed to eliminating by 2030 on the basis of an annual action plan and the allocation of a dedicated budget. The Gender Pay Gap analysis performed, the results of which are expressed in percentage terms as the male/female wages-salary ratio by position and geographical area, is shown below:

2023	EMEA	North America	LATAM	APAC	Total
Executive	-1%	-3%	3%	12%	2%
Managerial positions	3%	5%	5%	15%	5%
Employees	4%	2%	6%	9%	5%
<b>Total</b>	<b>4%</b>	<b>3%</b>	<b>5%</b>	<b>10%</b>	<b>5%</b>

By 2023, the efforts and policies put in place by the Group in all regions aimed at recognizing equal pay for equal work to women and men have made it possible to eliminate the gap for certain qualifications in certain regions (negative values for Executives in EMEA & North America indicate higher average wages for women than average wages for men at the same level in the same region) and keep the gender pay gap within the overall average value of 5%.

<sup>36</sup> <https://www.prysmian.com/it/persone-e-carriere/perche-prysmian/diversita-e-inclusione>



3. In 2023, more and more attention was paid to facilitating work-life balance, in addition to providing existing support measures such as flexible schedules and remote work. Prysmian has strengthened its commitment to parenting, not only through the new **Global Parental Policy** (described in the following point), but also through further support in the transition of parents back to work, and with the creation of breastfeeding rooms at various locations in China, Romania and the United States (one is currently under construction at the Group's headquarters in Milan).

In certain locations, such as in the United States, support is offered to families through the Employee Assistance Program, which connects employees with backup care providers, or in Italy through "Missione Genitori", which provides assistance, coaching and concierge services to parents of children under 18 years of age.


The **Global Parental Policy**, launched in May 2023 and available on the Group's Corporate website<sup>37</sup>, will be fully in effect throughout the Group as starting from 1 January 2024, with the stated aim of recognizing the high value of parenthood for personal and professional development. The policy is based on four pillars: 16 weeks of fully paid leave for mothers/primary caregivers, 2 weeks of fully paid leave for fathers/secondary caregivers, Baby Bonus and Family Support, additional leave support and specific return-to-work procedures. Implementations and specifications based on local factors are possible.



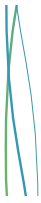
4. On the subject of overall employee **Well-being**, the Group has created a Steering Committee, a network of "Well-being Ambassadors" and a "Well-being Manifesto" to better define the Group's goals on the subject and promote a culture in this regard. In 2023, the month of May was dedicated to raising awareness of mental health through global and local communications and activities. A global series of seminars on mental health and stress management was launched, and many activities were carried out locally, such as the creation of a creative newsletter managed by Italian employees and the designation of four gender-neutral bathrooms at the Milan headquarters.



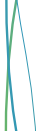
5. During the year, the decision was made to design and launch a program based on **Inter-Generational Communication**. The program, called **GenSync**, was initiated in the R&D department (identified following specific analyses as the department in which the management of this issue was most urgent and prioritized) and consists of four phases, including an in-person group session in which specific regional factors are identified and incorporated into training materials. This program, which began in the Central and Eastern European region, will be implemented in three more R&D centers in 2024, continuing with the Group's other R&D centers in 2025.



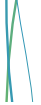
6. During 2023, **internal and external communication** campaigns on **Diversity, Equity and Inclusion (DE&I)** continued both globally and locally and were strengthened to raise employee and stakeholder awareness of these issues. Prysmian holds 3 global educational workshops (Women's Day, Cultural Diversity Day, Men's Day) every year on DE&I topics that include statements from Group leaders. The DE&I Local Partner Network also organizes regional workshops dedicated to relevant local issues. On-demand trainings are also available for all Group staff on the Workday platform, which feature topics such as inclusive leadership and unconscious biases and in which managers are reminded to check for and remove any biases during the performance assessment process; some regions also require mandatory annual training on the topic. The DE&I topic has also been included as part of official global onboarding and induction processes, as well as professional development programs.



7. In 2021, the company launched a **Global Policy**, available on the Group Corporate website<sup>38</sup>, **against all forms of workplace harassment**, including sexual harassment, defamation, bullying and intimidation, including from third parties who interact with our employees. The document outlines two procedures, one formal and the other informal, for reporting cases of harassment and requesting official action by the Compliance team. This year, the training accompanying this policy was translated into 7 more languages and made mandatory on an annual basis. Through the DE&I Local Partner Network, this training will also be disseminated to Group factories and delivered in person where needed.



8. In 2023, Prysmian launched its first global **Employee Resource Group (ERG)**, which is dedicated to STEM Women. ERG is open to all employees and has the mission of identifying and suggesting recommendations/changes to create more inclusive factory environments, support women currently in STEM roles, increase their retention, leverage the Group's partnerships with the relevant associations and serve as a point of reference for available local services and support programs.



9. On **disability**, Prysmian began work in 2023 to better understand the accessibility of its offices and factories, with the goal of launching a global Employee Resource Group (ERG) dedicated to disability in 2024. ERG aims to learn more about the Group's demographics, raise awareness, create a sustainable plan and educate and engage the population on this issue.

<sup>37</sup> <https://www.prysmian.com/en/people-and-careers/why-prysmian/diversity-equity-and-inclusion>  
<sup>38</sup> <https://www.prysmian.com/en/people-and-careers/why-prysmian/diversity-equity-and-inclusion>

With reference to the Group's total workforce, 2.08% of employees (more than 600 employees) reported being a person with disabilities.

### Prysmian's objectives for improving gender balance

	Group actual 2023	Target 2023	Group actual 2022
Percentage of women in the Total Workforce	20,5%	20%-22%	19,2%
Percentage of White Collar women hired <sup>(*)</sup>	46,0%	46%-49%	44,9%
Percentage of women in Junior Management positions	28,7%	28%-30%	26,9%
Percentage of women in Middle Management positions	25,1%	25%-28%	24,4%
Percentage of women in all Executive positions	18,8%	19%-21%	15,7%
Percentage of women in Top Management positions	12,5%	12%-14%	7,1%
Percentage of women in all Management positions	25,8%	25%-28%	24,3%
Percentage of women in all Management positions in Revenue-generating	18,9%	19%-21%	17,4%
Percentage of women in STEM positions <sup>(**)</sup>	21,9%	21%-23%	19,7%

<sup>(\*)</sup> White Collar women hired with permanent contracts including contract changes from temporary and agency contracts to permanent contracts.

<sup>(\*\*)</sup> Percentage calculated on the White Collar population only.

## 5.8 Respect for human rights

Prysmian takes many concrete steps to ensure respect for and protection of the human rights of all those involved in its business activities and value chain. A full audit plan has been implemented, with remote and on-site checks at the industrial plants, to identify any potential discrepancies with internationally recognized human rights principles.

### Human rights due diligence

With reference to the 2023 material topic: "Equity, diversity, inclusion and respect for human rights", below are **the risks** identified by the Group and the related mitigation actions pursuant to Italian Legislative Decree 254/2016:

---

#### Risk identified

Risks related to the social sustainability of the organizational structure and business model

#### Description of risk

Prysmian faces daily complexities arising from the management of organizational and business activities carried out by persons with different social and cultural backgrounds. Despite constant commitment, careful supervision and periodic awareness building, with the provision of specific information and training sessions, it is never possible to exclude episodic improper conduct in violation of policies, procedures and the Code of Ethics and, therefore, of current regulations concerning human rights by those who carry out activities on behalf of Prysmian, with consequent possible penalties, significant reputational damage and business impacts.

#### Mitigation actions adopted

As an international business operating in many countries and communities, Prysmian is passionately committed to respecting and safeguarding the human rights of all employees and all those affected by our activities. The objective is to ensure that Prysmian is not involved in any way, either directly or indirectly, in activities that violate human rights.

---

With this in mind, the Group Human Rights Policy was introduced in 2017. This policy, available on the corporate website of the Group<sup>39</sup> is based on various international standards (such as the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), the United Nations Global Compact etc.) and applied at all locations and in all Prysmian activities.

In addition, a Human Rights Due Diligence process, available on the Corporate website<sup>40</sup>, has been in operation since 2018, enabling Prysmian to map the potential impacts that Group *operations* may have on respect for human rights.

---

<sup>39</sup> <https://www.prysmian.com/en/company/ethics-integrity/human-rights/human-rights-in-prysmian-group>  
<sup>40</sup> [https://www.prysmian.com/sites/default/files/atoms/files/20200724\\_PRY\\_HumanRightsPPT\\_final.pdf](https://www.prysmian.com/sites/default/files/atoms/files/20200724_PRY_HumanRightsPPT_final.pdf)



Applying this Due Diligence process, the assessment of all production locations that commenced in 2022 was completed during 2023<sup>41</sup>.

Following this assessment, 9 plants found to be at high risk of violating human rights were audited to check if there was any substance to this analysis.

Prysmian also requires suppliers to show rigorous respect for human rights, applying a specific Due Diligence process that assesses the risk at supply chain level. This is described in more detail in the “Sustainable value chain” section of this document.

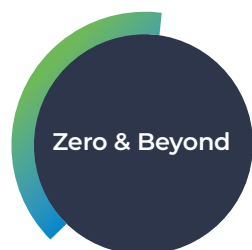
**Furthermore, 11,168<sup>42</sup> hours of training were provided in 2023 on the topics of Ethics and Human Rights, with a view to raising and disseminating awareness about them within Prysmian.**

More information about Prysmian’s human rights due diligence process can be found in the Human Rights section of the corporate website<sup>43</sup>.

41 This analysis, based on the Group reporting scope in 2021, excluded the Chiplun (India) plant.  
 42 Training hours refers to all the courses held at Prysmian and classified as “Ethics & human rights” in 2023.  
 43 <https://www.prysmian.com/en/company/ethics-integrity/human-rights/human-rights-in-prysmian-group>

## 5.9 Health and safety in the workplace

Safety is central to all Prysmian activities. As part of the company's value system and commitment, Safety is the main guideline of an efficient organization that aims to build a culture of prevention that generates positive impacts across all of its key elements: Human Capital, Production, Property, Quality, relations with Customers and Suppliers.



**The commitment to ensuring the occupational health and safety of all of employees, interns, contractors and anyone working within the organization is embodied in the Zero & Beyond philosophy. Zero & Beyond is a commitment to making the lives of people safer and ensuring safety in every single moment of daily life, from the workplace to the community. Z&B is an approach based on the belief that human life and health are indispensable values that take priority over everything else. This is why the Group firmly believes that every injury or accident can be prevented and that promoting the idea of safety and constantly improving it is everyone's responsibility.**

This shared vision of Safety Culture is supported by numerous initiatives at local level and is broken down into various strategies to consolidate and promote the proper attitudes and conduct in order to always ensure greater safety in the workplaces.

All information about Zero & Beyond is available on the Group website<sup>44</sup> and sponsored by the Top Management. All Group personnel, whether Desk Workers or Non-Desk Workers, at Regional and plant level, have been involved to ensure their awareness of the strategy adopted and are encouraged to participate as its promoters. The strategy has been and continues to be disseminated in practice, via workshops, and at the visual communication level, via banners, logos and the use of "Zero & Beyond" clothing.

In addition, the Prysmian HSEE Policy was updated in 2023, approved by CEO Valerio Battista and published on the Corporate website<sup>45</sup>. This policy contains all the principles that Group companies pledge to respect, including:

- The management of activities and processes using health, safety, environment and energy (HSEE) management systems compliant with international standards, with a commitment to make continuous improvements;
- The identification of hazards associated with their activities, the assessment of potential health risks and their elimination and/or minimization via appropriate prevention measures, not only via the adoption of collective and individual protection systems, but also by encouraging a culture of safety that influences behaviors;
- The demonstration of leadership capable of involving all levels with the organization and all those who work for the Group, ensuring that operational procedures and responsibilities are defined precisely, communicated appropriately and covered by specific training;
- The communication of HSEE information to all internal and external stakeholders, in accordance with specific procedures and programs.

As a further guarantee and commitment to the management of occupational health and safety matters, all Group plants will be ISO 45001-certified by 2026.

Prysmian applies established procedures for the management of injuries, which are the tip of the iceberg in the reactive safety management system. Injuries can have negative impacts in human, financial and technical terms, as well as on the reputation of the organization itself. The next section describes the procedure adopted for the in-depth analysis of events, so that their root causes can be identified and eradicated in order to prevent their recurrence.

<sup>44</sup> <https://www.prysmian.com/en/sustainability/health-and-safety>

<sup>45</sup> [https://www.prysmian.com/sites/www.prysmian.com/files/2024-03/HEALTH-SAFETY-ENVIRONMENT-AND-ENERGY-HSEE\\_23-06-2023-VB.pdf](https://www.prysmian.com/sites/www.prysmian.com/files/2024-03/HEALTH-SAFETY-ENVIRONMENT-AND-ENERGY-HSEE_23-06-2023-VB.pdf)

# Occupational health and safety management system

The following sections describe the health and safety risks identified and the associated mitigation actions pursuant to Italian Legislative Decree 254/2016 with reference to the 2023 material topic: Well-being, engagement and improvement of human capital skills.

---

## **Risk identified**

Health and safety risks

## **Description of risk**

The main health and safety risks to which Group personnel and contractors are exposed are linked to the work carried out by them at production locations, on vessels and at construction sites.

## **Mitigation actions adopted**

The Group has always been committed to protecting the integrity, health and welfare of workers in their workplaces. With particular reference to health and safety risks, the Group has adopted a centralized management system based on the identification and evaluation of factors deemed critical at various levels: Group, country and business unit. This approach provides a complete picture of the risks associated with individual production activities, in order to manage, monitor and minimize the health and safety risks.

In order to apply the health and safety standards defined at Group level, Prysmian uses tools and operating procedures for collecting, evaluating, aggregating and reporting data at central level, as well as the implementation and verification of corrective and preventive actions and the monitoring of significant events (injuries, near misses, non-conformities and reporting). Other mitigation actions aim to train staff not only for the transfer of technical knowledge, but also to impart an understanding of the approach taken and the risks incurred as a result of non-compliance with H&S rules and procedures.

To increase and strengthen the safety culture at Prysmian's factories, in 2023 the Group promoted a multi-year audit program ("Safety Assessment Program") conducted by a third party, with the aim of measuring the maturity of the safety culture at Prysmian's sites through a customized protocol to assess safety performance across 4 main streams (Governance, Employee Engagement, Risk Assessment and Frequency Index). Through the Safety Assessment Program, Prysmian aims to raise awareness of key plant risks and issues at every organizational level and, through specific improvement plans, to cultivate a continuous improvement mindset by identifying strengths and weaknesses for each site while also aiming to reduce injuries.

Prysmian has therefore redefined new quantitative targets within its Impact Sustainability Scorecard while taking into account the result of the Safety Assessment Program (plant Maturity Level and reduction of frequency and severity indices monitored at group level).

---

## **Risk identified**

Risks related to changes in the legislative environment governing Health, Safety and the Environment.

## **Description of risk**

The Group's production activities are subject to national and international laws and regulations governing Health, Safety and the Environment. Future legislative and/or regulatory changes, more or less foreseeable, might affect the operations of the Group, its ability to compete in the marketplace and its financial results, unless those changes are identified, anticipated and managed on a timely basis. In particular, the Group has analyzed the potential regulatory risk relating to energy efficiency, including the introduction of more stringent reporting requirements and possible changes in local legislation that transposes the "Energy Efficiency Directive" 2012/27/EU (EED), as amended, on energy end-use efficiency.

## **Mitigation actions adopted**

Via the HSE Management System, centralized and coordinated by the Corporate HSE team, the Group monitors constantly any changes and/or developments in the HSE requirements, including:

- changes in HSE legislation at local and Group level and related periodic reporting to the top management, in order to discuss any actions needed to comply with the regulations;
- implementation of initiatives and projects designed to mitigate risks and promote continuous improvement.

To ensure a systematic and concrete approach to safety, the Group adopts the **ISO 45001:2018** "Occupational health and safety management system" for **75%** of corporate assets. In particular, the adoption of **ISO 45001** certification enables the organization to:

- establish systematic processes that take account of the business context by evaluating risks and opportunities;
- determine the risks associated with its activities, in an attempt to eliminate them or introduce ad-hoc controls to minimize their severity;
- establish operational controls;
- increase awareness of the matter by all interested parties at every level within the organization;
- ensure that workers play an active role in health and safety matters.

The Group has issued a procedure that defines the methodology for identifying, assessing and documenting all workplace health and safety risks, in order to eliminate or reduce them, keep any residual risks under control and comply with legal requirements.

The corporate risk assessment procedure is endorsed and adapted at local level, in compliance with current laws. Accordingly, all systematic risk management activities are carried out at plant level, including the reporting of hazards, near misses and unsafe conditions identified by operators; all of these activities follow established local management and reporting procedures.

Corporate has issued a specific group procedure on the management of workplace incidents. This procedure, endorsed and applied at local level, requires all incidents – with or without lost days – to be reported and analyzed by specified deadlines using Group software. The objective is to share information about the most significant incidents and raise cross-functional awareness at all factories.

As far as training is concerned, 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 courses for the various categories of worker, depending on their roles, duties, levels of responsibility and working environment. At corporate level, the HSE team provides training on group procedures to be applied locally and specific training to enhance the skills of Group resources through the HSE Academy.

In order to monitor the employee safety KPIs, monthly reviews are carried out at both plant and regional level to identify possible improvements and structured action plans, as well as strengths and best practices to share with other facilities.

All occupational health and safety projects presented to the Investment Committee were approved. These projects focused on the following areas: forklifts, asbestos, fire detection systems, system for managing the treatment of water and waste. Again in 2023 all plants continued to improve traffic management and adapt the fleet of forklifts to the best safety standards defined in Group guidelines.

Through a statistical analysis of accidents with days lost that occurred throughout the Group scope, the main types of accidents were identified for which corrective actions will be implemented at the Regional and Group levels:

- **slips and trips, mainly due to deficiencies in housekeeping**
- **interactions with machinery and handling of reels**



The following table analyses Group personnel by type of worker included within the reporting scope. The Frequency Rate has fallen by 4% with respect to 2022, while the Severity Rate has increased by 10% due to the ongoing effects of injuries suffered in 2022. The most common problems relate to the musculo-skeletal system.

Prysmian 2023	Group (total)	Prysmian employees	Temporary agency workers <sup>(*)</sup>	Contractors <sup>(**)</sup>
Severity rate (IG) <sup>(1)</sup>	58.58	59.18	50.77	32.74
Frequency rate (IF) <sup>(2)</sup>	1.34	1.28	2.05	1.10
Hours worked	60,184,536	55,898,961	4,285,576	9,425,531

(1) **Severity rate:** ratio of days lost due to injury to the number of hours worked, multiplied by a factor of 200,000.

(2) **Frequency rate:** ratio of injuries with loss of working days in excess of 24 hours to the number of hours worked, multiplied by factor of 200,000. The calculation of injuries only considers those suffered in the workplace and not during travel between home and work, unless transportation was organized by the company.

(\*) **Temporary agency workers:** workers employed by staffing agencies.

(\*\*) **Contractors:** This disclosure requires the organization to report the number of workers who are not employees and whose work is controlled by the organization. Control of work implies that the organization directs the work performed or has control over the means or manner in which the work is performed.

Prysmian 2023	Prysmian employees	Temporary agency workers	Contractors
Number of fatalities	-	-	-
Fatality rate <sup>(1)</sup>	-	-	-
No. of reportable injuries	359	44	52
<i>of which with serious consequences<sup>(2)</sup></i>	<b>11</b>	-	<b>1</b>
Severity rate (IG)	59.18	50.77	32.74
Frequency rate (IF)	1.28	2.05	1.10
Frequency rate for injuries with serious consequences (IF)	0.04	-	0.02
Hours worked	55,898,961	4,285,576	9,425,531
No. of occupational diseases <sup>(3)</sup>	28	-	-
Occupational disease rate <sup>(4)</sup>	0.50	-	-

(1) **Death rate:** ratio of the number of fatalities to hours worked, multiplied by a factor of 200,000.

(2) **Frequency Rate for injuries with serious consequences:** ratio of injuries with loss of working days in excess of 180 days to hours worked, multiplied by a factor of 200,000. Injuries with serious consequences are defined as those lasting more than 180 days.

(3) **Occupational diseases:** illnesses contracted in the course of and as a result of the hazardous work to which the worker is assigned (e.g. deafness from noise, tumors caused by paints, dyes or carcinogenic substances etc.). The risk may be caused by the work that the worker does, or by the environment in which the work is performed.

(4) **Rate of occupational diseases:** ratio of the number of occupational diseases reported and recognized during the year to the number of hours worked, multiplied by a factor of 1,000,000.

Prysmian 2022	Dipendenti interni	Temporary agency workers	Contractors
Number of fatalities	-	-	-
Fatality rate	-	-	-
No. of reportable injuries	360	52	45
<b><i>of which with serious consequences</i></b>	<b>8</b>	-	-
Severity rate (IG)	54.20	44.12	31.56
Frequency rate (IF)	1.32	2.39	1.02
Frequency rate for injuries with serious consequences (IF)	0.03	-	-
Hours worked	54,582,051	4,351,680	8,814,534
No. of occupational diseases	35	-	-
Occupational disease rate	0.64	-	-

Prysmian 2021	Dipendenti interni	Temporary agency workers
Number of fatalities	1	1
Fatality rate	0.004	0.050
No. of reportable injuries	394	49
<b><i>of which with serious consequences</i></b>	<b>11</b>	<b>1</b>
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
No. of occupational diseases	58	-
Occupational disease rate	1.02	-

One of the two fatalities in 2021 was a contractor and not a temporary agency worker.

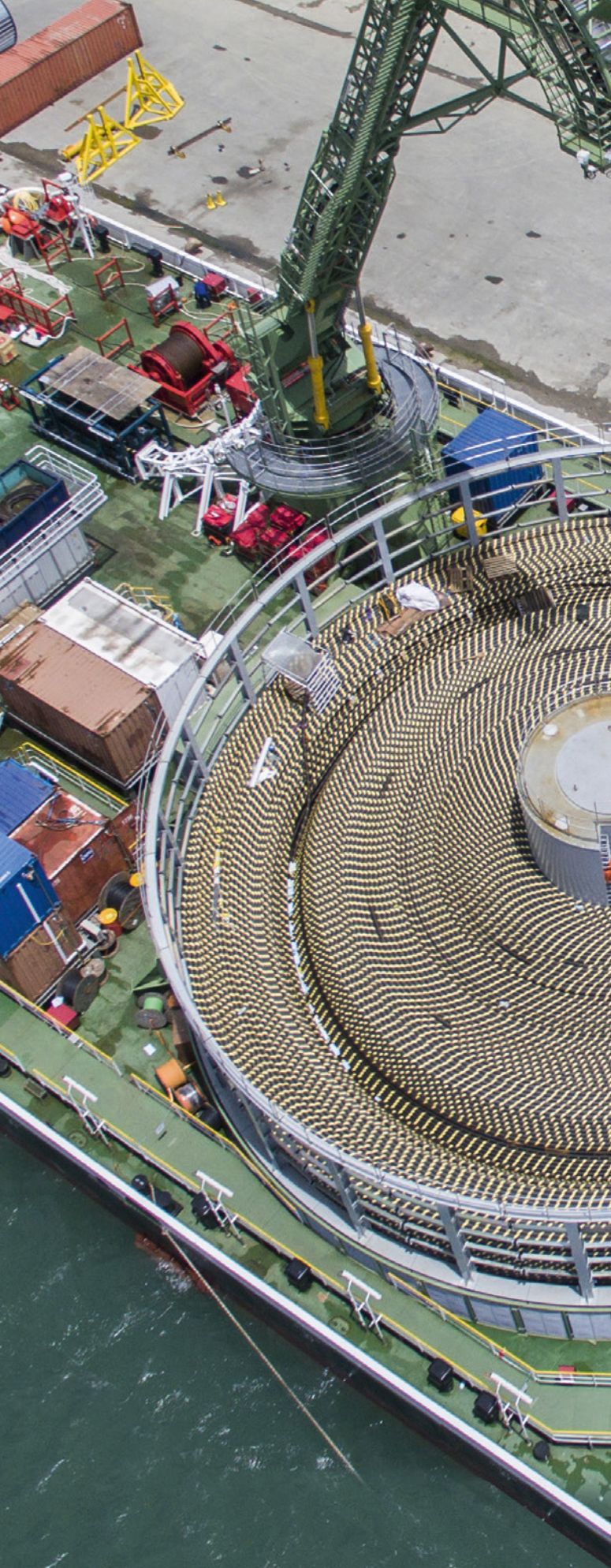
In relation to contractors, these include employees of subcontracting companies that the Group uses to build turnkey transmission systems. In this regard, Prysmian is committed to ensuring that the highest standards are met during project implementation activities, whether carried out directly or contracted out to specialized companies, both on-shore and offshore.

In this respect, Prysmian demands the same commitment from its contractors to ensuring the health and safety of their employees. Prysmian monitors the HSE Performance and Key Performance Indicators of all Projects in which it is the main contractor and those in which it participates as a member of a consortium and is responsible for health and safety management.

The following table shows the occupational diseases reported and recognized in 2023.

2023	EMEA	APAC	North America	LATAM	Total
Occupational diseases (noise)	2	4	0	6	12
Occupational diseases (hazard for the musculoskeletal system (ergonomics))	15	0	0	1	16
<b>Total of occupational disease - hearing system diseases + musculoskeletal system diseases</b>	<b>17</b>	<b>4</b>	<b>0</b>	<b>7</b>	<b>28</b>
Percentage of Total of occupational disease - hearing system diseases + musculoskeletal system diseases	61.00%	14.00%	0.00%	25.00%	100.00%

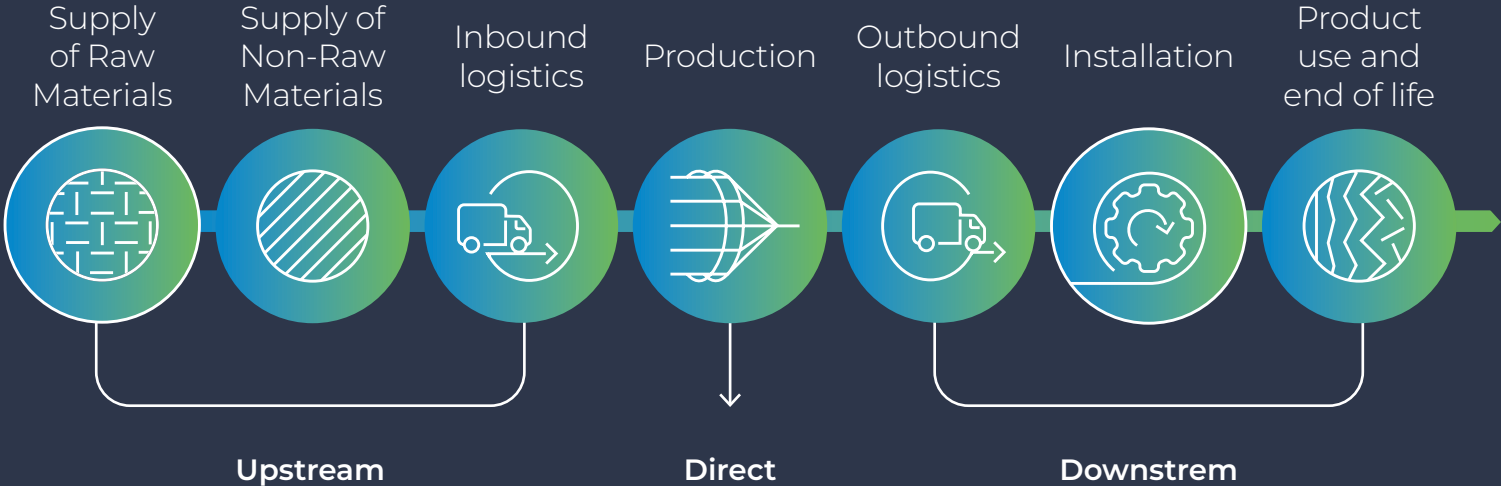
Hazards	Associated risk	Actions taken to eliminate the hazard and minimise the risks
Noise	Hearing system damage	Acoustic analysis; training in the use of PPE; update of the list of identified Risk Agents; dosimetric measurement of noise to determine the level of exposure to the risk
Hazard for the musculoskeletal system (ergonomics)	Physical exertion; high level of repetition and frequency of a movement affecting one part of the body; ergonomic risk; manual handling of loads; vibration risk	Ergonomic analysis of the plant to minimise physical exertion and repetitive movements



06

# SUSTAINABLE VALUE CHAIN

Prysmian knows that a sustainable value chain is critical to being competitive and resilient. Therefore, all of our production processes take place with sustainability in mind. We anticipate our customers' needs and requirements by strengthening the connection with suppliers and focusing on creating value for them and all of our stakeholders. The integration between our economic and social mission is at the heart of our management model. We work for a sustainable future every day, constantly seeking out a balance between shared value with the consumer, society and the Planet. Our technological and industrial leadership amplifies our positive impact on the community. Because only by truly feeling part of the community can concrete work plans be implemented for ethical business and sustainable business growth.



- 500 suppliers subjected to ESG audit
- Around Euro 2,000,000 to local communities in 2023 in terms of contributions in cash, products and working hours of employees
- More than Euro 600,000 donated to local communities in Turkey and Syria following the earthquake
- Euro 128,000,000 in R&D capital expenditure in 2023
- More than 50 collaborations with research centers and universities

# 6.1 Prysmian's supply chain

Prysmian's supply chain plays a decisive role in the business and the sustainability strategy of the Group. On the one hand, it endeavors to keep plant capacity saturated and eliminate production bottlenecks while, on the other, it guarantees a competitive advantage thanks to the careful selection of suppliers in ESG terms and constant engagement with them, by forging long-term partnerships.

The following sections describe the risks identified and the associated mitigation actions pursuant to Italian Legislative Decree no. 254/2016 with reference to the 2023 material topic: Sustainable value chain.

---

## Risk identified

Risks related to the sustainability of the Group supply chain

### Description of risk

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 backgrounds. Without prior investigation and control, the management of a complex supply chain might result in the Group procuring goods and services from suppliers that do not comply with its guidelines and policies, with the risk of supporting suppliers that do not operate in line with international standards. In addition, the Group believes it has a responsibility that goes beyond its organizational boundaries and, therefore, by managing the sustainability of its supply chain (upstream or downstream activities and customers), it is also able to limit any reputational risks that may arise.

### Mitigation actions adopted

In addition to its commitment to the evaluation of counterparties, the Group has adopted guidelines and policies with which suppliers are required to comply (for example, the Code of Ethics and the Code of Business Conduct). There will be an immediate reaction should it emerge that third parties involved in the supply chain have implemented actions not conforming to the principles of environmental and social sustainability, which would expose the Group to potentially significant image and reputational risks. If the issues flagged are not promptly resolved and eliminated, the Group reserves the right to activate a procedure for the termination of existing business activities and temporary, or, in serious cases, definitive exclusion from the Group's supplier list. The assessment of risks related to the sustainability of third parties is a fundamental step in the entire supply chain management process that defines clear rules for i) the introduction of new suppliers, ii) the periodic evaluation of the supply chain, iii) the monitoring and improvement of the supply chain management strategy. In this regard, with a view to enhancing its social and environmental strategies in the supply chain area, the Group has defined a Supply Chain Strategy and related actions that supplement the ESG factors throughout the value chain.

---

## Sustainability of suppliers

The sustainability of suppliers must be assured from both a social and an environmental standpoint. Prysmian is committed to having a supply chain that respects all aspects of workers' rights, in line with the high standards applied by the Group to all direct counterparties.

**From an environmental standpoint, supplier selection is key to reducing the Scope 3 emissions of the Group, so that the entire supply chain can achieve carbon neutrality by 2050. In addition, Prysmian seeks to support those suppliers that use recycled materials in their production processes.**

This applies both to metals, especially copper, and to plastics, such as polyethylene. Notably, transportation and logistics also have a non-negligible impact on the Group's emissions. Accordingly, Prysmian is focused on continuously monitoring and optimizing its logistical flows, in order to ensure the sustainability of the business in economic and environmental terms, given the considerable weight and volume of the products handled. In this context, constant efforts are made to reduce CO<sub>2</sub> emissions by improving the efficiency of the distribution networks and fleets of the various logistics partners.

For its supply chain, Prysmian aims for excellence in terms of service level, striving to ensure product availability based on customer needs. This depends not only on business approaches, but also on the responsibility associated with the Group's leading role in the international context, absorbing about 2-3% of the world's copper production, and in the electrical and electronics sector, where the share rises to about 7% of copper used.

The policy adopted by Prysmian authorizes the use of raw materials only if they have received technical approval and have been sourced from **qualified suppliers**. Consistent with the procedures adopted by the Group, the Purchasing area – in collaboration with the Quality and R&D functions – carries out product/process audits at suppliers to assess their ability to manufacture the materials concerned and guarantee the required technical performance, in addition to expected quality.

---

## Prysmian suppliers

Being a global leader in manufacturing and having to directly source metals and raw materials entails a number of challenges, including the need to continuously monitor the entire procurement base, ensuring that all of Prysmian's business partners apply ethical conduct in their business processes.

Prysmian can count on a broad and diversified procurement base, with mutually advantageous business relationships. Most of the Group's suppliers are established leaders in their markets, applying best practices for the management of ESG factors. At the same time, the Group also works with smaller players which can benefit from working with a customer like Prysmian, willing to support their business continuity and make recommendations on how to improve their sustainability management.

### Base metal

The Base Metal category includes three raw materials: aluminum, copper and lead; the first two account for the majority of raw materials purchased by the Group. The essential element of the cable conductor manufacturing process is copper and aluminum wire rod.

These metals are purchased from the world's major mining companies, while Prysmian manufactures only modest amounts of wire rod itself (less than 10% for copper and about 25% for aluminum compared to total requirements).

Given the highly fragmented copper market, Prysmian represents one of the major economic players in the industry. The Group's metal procurement strategy takes into consideration three aspects:

- the importance of suppliers within the Group's value chain
- the high consumption of metals
- the widespread geographical distribution of Prysmian's production sites

With specific reference to aluminum sourcing, the choice is increasingly leaning toward vertically integrated suppliers (with processes that produce aluminum wire rod from alumina directly) versus non-integrated producers (producers who purchase aluminum ingots for wire rod production).

This strategy, in addition to having several advantages in terms of both supply security and costs, is also much more environmentally sustainable, thanks to the simplification of logistics flows and the elimination of the ingot remelting cycle. In view of the high power consumption required by the metalworking processes, Prysmian has also adopted ecological footprint as a criterion for supplier selection, allocating significant portions of its portfolio to aluminum manufacturers with a reduced environmental impact.

Collaborating with leading companies in the copper and aluminum sectors, which are equally concerned with environmental sustainability, thus allows for the creation of a highly sustainable end-to-end cycle. In addition, Prysmian has been working to make trade more sustainable through increased digitalization and, in the future, it aims to adopt an increasing number of initiatives in collaboration with suppliers.

## Raw materials

While Base Metal is mainly used for energy cable conductors, all other raw materials prove useful for a wider range of products and applications:

- Cable raw materials (used for insulation and conductor protection), such as polyethylene and PVC-based compounds, rubbers, special plastics, yarns, tapes and galvanized steel cables
- Raw materials for optical fibers such as coatings, glass tubes, high-purity quartz sand and silicon-based donor products
- Components for energy and telecommunications accessories such as connectors, composite insulators for metal parts, enclosures and junction boxes
- Raw materials and components for elevators and escalators
- Materials and components for optical and electronic sensing solutions

With a broad range and small volume of raw materials purchased, Prysmian is not a significant partner for most of the suppliers of the raw materials listed above. Typically, Prysmian uses either goods that are widely available from multiple sources or high-performance raw materials that are produced only by a small number of suppliers, often highly specialized multinational companies characterized by strong technological know-how and high specialization in the cable and conductor market.

Prysmian regularly assesses potential financial and operational risks, which may derive from circumstances such as single-source sourcing or supply-demand imbalance. These risks are managed by entering into long-term supply agreements when there is only one supplier or when its replacement would entail considerable difficulty and take a long time. In the event of risks linked to limitations in market supply, Prysmian works with the technical functions to identify alternative suppliers in order to diversify supply options.

## Non-raw materials

The Non-Raw Material category incorporates all the services and goods which are not directly connected to the end products. Excluding installation services, this category specifically includes: transportation, packaging, MRO (maintenance, repair, and operations services) and utilities, which account for more than 50% of total expenditure for the category. Services that fall under these four definitions are handled in very different ways, depending on the level of centralization required:

- **Transportation:** for these services, there is strong support from headquarters in managing global or domestic agreements with international suppliers that provide specific expertise in logistics aspects and management of billing process. Relationships with these suppliers are established through long-term partnerships with the following objectives: highest quality and efficiency in logistics flows, high level of service and on-time delivery, cost management and price stability to avoid "spot" market fluctuations. Increasing attention is also paid to the ability of transportation and logistics suppliers to measure and report CO<sub>2</sub> emissions generated "on behalf" of Prysmian.
- **Packaging,** in turn broken down into:
  - **Reels:** they represent the most common packaging method for transporting cables to their final destination, which is generally defined on the basis of national contracts coordinated by headquarters. Prysmian mainly purchases wood and steel reels, with a smaller share of plastic and plywood reels. Steel reels are returnable and, after being repaired, are reintroduced into the cycle, while wooden reels are not always re-used. As a result, one of the Group's most important goals is to increase the amount of reused wooden reels. Initiatives are also underway to replace some of those purchased already assembled with reel kits, with the



aim of reducing the space needed to transport them and, consequently, the carbon footprint of transport operations. Regarding plastic reels, the Group is considering the use of alternative materials and is trying to increase the use of recycled plastic materials instead of virgin plastic. In 2021, Prysmian entered into a partnership with a selected supplier of plastic reels with the aim of using its own plastic waste to close the cycle.

Starting in 2023, the company launched a program to promote the responsible use of wood used for reels and packaging as much as possible by mapping suppliers with certifications that support the responsible use of the material (PFEC, FSC, Canadian Wood Pallet certification program, Timber Trade Federation). 60% of the group's expenditure on wood products comes from suppliers holding such certifications. The ultimate goal is to increase this share.

- **Other packaging materials:** pallets, wooden planks, endcaps and foam materials used to cover the reel once it is loaded. This part of expenditure is managed at the local level, with the aim of reducing costs as much as possible and promoting the adoption of more environmentally sustainable solutions.
- **MRO** (Maintenance, Repair and Operations): this category includes a wide range of materials and services, mainly spare parts (mechanical and electrical) and PPE. These services are mostly handled nationally, while in some cases facilities may refer to local workshops that offer better service at more competitive prices than the major players. The objective is to maintain PPE management at national level so that strict controls are in place to ensure that all safety requirements are met. Spare parts management is also largely centralized, while local agreements may be made for repairs to ensure more efficient management. .
- **Utilities:** amongst these supplies, the largest share is related to electricity (85%). Each year, the Group analyzes utility expenditure in detail, evaluating the possibility of using more environmentally friendly energy sources (e.g., investment in solar panels and farms at selected factories), increasing plant efficiency to reduce energy consumption (e.g., LED lighting initiatives) and investing in the purchase of GO (Guarantees of Origin) certifications.

The table below shows the expenditure for each of the macro-categories presented above:

	2023	2022	2021
Base metal	55%	56%	59%
Non-raw materials	19%	23%	19%
Raw materials	26%	21%	22%

The highest expenditure is in the Base metal category and can be attributed to the specific nature of the Group's production.

The next table shows the amount of materials used broken down by weight:

#### Material used by weight or volume [kton]

	2023	2022	2021
Metals	1,161	1,219	1,189
Compounds(*)	348	365	374
Ingredients	274	288	299
Chemical products	6	6	6
Other (yarns, tapes and oils)	27	26	25
<b>Total</b>	<b>1,816</b>	<b>1,904</b>	<b>1,893</b>

(\*) Compounds: in the processing of rubber, mixtures of polymers and ingredients (talc, kaolin, carbon etc.) having various functions (e.g. strengtheners, accelerants, colourants).

The percentage of renewable materials used is equal to 1%. Depending on the raw materials sourced, Prysmian identifies two main risks, namely their carbon footprint and their origin. With regard to **environmental impacts**, the Group has established the following long-term partnerships:

- a long-term collaboration with the Carbon Disclosure Project (CDP) to tackle climate risk and find new alternatives with a lower environmental impact in relation to the materials it uses. The CDP helps Prysmian to collect and analyze Scope 1 and Scope 2 emission data from suppliers, following which feedback is sent and new targets are set for the continuous reduction of adverse environmental effects. In 2023, the Group concentrated on improving the response rate from the suppliers involved (which represent about 50% of total expenditure by the Group);
- partnership with the Carbon Trust: the Carbon Trust has helped the Group set its Science-Based Targets. See the “*Climate Change & Social Ambition*” section of this document for further information.

With regard to the **social impacts** deriving from the origin of its materials, Prysmian adopts measures to monitor and prevent potential infringements of human rights:

- Prysmian implements a “Conflict Minerals Policy”, with the aim of guaranteeing a conflict-free supply chain that does not contribute to fueling armed clashes in conflict zones and high-risk areas; this objective is pursued through the following activities:
  - identification of purchased materials and/or semi-finished products containing 3TG (tin, tungsten, tantalum and gold);
  - requesting all new and regular suppliers of products containing the above materials to complete the latest version of the Conflict Minerals Reporting Template (CMRT), developed by the Responsible Minerals Initiative (RMI) (using international formats and standards);
  - analysis of the information received for red flags and inconsistencies and implementation of appropriate corrective actions.

The policy, drawn up in 2017 and approved by the Group CEO, is publicly available on the Group website.

- In order to manufacture certain safety cables and make them fire-resistant, Prysmian contacts producers and distributors to purchase limited quantities of certain types of glass-based tape containing low percentages of mica. This mineral is not used directly in the Group’s products and production processes. Mica is mined in geographical areas where several factors contribute to unsustainable working conditions and the use of child labor. Since 2016, Prysmian has been involving suppliers of mica-containing products in activities to raise awareness of working conditions. The Group gives special attention to the analysis of risks present in the supply chain and makes responsible efforts to work with suppliers that share the objectives defined in its **Human Rights Policy**, requiring appropriate disclosures regarding mica sources and to certify the absence of child labor. Prysmian is also committed to reducing as much as possible the amounts of mica in its products. The volumes of mica purchased are now in the range of 0.05% of total raw material requirements for the Group. Prysmian has been addressing this issue since 2016 by requiring all suppliers to provide appropriate information about their mica sources and certify the absence of child labor. In 2021, Prysmian became the first business in the cable industry to join the **Responsible Mica Initiative** (RMI). Membership of the **RMI** enables Prysmian to exercise even more effective control over its supply chain.

In addition to the Code of Ethics and the Human Rights Policy already described in “Ethics and Integrity” section and the Conflict Minerals Policy presented above, Prysmian applies the following policies to manage business relationships with its supplier base.

# Supply chain strategy and vendor management

The increasing development of supply chain sustainability activities has made it necessary to develop a specific strategy. The “Supply Chain Strategy and Vendor Management” document summarizes the main characteristics of Prysmian’s supply chain strategy and the actions taken to integrate ESG factors into its management. The document has been available on the corporate website<sup>46</sup> since 2021.



## Policies

- Code of Ethics
- Code of business conduct
- Conflict Minerals Policy
- Human Rights Policy

## Questionnaires

- Supplier qualification questionnaire (Raw materials and Base metals)
- Conflict Minerals Reporting
- Template (Base metals)

## Technical evaluation

## Assessment

- Supplier Desk Analysis
- Supplier Risk Analysis
- Sustainability audit
- Responsible Mica Initiative activities

## Monitoring of performance

- Purchases dashboard
- Supplier ratings (ODT)
- Supplier management (Energy projects)

- Sustainability Scorecard
- Sustainability training
- ESG factors as recognition drivers

## Code of business conduct

In order to ensure compliance with ethical, economic, environmental and social principles throughout the value chain, Prysmian adopts a Code of Business Conduct, drafted by the Supply Chain function and approved by the Group CEO, which is posted on the corporate website<sup>47</sup>.

The principles set out in the Code apply to the business transactions and daily activities of the employees of all Group entities and their suppliers, business partners, commercial agents, sub-contractors and distributors.

### The document covers the following topics:

- business integrity (fair trade, conflicts of interest, gifts and offers of entertainment, corruption, corporate responsibility);
- human rights and workers' rights (child and forced labor, occupational health and safety, non-discrimination, freedom of association and collective bargaining);
- environment (principle of precaution, use of raw materials and compliance, energy consumption, greenhouse gases and other emissions, water consumption, waste generation and recycling).

<sup>46</sup> <https://www.prysmian.com/en/sustainability/responsible-business/supply-chain>

<sup>47</sup> [https://www.prysmian.com/sites/default/files/atoms/files/Prysmian\\_Code%20of%20Business%20Conduct\\_Final\\_070519.pdf](https://www.prysmian.com/sites/default/files/atoms/files/Prysmian_Code%20of%20Business%20Conduct_Final_070519.pdf)

Prysmian's application of the related guidelines is impressed on suppliers at the preliminary stages of collaboration. Finally, with regard to the economic impacts resulting from its procurement practices, in order to report on the company's commitment to fostering the growth of all geographical areas in which it operates, Prysmian also monitors and reports the percentage of expenditure on goods and services devoted to local suppliers:

	2023	2022	2021
EMEA	70.8	69.0	60.1
APAC	86.7	84.0	76.3
Nord America	94.0	100.0	99.3
LATAM	95.7	95.0	80.2

The Group considers suppliers to be "local" when they are based in the same country as Prysmian companies.

## Supplier analysis and management

As envisaged by the Supply Chain Strategy, Prysmian carries out the following assessment activities to analyze further and monitor the related risks:

### 1. Supplier Desk Analysis:

The main purpose of developing the Supplier Desk Analysis is to assess the sustainability of major suppliers. The analysis considers social, economic and environmental (ESG) criteria and is performed by a third-party partner of Prysmian on relevant topics for the Group. Specifically, the Sustainability Partner analyzes the websites of each supplier plus any other forms of public information, evaluating available data relating to three macro areas:

- sustainability and management systems;
- environmental criteria;
- human rights and workers' rights.

In 2023, the assessment analysis of suppliers with potential social and environmental impacts involved 500 suppliers, compared to 150 in 2020, covering 71% of the Group's expenditure (vs 63% in 2020). The analysis identified specific environmental, social and governance risks in the supply base.

### 2. Supplier risk analysis:

The supply chain risk analysis is based on the assessment and analysis of data obtained from the Desk Analysis (therefore considering the same 500 suppliers described in point 1), and combines sustainability scores obtained with a list of parameters deemed critical by Prysmian for risk assessment purposes. The combination of these elements enables Prysmian to identify the clusters of risk and, among these, critical suppliers. The table below shows the critical aspects rated by Prysmian:



### 3. Sustainability audits and potential impact management:

A sustainability audit program was implemented in 2017, with the goal of performing 30 ESG audits by the end of 2022. This goal was achieved and the auditing program has been extended beyond 2022. These audits were performed with support from an external consultant. Suppliers subject to audits are identified based on the score assigned to them downstream of the Risk Analysis. The results of the audits performed are shared with them, with the aim of generating positive change in those that are underperforming. If the results are satisfactory, the supplier is no longer considered to be high risk. If the audit results are not satisfactory, a follow-up audit is carried out on the basis of an agreed action plan.

The Group's major suppliers are regularly involved in specific activities, such as workshops and collaboration on the development of more sustainable products, in order to generate a medium/long-term impact on the industry. With regard to base metals, many Prysmian suppliers participate in the most important industry initiatives, such as the Copper Mark and the Aluminum Stewardship Initiative (ASI).

#### Number and percentage of suppliers assessed for environmental impacts

	2023	
	Number of suppliers	Percentage
Evaluated suppliers	500	-
Suppliers with a current or potential negative impact	97	19.4%
Suppliers with a current or potential negative impact for which an improvement plan has been adopted	0	0.0%
Suppliers with a current or potential negative impact with whom business relations have been suspended based as a result of the assessment	0	0.0%
Suppliers with a current or potential negative impact for which an improvement plan has been adopted (percentage)	0	0.0%
Suppliers with a current or potential negative impact with which business relations have been suspended as a result of the assessment (percentage)	0	0.0%

#### Number and percentage of suppliers assessed for social impacts

	2023	
	Number of suppliers	Percentage
Evaluated suppliers	500	-
Suppliers with a current or potential negative impact	98	19.6%
Suppliers with a current or potential negative impact for which an improvement plan has been adopted	0	0.0%
Suppliers with a current or potential negative impact with whom business relations have been suspended based as a result of the assessment	0	0.0%
Suppliers with a current or potential negative impact for which an improvement plan has been adopted (percentage)	0	0.0%
Suppliers with a current or potential negative impact with which business relations have been suspended as a result of the assessment (percentage)	0	0.0%

## % of expenditure

	2023
Percentage of expenditure on suppliers assessed for environmental impacts	71.00%
Percentage of expenditure on suppliers with potential/current negative impact	1.00%
Percentage of expenditure on suppliers with potential/current negative impact for which improvements have been established	0.00%
Percentage of expenditure on suppliers with potential/current negative impact with which relationships were suspended as a result of the assessment	0.00%

In 2023, Prysmian adjusted its approach to sustainability audits and action plan development, prioritizing strategic suppliers with the greatest influence on the end product and those that play vital roles in supporting the company's operations. Although the importance of ESG factors is recognized throughout the supply chain (smaller suppliers included), a risk-based audit approach was adopted, which led Prysmian to focus on the resources with the most significant potential impact. The 97 suppliers with possible negative environmental impacts and the 98 with a potential negative social impact – mentioned in the tables above – are not considered strategic for the Group, as they cumulatively represent only 1% of total procurement.

However, conservatively, based on the results of the Desk Analysis, it was still decided to conduct 6 sustainability audits in 2023, following the approach described above. The following suppliers were audited in 2023: Rio Tinto Alcan, Plasínco, Arlanxeo, Indore, Scapa, Tervakoski. The results of the 6 audits showed that the potential impacts that could be generated by these suppliers – both environmental and social – were not significant.

**So by 2023, there had been a total of 36 ESG audits.**

# Involvement of suppliers in Prysmian's ESG matters

Prysmian involves its suppliers in various activities in order to build awareness about ESG matters. A number of initiatives are presented below:

- the actions regarding ESG factors promoted by Prysmian are made available to all stakeholders on the corporate website;
- since 2015, the annual "Purchasing Fundamentals" training course includes a broad, in-depth section on the topic of sustainability in purchasing. Each year, 30 buyers (with differing levels of seniority) from Prysmian companies all over the world are invited to attend this training course;
- in 2021 Prysmian began development of the Vendor Management portal. This modular, web-based application will improve the efficiency of supplier relationship management and enable the Company to monitor their ESG compliance. This platform, comprising 4 modules, seeks to harmonize and improve the business processes involved. The project went live in 2022, starting with the headquarters and the pilot regions, and is now being integrated worldwide; supplier screening in the onboarding phase is differentiated on the basis of the product/service purchased and the relevance of the supplier to the Group (i.e., strategic vs tactical suppliers). The onboarding questionnaire is designed to assess the alignment of the supplier practices/policies with those of Prysmian;
- a member of the Purchasing Department sits on Prysmian's Sustainability Steering Committee, given that procurement is an area of interest for the sustainability of operations. Some members of the Purchasing Team who manage and follow-up ESG activities are also directly involved in procurement activities, giving them greater knowledge of the supplier base and a superior ability to manage initiatives with suppliers.



## 6.2 Logistics and transportation

For much of 2023, until the outbreak of conflict in the Middle East, there was a gradual easing of the tensions that had strained global supply chains from 2020 onward. Unlike the previous three years, there were no drastic discontinuities either in terms of demand or disruptions to the supply chain.

Regarding the first aspect, the volatility of sales volumes brought a sharp focus back to inventory management, after a two-year period in which the supply of raw materials to ensure business continuity had been the top priority. With this in mind, the work of Operations, both in terms of planning and supplier management, has made it possible to limit the negative effects of the lack of volume growth on net working capital, reducing the level of inventories on finished products and beginning a path of optimization on raw materials and semi-finished products, which will continue in 2024.

Also in the direction of rebalancing the Group's industrial set-up according to long-term objectives and the macro-economic scenario, in 2023, several refootprint projects were defined in both Energy and Telecom. In particular, the factory in Köpenick (railways signaling cables) was shut down, relocating the business in Germany to Neustadt; in the Telecom segment, on the other hand, the decision was approved to close the French factory in Calais (optical cables), maintaining volumes within national borders in Montereau and Chavanoz, and the British factory in Washington (multimedia solutions).

As for the supply chain, there were no structural criticalities on key raw materials for the group in 2023. Some supply difficulties specifically occurred due to changes in the sales mix, in both metals and compounds. For better management and prevention of this type of critical issue, collaboration between the supply chain and purchasing at HQ level, which had already been initiated at the most critical times in the previous two years, was strengthened. Another element that has become less critical than in the immediate post-pandemic period is transportation costs, particularly sea freight.

Several intercontinental flows were established or strengthened in 2023, greatly increasing factory saturation in low labor cost countries (Indonesia, Oman) and generating additional and profitable sales in the United States and Europe, mainly of Medium-Voltage cables. In addition to these strategic corridors, lower costs and better availability of containers has made it possible to activate some more tactical intercompany flows, such as the supply for Europe of aluminum conductors from Oman and Brazil.

Expectations for 2024 are for a further consolidation of flows from Asia to Europe and the United States, with a strengthening of China's role in high-voltage cable production.

### Transport routes

In line with previous years, overland transportation remains the vehicle type most used by the Group (86.7%). Unlike in the previous two-year period, the use of air transport for transoceanic fiber flows declined in 2023.

However, this trend is not reflected in the expenditure-based mix allocation due to tariff effects: on one hand, the unit expenditure for sea containers, which had greatly increased in 2022, has reduced; on the other hand, tariffs for air transport remain high.

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
By air	3.2%	2.8%	3.0%	2.0%	3.0%	3.6%	3.5%
By sea	10.1%	12.8%	7.5%	8.3%	10.0%	6.9%	7.0%
By land	86.7%	84.3%	89.5%	89.7%	87.0%	89.5%	89.5%



## Reels made of wood and other materials

Strongly committed to implementing sustainable business practices, Prysmian focuses on developing new products and services to help significantly reduce CO<sup>2</sup> emissions and collaborates with its customers to achieve a shared commitment to sustainability and improve circularity.

An important initiative has been launched in France: the extension of the Alesea™ system on the reel fleet and the implementation of the eco-contribution from 1<sup>st</sup> June.

Indeed, many drums shipped to French customers were lost or returned after several years, significantly impacting efforts made to reuse them.

To solve this problem, since the end of 2022, a large proportion of drums shipped by Prysmian to France have been equipped with the Alesea™ drum geolocation device. The implementation of this solution has helped, and will help in the years to come, to reduce the Group's carbon footprint by ensuring that reels can be rented and returned efficiently. This increased efficiency has led to an improvement in country performance of about +4%.

Other projects have also succeeded in optimizing drum management while minimizing the carbon cost of our logistics.

Thanks in part to these initiatives, Prysmian was able to offset the negative effects generated by a lengthening of reel return time on the part of some Key Accounts that have experienced delays in cable installation. The path Prysmian has taken on this issue has enabled the Group to record increasing overall performance, rising from 46% in 2019 to 53% in 2023.

Drums by type of material	FY 2023		FY 2022	
	Tons	%	Tons	%
Reused	139,210	53%	150,120	50%
Not reused	124,325	47%	152,617	50%
<b>Total</b>	<b>263,535</b>	<b>100%</b>	<b>302,737</b>	<b>100%</b>

Drums by type of material	FY 2023		FY 2022	
	Tons	%	Tons	%
Wood	200,386	76%	221,445	73%
Different material	63,149	24%	81,291	27%
<b>Total</b>	<b>263,535</b>	<b>100%</b>	<b>302,736</b>	<b>100%</b>

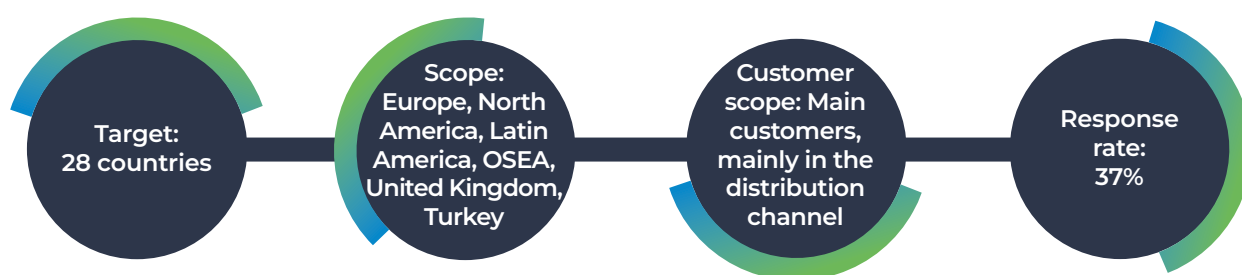
## 6.3 Prysmian's Customers. The Customer Excellence approach

Customers are central to all our corporate activities, from design to execution and the creation of new products.

Every year Prysmian uses special tools, including online surveys, and implements specific initiatives aimed at assessing the level of customer satisfaction and, more generally, the entire customer experience.

Constant monitoring of satisfaction survey results is a key element for Prysmian for several reasons:

- 1. Continuous Improvement:** Survey results provide a detailed picture of customers' experiences, identifying areas of strength and possible critical issues. This information is valuable to the continuous improvement process, enabling Prysmian to make targeted updates to products, services and operational processes.
- 2. Alignment with Expectations:** Monitoring customer satisfaction helps Prysmian ensure that its products and services are in line with market expectations. This makes it possible to adapt readily to any changes in customer preferences and the business environment, while maintaining competitive positioning.
- 3. Building Lasting Relationships:** Customer satisfaction is critical to building lasting business relationships. Regular monitoring enables Prysmian to understand the dynamics of customer relationships, identifying opportunities to strengthen trust and loyalty through personalized service tailored to specific needs.
- 4. Customer-Oriented Innovation:** The survey analysis guides Prysmian in the innovation of its products. Understanding customers' needs and expectations enables the Group to develop cutting-edge solutions while ensuring that they are relevant and meet market demands.
- 5. Impact on Reputation:** Corporate reputation is closely linked to customer satisfaction. Monitoring survey results enables Prysmian to proactively manage its image, responding promptly to any critical issues and taking advantage of positive elements to strengthen its position in the industry.
- 6. Global Market-oriented approach:** Prysmian is a global company, and monitoring customer satisfaction allows strategies to be adapted internationally. Understanding the different needs and preferences of customers in different regions enables the targeted adaptation of operations, consolidating presence and competitiveness on a global scale.
- 7. Timely Response:** Constant monitoring of survey results enables Prysmian to respond promptly to customer needs and concerns. A prompt response demonstrates the company's commitment to ensuring maximum satisfaction and building a long-term trusting relationship.



The customers interviewed were presented with 6 main macro-categories of drivers (Commercial strategy, Innovative products and solutions, Supply chain activities, Customer support, Marketing, Digitalization).

Respondents were asked to rate, with a score from 1 (lowest) to 5 (highest), the importance of each driver and their level of satisfaction with Prysmian's performance. The results of the survey conducted in 2023 are summarized below.

For Prysmian's main customers in the distribution sector, the Supply Chain is a highly important factor, with a score of 4.5 in terms of importance, while the satisfaction regarding this element was rated 3.6, marking a slight improvement from 2022 (3.5). Prysmian will continue to pay special attention to supply chain management, recognizing it as a fundamentally important item in implementing actions aimed at improving customer satisfaction.

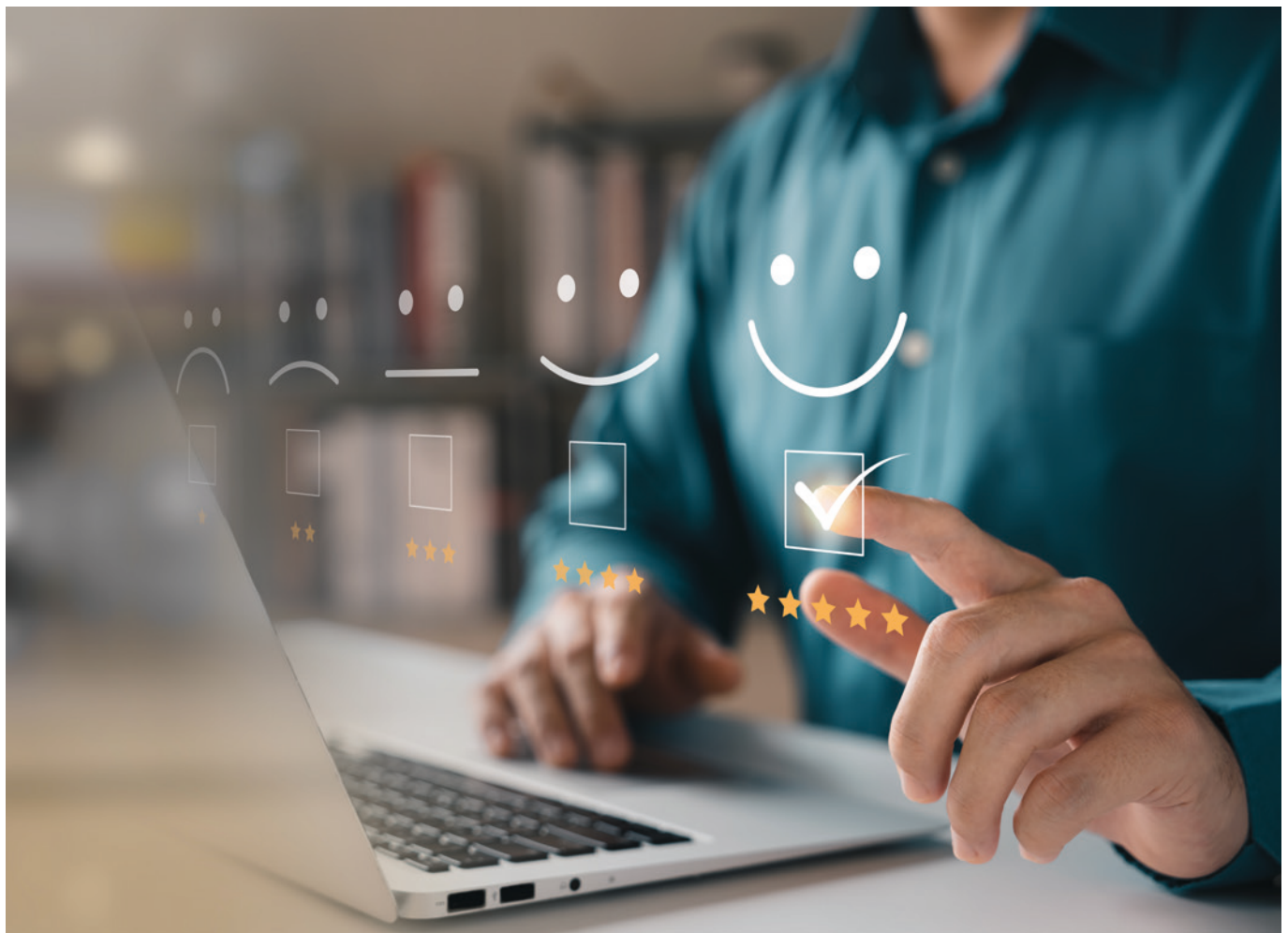
Commercial Strategy and Customer Care Support, both scoring 4.4, are two just as important drivers for Prysmian's customers. Business strategy evaluation improved also in 2022 from a customer satisfaction level of 3.6 in 2022 to 3.9 in 2023. In addition, the satisfaction level for Customer Care Support remained constant at 4.

The improvement in Prysmian's performance also affected the topic of Digitization, going from 3.6 to 3.7, while holding steady in terms of importance (3.9).

Customers were also asked to measure the NPS (Net Promoter Score), indicating how likely they are to recommend Prysmian to a friend or a colleague.

**The NPS (Net Promoter Score) – instrument used to measure customer satisfaction – has performed significantly well in Northern Europe (+54%). The worst hit region is Oceania, while the UK improved with +25% (compared to 0% in 2022). Turkey's (+41%) and Southern Europe's (+27%) performance has remained essentially stable since 2022. Globally, the NPS is +36% in 2023, showing an improvement from +32% in 2022.**

Given these results, the Customer Excellence and Commercial Innovation Team has arranged a series of meetings in the various areas to discuss them. Countries and regions will prepare and implement specific actions in support of their customers.



## 6.4 Prysmian: quality processes and solutions

Quality helps organizations to be efficient and competitive by providing a reference framework that supports a culture of excellence. The expectations of customers and stakeholders translate into a strategy that leverages tools designed to enhance business processes and the value delivered.

At Prysmian, Quality helps to form a corporate culture in which excellence is the norm. To support this cultural approach, a vast amount of training has been provided in recent years to employees of all corporate functions on the principles of Quality, tools and methodologies for solving and preventing problems. The effectiveness of these activities can be seen in the performance of our indicators, which show an annual trend of continuous and progressive reduction in the number of complaints. A complaint is defined as any written notification from a customer of a potential product non-conformity that Prysmian recognizes as such. Aiming for excellence and high quality as a competitive lever also means making optimal use of data within the decision-making process. To extend and exploit the available data base, thus supporting this strategic process, the Group continued to work on innovative digital solutions capable of analyzing huge amounts of data and allowing for better decision-making. In 2023, the Data Driven Performance project (aimed at using advanced data analysis techniques and artificial intelligence to improve the performance of production processes) has been consolidated at fiber optic production sites and also implemented in factories dedicated to cable production, including those in Nordenham and Gron. The Industrial IoT project was introduced to enable improved connectivity of production lines and increased usability of process data. The extension of FastTrack MES to Group factories also continues, making product quality management even stronger throughout the production cycle.

### Timeliness and efficiency of service

For years, increasingly widespread and efficient Supply Chains have acted as a driver for the global economy, providing goods at a lower cost, offering greater choice and stimulating greater economic growth. That was true until the pandemic came and all the supply chains were disrupted. In 2023, many companies struggled to recover from that huge system shock. Now the crisis in Europe and tensions in the China Sea add new uncertainty. As a result, most are reviewing their supply chains and evaluating a range of solutions to reduce complexity and risk, and increase resilience. However, companies face significant obstacles, including continuing labor and raw material shortages, external geopolitical and climate risks and a lack of alternative suppliers. Within such a complex global context, Prysmian is addressing these issues by taking action to simplify and secure its systems, aiming for a more robust supply chain better able to withstand future shocks.

The Group continued to maintain its strategic focus on Customer Centricity, striving to sustain an adequate level of service performance in terms of shipment reliability and "lead time" from order receipt to product delivery to customers.

The main purpose of the actions taken by Prysmian's Supply Chain was to adjust the operations of its factories by mitigating the most critical implications of the Russia-Ukraine Conflict and the new shadows cast by the Israel-Palestine conflict. The measure of On Time Delivery (OTD), or the ability to serve the customer by meeting the delivery date promised when the order is confirmed, saw a major upswing in 2023. This has been achieved thanks to the "tailor-made" assistance provided by our Customer Care departments, geared toward minimizing the impacts of difficult delivery management and above all, the demonstrated ability to recover the burdensome order backlog accumulated over the last year. All of this has taken place, despite the impact in the Energy sector of Argentina's difficult political situation and some fortuitous events, such as a fire at the Cavinova plant or, in the case of Telecom, the extreme criticality resulting from the erosion of demand worldwide. In the Energy business, service performance remained stable compared to the previous year as far as the Prysmian scope is concerned (92%), while in the former GC area<sup>48</sup> we highlight an important improvement mainly related to the performance in the US for both Energy and Telecom.

<sup>48</sup> GC performance was added in 2022 to the service level measurement of EHC's Escalator business, which adopts an OTD calculation similar to that used for former GC plants.

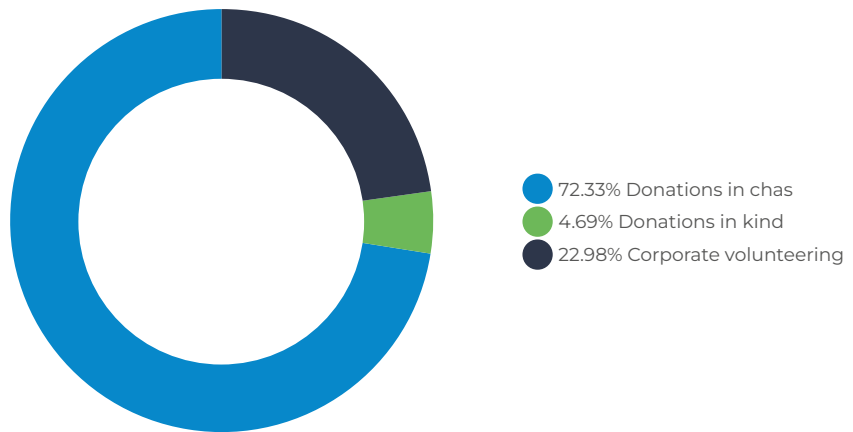
# 6.5 Positive impact on communities

One of the drivers of the sustainability strategy that has characterized Prysmian for years is the engagement of local communities, which represent one of the stakeholders receiving the value generated by the Group, which thus contributes to the socio-economic development of the areas in which the company operates.

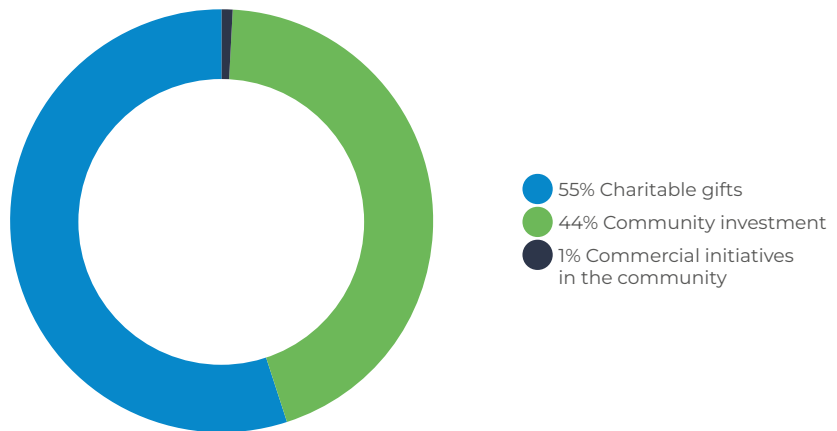
## Donations

In 2019, the Group adopted a Donations policy, revised and updated in November 2023<sup>49</sup>, for identifying all deserving activities. These donations are aimed at meeting the needs of communities or the general public, in line with the Vision, Mission, values, Code of Ethics and Policies put into place by the Group. The policy defines the main types of contributions that can be made, the guiding principles and operating methods, as well as the monitoring and communication of these activities. In 2023, **around Euro 2,000,000 was given** to support local communities through contributions in cash, products and working hours of employees.

### Type of assistance

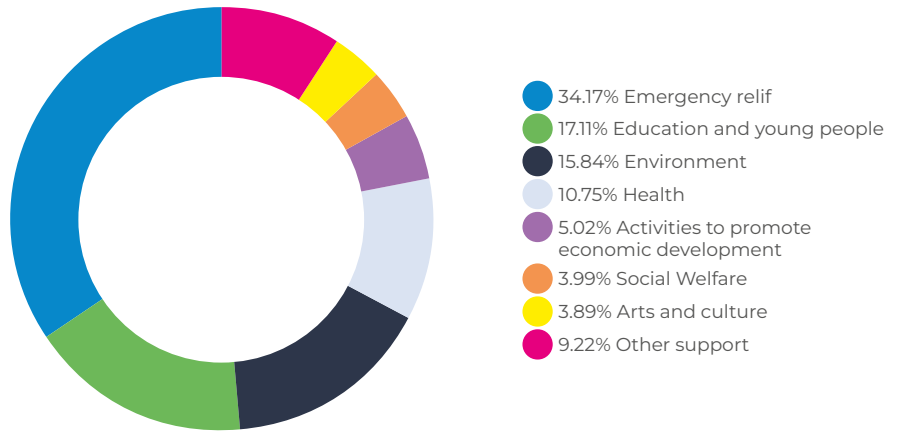


### Type of initiative



<sup>49</sup> The company's Donations Policy can be found at the following corporate site link <https://www.prysmian.com/sites/www.prysmian.com/files/2024-03/prysmian-group-donations-policy-2023-final-eng.pdf>

**Recipients of initiatives**



## Group initiatives

In relation to the “Impact on local communities” material topic, the following impacts generated have been identified:

- Positive impacts through local employment and local procurement and the payment of taxes and other amounts to local governments, as well as community development programs and investment in infrastructure and public services;
- Negative impact potentially generated following changes in the territory and land use changes to accommodate Prysmian’s activities.

Among the main activities supported and carried out by Prysmian in 2023 to contribute to the development of local communities and to mitigate any negative effects arising from the Group’s operations are:

- **Support to local communities in Turkey and Syria** following the 6.8 magnitude earthquake that struck the area in February. Through its own donation of more than Euro 600,000 and a public crowd funding campaign launched on the GoFundMe platform, in which employees also participated and via which an additional Euro 45,000 was raised, the Group, together with local authorities, financed the construction of Prysmian Village where 150 containers were placed for housing purposes for more than 100 families;
- **Support to communities impacted by the flood that hit Emilia-Romagna** with more than 200 mm of water falling in less than 36 hours and more than 30 thousand displaced. The Group contributed to community support by launching a donation campaign on the GoFundMe platform open to all employees and doubled the donations it received from employees for a total donation of more than Euro 12,000. In addition, Prysmian promoted the organization of volunteer activities by its employees: 42 of them lent support to the municipality of Forli by offering valuable help in handling reimbursement paperwork for damages suffered by the community, lightening the workload for municipal staff. Finally, the Group promoted “in-kind” donations with the collection of basic necessities such as food, cleaning and hygiene products. On the occasion of Mental Health Month, with the help of Legambiente Italia, the Group organized a volunteer day for its employees.  
 During the event, guests contributed to the maintenance of a public green space in the city of Mila, the Paolo Pini Gardens, that will be used as public garden. Specifically, for around 4 hours, 30 employees pruned branches, weeded and collected leaves for the creation of hedges and vegetable gardens. The area being maintained is frequented by the elderly and users of area health services; the work aimed to make the walking paths safe for the benefit of the community. The activity had a twofold value: environmental (useful actions to improve green areas) and social (the spaces, once restored, will be used by the children of “Il Giardino degli Aromi Onlus”, the association with which Prysmian collaborated during the event).
- **Prysmian Malaysia** organized a **blood drive** in August with the support of the local authority and health organizations, that involved more than 50 employees at Prysmian Melaka headquarters. The local authorities expressed their gratitude to the participants, stressing that the contributions of all donors will be vital to having an adequate and constant supply of blood during medical emergencies. In addition, donors received prize tokens from Prysmian Malaysia, a testament to the company’s commitment to empowering its employees and their willingness to participate in initiatives that have an impact on local communities.

- **Prysmian Thailand donated power cables to the Department of Skills Development of the Ministry of Labor.** The cables will be used for educational purposes by universities and research centers for the training and development of young technical specialists in the field. This donation highlighted the importance for Prysmian to support the training and development of young local talent to provide them with career opportunities and improve their quality of life.
- In line with the objective set forth in Prysmian's 2030 Social Ambition to **empower the local communities in which it operates, with a focus on developing countries and vulnerable communities**, in 2023 two of the Group's programs aimed at training women for factory work were expanded: "Elas in Industria" for 65 women in Brazil and "SHE STEMS" for 20 women in Oman. In Colombia, "Energizing your Future" concluded its first mentoring program for 18 at-risk high school students, while in the Netherlands, the United States and the United Kingdom, Prysmian employees introduced STEM topics to elementary school students. Scholarships dedicated to supporting minority students of all ages have been awarded in many Group regions.



## 6.6 Sustainable innovation for products, applications and processes

*Through sustainability and innovation, the Group is strongly committed to finding new solutions, materials and processes that bring benefits. In fact, being an enabler of the energy transition and digitalization means having the ability to innovate constantly. Innovation is the driver that defines and underpins all of the Group's social and environmental ambitions. Innovation and sustainability are inextricably bound together, requiring Prysmian to adopt a holistic and integrated approach: efforts in innovation strengthen the commitment to achieving the long-term targets set. Sustainability is now embedded in the creation of value for customers, making it tangible and visible, through the development of innovative, green solutions.*

The following sections describe the risks identified and the associated mitigation actions pursuant to Italian Legislative Decree no. 254/2016 with reference to the 2023 material topic: "Sustainable innovation and circularity".

---

### **Risk identified**

Risk of loss of competitiveness or leadership in the energy transition business

### **Description of risk**

The new energy transition policies and resulting new market opportunities are rapidly changing an already competitive context, with the potential entry or strengthening of new players and the development of new technologies, which may reduce or interrupt Prysmian's leadership. Exposure to this risk has been analyzed over the 2022–2035-time horizon, considering the four IEA emission scenarios: (STEPS, APS, SDS and NZE), with an impact in the form of lower revenues and/or profitability assessed as low-medium over the medium term and medium-high over the long term.

### **Mitigation actions adopted**

Prysmian has carried out an in-depth analysis of its business activities in relation to the entry of new competitors into the HV Underground, Submarine Energy and Submarine Telecom sectors. Assessment of the risk of new players also considered companies with significant financial resources, not necessarily active in the cables sector, that might see the energy transition sector as an important business opportunity. Adopting a quantitative approach, this activity analyzed the demand for these businesses in the 2022-2035 period, highlighting the main drivers that might prompt new players to enter the market. This will enable Prysmian to monitor the risk carefully as it evolves and facilitate any necessary refinement of its medium/long-term strategy.

---

### **Risk identified**

Risk related to technological innovation and, in particular, to emerging, alternative or replacement climate-related technologies

### **Description of risk**

The acceleration of technological innovation in recent years, with ever more massive use of renewable energy and an already established path towards digitalization, consolidated during the COVID-19 pandemic, exposes the Group's cultural and organizational model to the risk of being unprepared for such rapid change. Prysmian has assessed the possible impact on the business of new emerging, alternative or replacement technologies linked to the climate and renewables (e.g. hydrogen, higher capacity batteries, E-Vehicle technologies, wireless technologies, etc.). Exposure to this risk was analyzed over the 2022–2035-time horizon, considering the four IEA emission scenarios (STEPS, APS, SDS and NZE), confirming a medium-low impact, which becomes medium-high in a Net-Zero scenario over the long term.

### **Mitigation actions adopted**

In terms of mitigation actions, the diversified portfolio of activities with a global geographical presence is a strength for Prysmian, as the only world leader with a business model balanced among areas with differing profiles, where each segment plays a precise role in the overall strategy, considering stability, growth potential and the generation of opportunities. Prysmian aims to maintain its leading role in R&D, with 26 centers of excellence, advanced proprietary technologies, 1,000 experienced professionals, 5,800 patents granted or pending and relationships with the world's leading universities and research centers. The appointment of a Chief Innovation Officer (CIO) and a Chief Digital Officer, reporting directly to the CEO, and the establishment of a Group Innovation Steering Committee, chaired by the CIO, further consolidate the Group's commitment to innovation, research and development. The Group strategy is completed by roadmaps dedicated to innovation, cost reduction and projects in the Projects and Telecom sectors, innovation competitions among employees, also involving key customers, and a professional development plan dedicated to strengthening the innovation skills of employees.



---

**Risk identified**

Risks related to possible infringement of third-party patents

**Description of risk**

The increasing rise in new product offerings and the opening to new markets, in part also accelerated by decarbonization policies, leads to an increased likelihood that Prysmian's products will include solutions patented by third parties with the risk of incurring litigation costs. Exposure to this risk was analyzed over the 2023–2035-time horizon, considering the four IEA emission scenarios (STEPS, APS, SDS and NZE), confirming a low impact over the medium term, due to continuous application of the mitigation measures adopted, which becomes low-medium over the long term.

**Mitigation actions adopted**

Prysmian's Intellectual Property department, supported as necessary and on specific issues, by external professionals, constantly analyzes the possible existence of third-party patents with respect to new products and markets, undertaking to comply with third-party intellectual property rights when aware of their existence. Prysmian's strong patent portfolio is an important deterrent against litigation.

---

## The pillars of innovation and the Innovation Steering Committee

Innovation at Prysmian is about meeting customers' needs, understanding their business goals quickly and effectively and developing environmentally and community-conscious solutions with them. To meet its commitment to innovation and sustainability, R&D implements internal processes and activities every day to ensure their effectiveness.

Prysmian established the Innovation Steering Committee in 2020. It acts as the control room of the Group's innovation activities by leveraging the expertise of the R&D department, Corporate Hangar, EOSS and the Digital Innovation department.

### Research and Development

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



## Digital Ambition

Prysmian's Digital Ambition aims to generate long-term value for the company's business in order to maintain the Group's leadership in the energy and digital sectors. Digital tools and solutions are key assets to enable a future of cutting-edge innovation and continue to deliver outstanding performance to the market, contributing to the defense of the Groups' competitive positioning.

This ambition gave birth to Prysmian's new Digital Strategy, called BODI, which aims to develop an innovation model fully integrated into the company's operational processes.

The acronym highlights the importance of an organic vision of innovation as the backbone system of the company through 4 dimensions:

- B for business oriented, emphasizing attention to the needs of our stakeholders as well as to market opportunities;
- O for open innovation, to consolidate awareness of the necessary level of openness to ecosystems external to companies, start-ups and research centers;
- D for digital and digitalization, to be brought first and foremost in data, business processes and the broader culture;
- I for impact, to support a concrete approach to innovation aimed at generating measurable value.

Prysmian's portfolio of innovation initiatives and digital solutions continues to grow and concerns a variety of areas, from manufacturing to the supply chain, from finance to purchasing and sustainability, from solutions dedicated to our customers to those that aim to improve the way we work and communicate. The coming months will certainly be devoted to identifying new opportunities opened up by the use of technologies such as Generative AI and RPA (Robot Process Automation), which will help make the company even more efficient and able to respond to customer requests even more rapidly, maximizing the level of quality that has always characterized us as a market leader.



## Open innovation infrastructure: Corporate Hangar

Prysmian has further strengthened its relationship with its venture builder Corporate Hangar to accelerate the path toward innovation and sustainability.

In 2023, Corporate Hangar founded 2 start-ups, RevIoT and E-WAVE, in parallel with the acceleration of Alesea, Kablee and Cultifutura created in previous years and the development of new projects with high potential that will become the next corporate start-ups.

Capitalizing on the expertise developed in recent years, RevIoT harnesses the potential of IoT for tracking fixed and mobile assets, enabling remote monitoring and improving maintenance and warehouse management activities. E-WAVE increases the efficiency of industrial and commercial facilities through an innovative power grid monitoring system while increasing safety.

In 2023, Corporate Hangar also promoted new projects in the areas of grid monitoring, distributed charging of electric vehicles and recycling of raw materials. In parallel, it worked to promote corporate entrepreneurship in Prysmian, through the organization of an Innovation Contest for a business unit of the group and the Sustainability Call for Ideas (SC4I), collecting more than 1,000 ideas from employees around the world.

For more details on the Sustainability Call for Ideas, please refer to the “Dialogue with the Group’s stakeholders” paragraph.

## EOSS (formerly Prysmian Electronics)



EOSS is not only a legal entity, but also an integrated business unit dedicated to the design of electronic and optical solutions for monitoring cable systems. Whether high- or low-voltage cables, the goal is to collect data, acquired from the different digital architectures, that can provide useful information to better understand their performance. The main feature of the EOSS business model is to provide, through the monitoring system, not only the physical parameters related to the monitored asset, but the diagnosis of its status and performance as well.

R&D activities in 2023 mostly concentrated on completing the architecture for single-phase and three-phase Pry-Cam Home with a digital platform to collect and visualize data in a more structured fashion, as well as on the implementation of an AI approach to various issues related to the use of instruments within various businesses.

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

EOSS has also worked to expand the range of products for certain specific applications relevant to the current core business, such as overhead line monitoring, home electric vehicle charging and solar farm monitoring. Two major developments have also been initiated for fire detection applications using DTS Raman and verification of the state of use of elevator ropes with the Elevator BU.

Continuing the activities of previous years, in 2023 the Innovation Steering Committee strengthened its role in coordinating activities aimed at consolidating the Group’s main areas of innovation and further promoting the entrepreneurial culture of employees.

The following measures were introduced in 2023:

- Review and consolidation of the global **innovation portfolio** aligned with the Group’s objectives, ensuring that high potential projects are accelerated with the right resources;
- Strengthening of the **governance of innovation initiatives**, both by structuring processes for managing initiatives and by establishing models for measuring the value that can be generated;
- Increase in R&D spending, linking Innovation activities with Sustainability in support of the **Climate Change Ambition**;
- Strengthening of collaboration and synergies both among the entities participating in Steering Committee and externally with potential customers to offer higher value-added products and services and reinforce Prysmian’s position as a leading supplier of cables and systems capable of handling customer needs;
- Promotion of greater employee engagement in the areas of innovation via initiatives such as Wired for Innovation (to introduce employees to international experts in areas of innovation relevant to the Group) and Innovation contests. The first Sustainability Call for Ideas and Sustainability Week 2023 were also launched in 2023 (please refer to the “Dialogue with the Group’s Stakeholders” paragraph for more details).

## The R&D team

Globally, Prysmian R&D has more than 1,000 professionals working in 26 centers of excellence. The R&D Headquarters is located next to the Milan office and coordinates the activities carried out by the local R&D centers, promoting innovative and sustainable projects with a medium- and long-term perspective. In its laboratories, new cables and technologies can be developed in complete autonomy, being able to benefit from: an experimental prototypes room for the production of cables and compounds, a facility equipped with the most advanced systems for testing EHV cables and a physical-chemical lab complete with cutting-edge instruments for accurately analyzing the properties of cables and materials.

The creation of a test hub for the study and development of systems to support the energy transition continues in the area of the Italian plant in Quattordio. In 2023, a mechanical test area for the study of submarine systems was built and, at the same time, the electrical laboratory was completed. To date it includes 2 640-kV HVAC test systems and 1 1200-kV HVDC test system. A 600-kV HVAC system is also being completed for testing under conditions simulating the actual installation. Finally, the design and approval process with local authorities for the construction of a second laboratory capable of accommodating 6 1200-kV HVDC test areas has been completed. The hub is expected to be completed in the first quarter of 2025.

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

## Innovation



<sup>(\*)</sup> Operating expenses of Euro 106.5 million and investments of Euro 21.5 million.

Sustainability has become increasingly central to the Group's R&D activities since the 2022 launch of the "**Design For Sustainability (D4S)**" program, which will change the way the entire R&D community and its network operate. The development of new products now considers their value in terms of sustainability, applying the Eco Cable criteria at the base of the D4S program. In addition, with the adoption of the "Accolade" management software, sustainability will be among the main criteria for evaluating the project portfolio in different countries/BUs.

During 2023, the "Design for Sustainability" (D4S) program became an established practice within the Group's R&D, and to ensure that the products thus designed and manufactured find adequate market outlets, the **Sustainability for Business (SfB)** function was created in the second half of the year. It is responsible for promoting the marketing of sustainable products internally, both by accelerating the spread of the ECOCABLE brand and by assisting the Sales function in dealing with key customers. This function also has dual reporting with the CSO (Chief Sustainable Officer) in order to ensure harmonization between Corporate strategies and subsequent execution by the various Regions, BUs and Corporate Functions.

Thanks to this new structure, Prysmian's R&D has continued to provide fundamental support to the business, enabling its growth both in terms of profitability thanks to the design-to-cost (DTC) program, which reached a new record during 2023 in terms of global results, and thanks to the launch of new products on the market (NPI).

Worth mentioning were the following projects, which are part of a program to implement structured procedures for R&D process management at the project management and product engineering levels:

- **Accolade program**, which aims to introduce a standardized and uniform methodology for the management of R&D projects in different countries, including the phase of economic evaluation and the selection of priority projects. The program can be considered currently implemented in the United Kingdom, Latin America, North America, Northern Europe, Central Europe, Oman, Turkey, China, Oceania, as well as in the Automotive, Network Components, MMS and Elevator-Escalator segments;
- **Pry-CD program**, launched in 2022 to meet the needs of the various Engineering/Cable Design functions of countries and BUs, which need to have a modern and efficient cable calculation tool at their disposal. Among the main objectives of the Pry-CD system are that of being developed in an environment 100% compatible with that of the corporate ERP and, above all, of introducing Environmental Sustainability as a fundamental criterion to be used for the definition of cable design, in both the Energy and Telecom areas, based on Eco Cable criteria.

Furthermore, for several years now, R&D has sponsored events to gather innovative ideas and spread a cutting-edge culture within the group, such as Calls for Ideas and Innovation Contests. During 2023, the function sponsored 3 initiatives in particular:

- **EEBU Innovation Contest**: the Group successfully completed the contest dedicated to the Elevator & Escalator business unit, formed from the merger of Draka Elevator and EHC Global. The EEBU Innovation Contest aimed to bring innovation to the vertical transportation industry by bringing together teams with complementary skills.
- **Call for Ideas for universities and research institutions with PoliHub**: the group launched a targeted “call for ideas” campaign addressed to Italian universities and research institutes from which more than 50 proposals were collected. The top five ideas, which stood out for their innovative potential and strategic appropriateness, were presented to Prismsian senior management. This process culminated in the selection of an idea for a co-development agreement with the Group, demonstrating the success of this strategic initiative.
- **Sustainability Call for Ideas**: launched in January 2023 and addressed to all group employees. Please refer to the “Stakeholder Engagement and materiality analysis” section of this document for more details.

## Innovation ecosystem

Prysmian recognizes the importance of partnerships in doing research, as highlighted by the United Nations Sustainable Development Goals (SDGs). Collaborating with relevant Stakeholders, from academia to independent research centers, from suppliers to supply chain counterparts to customers, is essential. Their collaboration and feedback are crucial in identifying areas that require a greater focus.

**This is why, over the years Prysmian has established consolidated partnerships with over 50 leading universities and research centers around the world. These strategic collaborations offer the Group support in technological research and allow it to adopt the most innovative and sustainable solutions in all areas of the cables and cabling sector.**

## Partnerships

Among our many collaborations, the most significant ones in terms of innovation and sustainability are listed below:

- PoPolitecnico di Milano (Italy)
- Politecnico di Torino (Italy)
- Università degli Studi di Salerno (Italy)
- Università di Palermo (Italy)
- Università di Bologna (Italy)
- Università di Padova (Italy)
- CNR Research Institute (Italy)
- National Electrical Energy Research & Application Center (USA)
- Oak Ridge National Laboratory (USA)
- Polytechnic University of Catalonia (Spain)
- Shanghai TICW (China)
- Fraunhofer Institute (Germany)
- University of Cantabria (Spain)
- Delft University of Technology (Netherlands)
- Wuhan China Electric Power Research Institute (China)
- Polytechnic University of Bucarest (Romania)
- Technical University of Berlin (Germany)
- Technical University of Dresden (Germany)
- State Technical University of Jaroslavl (Russia)
- State University of Saint Petersburg (Russia)
- Tomsk Polytechnic University of National Research (Russia)
- UFAL – Universidade Federal De Alagoas (Brazil)
- Virginia Polytechnic Institute and State University (USA)
- SCITEC – Istituto di scienze e tecnologie chimiche “Giulio Natta” (Italy)
- Bursa Uludag University (Turkey)
- University of Marmara (Turkey)
- IST – Integrated System Technologies (UK)
- Inova (Italy)
- Jade Hochschule Wilhelmshaven (Germany)
- Kunststoff-Institut Lüdenscheid (Germany)
- FGH Institute di Mannheim (Germany)
- PA Consulting (UK)
- Instituto Eldorado (Brazil)
- Questek (USA)
- DexMat (USA)
- Sintef (Norway)
- Urban Mining Collective | New Horizon (Netherlands)

In addition to the partnerships mentioned above, major collaborations in which Prysmian took part in 2023 include, in detail:

- **STI (Surface Technology International):** since March 2023 we have been cooperating with STI, which, as a contract manufacturer, produces Power Over Ethernet hardware for us to realize smart building technologies. STI provides electronic component design and manufacturing solutions for our printed circuit board assembly (PCBA) with the main goal of reducing energy consumption.
- **USP – Universidade de São Paulo:** this collaboration, initiated in the 1980s, has led to many advances over the years. It has now been renovated to enable the development of new computational tools for Umbilical cable design. As part of this project, the University of São Paulo will develop, with support from Prysmian, tools for defining cable cross sections, a “lazy wave” configuration of dynamic cables, collision analysis of riser cables, and for thermal and electromagnetic analysis. This will enable Prysmian to take its speed and quality to the next level, providing optimized solutions that use less materials and resources. All of this is also under the banner of greater sustainability.
- **ZEPREN Solutions:** the objective of this collaboration is to develop software capable of sending real-time warning signals and providing statistical data obtained from Distributed Acousting Sensing (DAS) system detections in a series of use cases involving the use of overhead transmission line Optical Ground Wire (OPGW) cables. The software developed interfaces with the “interrogator” of the DAS and transmits alarm signals to the end user. The use cases examined by the project are: lightning detection, short-circuit detection, identification of critical intervals due to high wind, bird strike, pylon mechanical instability and ice sleeves.
- **IBSS of Xi’an Jiaotong – Liverpool University:** Prysmian China Local School started its partnership with IBSS of Xi’an Jiaotong-Liverpool University in 2021. As a top-ranked business school, IBSS offers valuable opportunities including cross disciplinary partnerships in research, learning and teaching. In 2022, in collaboration with IBSS, Prysmian launched “Sustainable Leadership Training” to enable its employees to better understand the rationale behind its Social Ambition and share its commitment. The training provided covers 6 strongly interconnected topics designed to cover as much as possible of the various aspects of the work. A total of 24 leaders and staff from different functions participated. Afterwards, participants shared what they had learned with their teams and challenged each other in a business simulation system.
- **CPqD – Centro de Pesquisa e Desenvolvimento:** the CPqD is involved in the evaluation of Optical Ground Wire (OPGW) cables sheared by sharp and very strong kite wires and the Mine LED project related to cable lighting for mine applications. The first study aims to develop a test methodology that can reproduce in the laboratory the interaction between the OPGW cable and sharp kite wires, allowing the performance of different models of OPGW cables to be compared. The second project aims to develop and improve innovative cable lighting solutions for mining applications. For the Mine LED project, CPqD supports Prysmian from design conception to the first prototype made manually in their laboratory.
- **CIDET – Center for Research and Technological Development:** through CIDET, a process for certification of conformity with the RETIE regulation was conducted for the SUPERFLEX cable produced at Santiago de Chile plant. CIDET develops the processes for internal auditing of factories and laboratories, as well as conducting evaluation of raw materials and conformity of reports on tests conducted at laboratories accredited to the ISO/IEC 17025 standard. This certification process allows local products and the products of any Prysmian plant to be marketed in the Colombian market.
- **Tyromer – University of Waterloo (Canada):** collaboration is active for two projects. The first sets out to evaluate the addition of de-vulcanized rubber supplied by Tyromer (“Tire Derived Polymer” or TDP) to one of the SBR rubber compounds used for handrails with the goal of incorporating a portion of recycled material into SBR rubber handrails. The second aims to evaluate the use of Tyromer’s technology of using supercritical carbon dioxide in a twin-screw extruder to achieve de-crosslinking of XLPE (cross-linked polyethylene) cable sheathing.
- **RICE University | Carbon Hub:** Prysmian is one of the founding members of Carbon Hub. Carbon Hub (at Rice University in Houston, Texas) aims to accelerate the energy transition to reliable and sustainable green power generation through the responsible use of hydrocarbons used as the basic component for ubiquitous carbon materials. Based on non-competitive collaboration among industry, academia, institutes and non-profit organizations with related goals, Carbon Hub aims for corporate performance aligned with environmental and social commitment and responsibility to communities. Carbon Hub continues to conduct research on carbon nanotubes, focusing particularly on mechanical and electrical properties, their synthesis and health and safety issues. In 2023, Carbon Hub and the Kavli Foundation established a grant to further develop carbon nanotube synthesis, paving the way for sustainable materials in the transition to green energy.
- **University of Colorado:** the research group is working on making copper-graphene alloys that provide up to 125% IACS electrical conductivity in solid-state Flash welds. Prysmian takes care of the electrical characterization of the processed cables and provides support in product design.

## Speaking platforms

In order to share the evolution of its research work and best practices, Prysmian participated, through its managers, in major international conferences with a view to outlining the active role played in implementing the changes underway. The Group took part in the following conferences:

### **CRU Wire & Cable Conference 2023, Hamburg, 19-21 June:**

- Prysmian as enabler of the Energy Transition - Xavier Vallez, Global Head of Renewables Business Unit
- Energy Cable Leadership Panel – Juan Mogollon, EVP Energy

### **ABB FIA Formula E Summit: Change. Accelerated. Live! – London, 28 July:**

- Panel: "Track to road technology transfer: electrification case study"
- Speaker: Srinivas "Srini" Siripurapu, Chief Innovation and R&D Officer

### **TTH Council Europe Conference – Madrid, 18-20 April:**

- Workshop with Dura-Line, Plummettaz and Lyntia: "Upgrade Without Overbuild via Asset Reuse"
- "Diversity and Inclusion" workshop "Attracting talent to the FTTH industry – sharing best practices" – Coralia Caravello (HR Southern Europe) regarding Prysmian's commitment to D&I policies and initiatives at local level
- Vol speaking slots "Reduce the carbon footprint of your FTTH roll out" – Alessandro Pirri regarding the green and sustainable approach for the optical cable industry

### **FT Tech and Politics Forum, Brussels, 7 November:**

- Informal chat: "Digitalization and sustainability: The global transition to a low-carbon economy". Digital networks can enable more efficient use of resources and be a driver for new green sectors. What are the key challenges and opportunities for the ICT sector in the present green transition? How can the industry collaborate with governments and other stakeholders to accelerate the adoption of green digital technologies? How can digital technologies be used to improve the resilience of digital infrastructure in light of climate change? What is the telecom industry doing to reduce its very significant carbon footprint?" – Toni Bosch, SVP Telecom Solutions

**CEO Talk "The Enterprise of the Future. Sustainable, Inclusive and Technological".** 12 July 2023 – M. Battaini, CEO-designate of Prysmian Group – RCS Academy;

**Italian Energy Summit, "Energy transition and innovation to win the global challenges".** 27 September, M. Battaini, CEO-designate of Prysmian Group, *Il Sole 24 Ore*;

**Green Talk "Transition to Net Zero, Innovating Energy".** 10 October, M. Battaini, CEO-designate of Prysmian Group – RCS Academy;

**Green Talk "Supply chain, industry and circularity".** 24 October, C. Bifulco, Prysmian Group Chief Sustainability Officer and Group IR VP – RCS Academy;

**Global Inclusion, "Freedom is participation".** 13 November, F. Rutschmann, Prysmian Group Chief HR and Organization Officer, *Il Sole 24 Ore*;

**FT DIGITAL DIALOGUE, "Upscaling the Power Grid for the Energy Transition".** 6 December – M. Battaini, CEO-designate of Prysmian Group, *Financial Times*;

**"Sustainability driving Innovation": Elfack** – Northern Europe's largest exhibition on energy and electrification. 5 May 2023. Speakers: Frank Middle, Chief Sustainability Officer, and Kristoffer Berglund, Chief Engineer Scandinavia;

**WIND EUROPE**, 27 April, Copenhagen – "Floating: how to get a supply chain?" – Juliano de Mello, Offshore Wind Business Director, Prysmian;

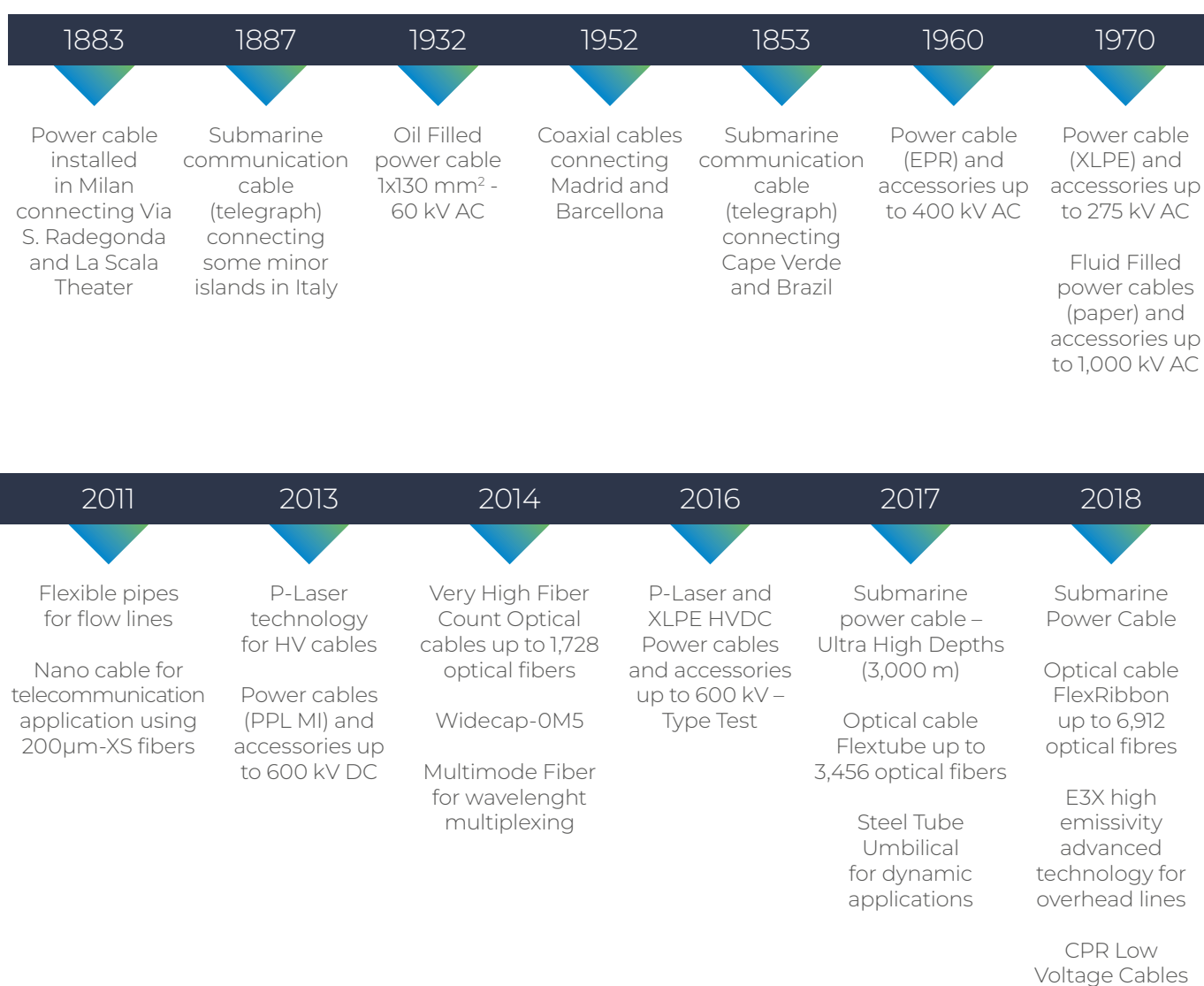
**Interwire 2023**, 9-11 May Atlanta, USA – presentation: Srinivas Siripurapu "Innovation, Investments and Incentives – Electrifying the Wire and Cable Industry for a brighter future";

**JiCable 2023**, 18-22 June Lyon, France – Closing Panel: Srinivas Siripurapu "The role of the insulated cable systems for the Energy transition and Sustainability".

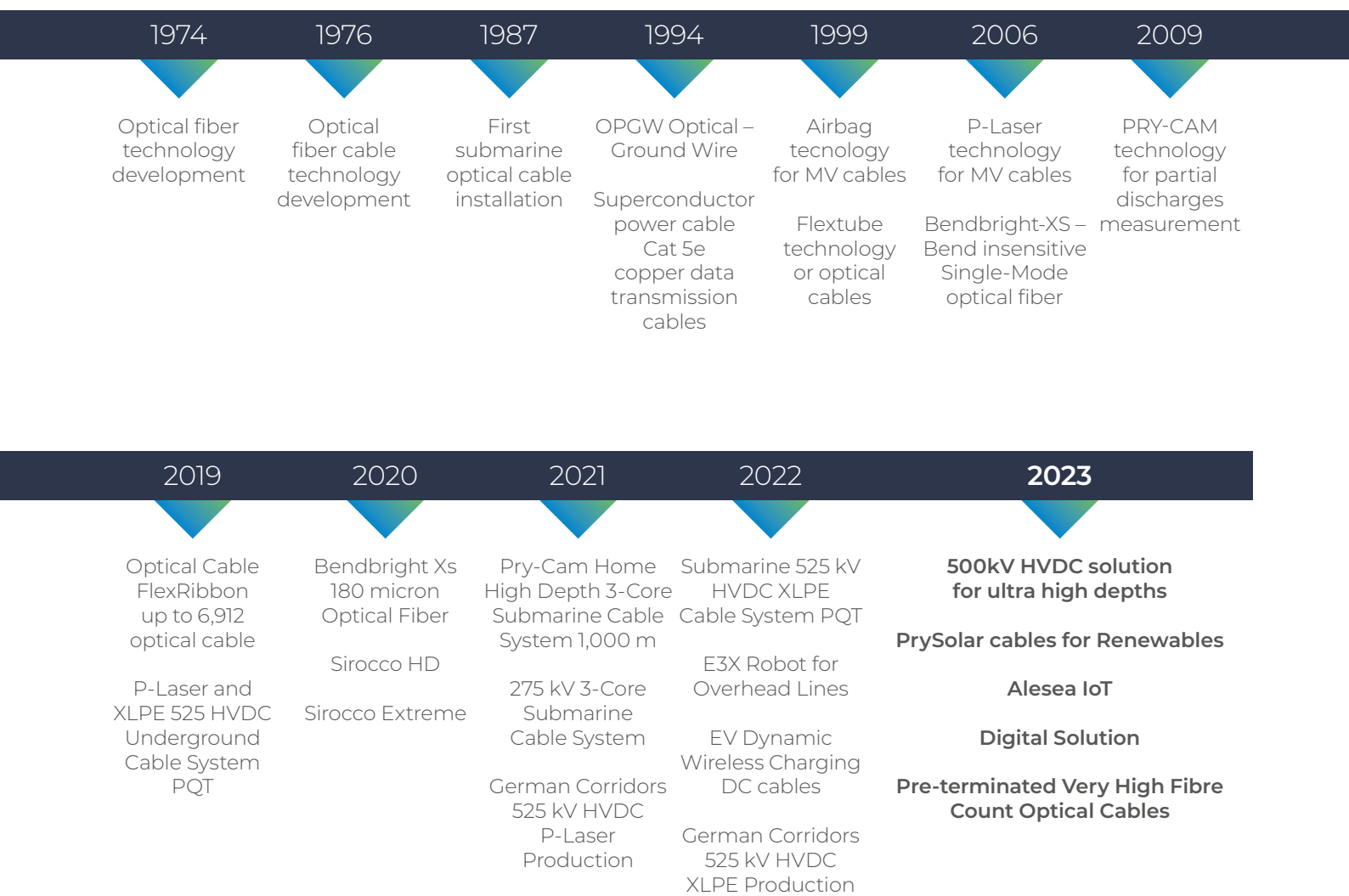
## 6.7 The most cutting-edge research and development projects

One of the reasons that has always made Prysmian a market leader is its continuous push for innovation. A list is provided below of the main innovations developed by the Group from its founding to the present: a history of constant technological growth.

### Innovating to transform the world







---

## Submarine cable projects



### 500-kV DC solution for very high depth

Development to enable de-carbonization projects in Italy and better use of energy from renewable sources. Prysmian has extended the internal qualification of the 1-GW system for installations up to a maximum depth of 2,200 m by introducing an innovatively designed cable armor. The submarine cable system and installation and repair methodologies will be definitively validated by early 2024.

*Energy Transition*



### High-power AC systems

Development of AC Solutions to connect large-scale offshore wind farms to the coast (400-kV single-pole AC systems, 275-kV three-pole). This is a strategic project to push for an effective transition towards renewable energy. Prysmian has completed the development of a large three-core cable operating at 275-kV with a maximum power of 500 MVA. The development of new cable systems involves the use of aluminum and copper conductors and bimetallic transition joints. This new design includes some new features to decrease the losses during operation, to optimize associated manufacturing costs and to reduce material emission values. The development work also highlighted important key factors for the future reliability of using AC cables with large cores.

*Energy Transition*



### 525-kV DC extruded submarine cables

Key project to meet the new climate objectives in Europe through the installation of wind farms very distant from the shore. Prysmian continued the industrialization and portfolio expansion for the complete 525-kV submarine cable system with extruded insulation technology and related accessories. This activity aims to increase system reliability and improve transmissible power by using larger sections and higher operating temperatures.

*Energy Transition*



### HV cable systems for floating wind farms

A new approach to increase the use of wind farms for clean energy production, moving from static to floating platforms. To use the high-power offshore wind farms, it is necessary to develop dynamic high-voltage AC cables to connect the floating station to the coast. Prysmian has started the development of large-scale 220-kV AC systems that will be completed in 2024.

*Energy Transition*

---

## Land cable projects



### HVDC solutions for German Corridors

Industrial production of cable systems for German Corridor energy transition projects is ongoing, for both P-Laser and XLPE insulated versions:

- P-Laser production has been active since August 2021 and more than 500 km of cable have been insulated;
- XLPE industrial production commenced in June 2022. In 2023, 250 km of cable were completed.

Technology transfer for the production of 525 kV direct current (HVDC) cable systems with XLPE insulation continues in the United States, including the completion of prequalification testing on 525 kV systems.

*Energy Transition*

---

## Energy products



### PrySolar

The energy transition to renewable energy has generated a surge in the installation of new photovoltaic systems, both for domestic and industrial applications and for large-scale production facilities typical of Utilities.

The two types of plants have different requirements due to operating conditions. Particularly in utility photovoltaic power plants, the wiring between panels and to inverters can be subject to particularly harsh conditions. In order to guarantee the performance of the products throughout the life of the plants, it was necessary to develop and qualify new cables dedicated to this application that, in addition to complying with industry standards, were particularly resistant to water exposure. For this purpose, proprietary test methods have been developed to ensure cable performance over time.

*Energy Transition*

### **Pry-ID**

Cable digital identification system based on RFID technology which enables quick and easy cable recognition, link to the installation information and providing full tracking of the cable path. Development of the final version of the app to manage Pry-ID technology has been completed. Through a series of pilot projects with major customers, it will be possible to validate the app and the technology. Currently 4 different factories are equipped to use this technology.

*Reduced CFP*

### **EV Charging Cables**

Fast charging requires development of DC cooled solutions including the integration of a cooling unit. Cable development has started with two solutions to meet the requirements of different partners. Development and evaluation, conducted together with a number of major OEM (Original Equipment Manufacturer) partners, focused on the cooled version using a Prysmian-owned patent, designed especially for future megawatt charging stations and High Power Charging (HPC) cooling systems.

*Energy Transition*

### **Three-phase PRY-CAM HOME**

In keeping with the traditional innovative approach of PRY-CAM's product ranges, 2023 saw the launch of a new electric vehicle charging device. This product can supply electricity at the usual level of 7.4 kW and 22 kW depending on whether it is connected to a single-phase or three-phase power source and can perform dynamic charging in synergy with the Master unit of PRY-CAM HOME.

*Reduced CFP – Energy Transition – Safety*

### **Water detection sensor for monitoring HV joints**

It is a full monitoring system (sensors, monitoring architecture and SW) to detect water ingress in HV cable land joints to prevent failure and service interruptions. The final version of the system will be qualified through a series of tests in our in-house laboratories.

*Energy Transition – Safety*

### **E3X – Field application service and Coating Solutions to Enhance OHL Performance**

E3X coating solutions have been developed to improve thermal dissipation and absorption of solar radiation in overhead line conductors. The coating ensures both higher power transmission at the same temperature and lower losses than a conductor of the same size. Retrofitting existing lines is made possible by a cleaning and application robot capable of applying coating to live lines. In 2023, the industrialization of the second-generation robots was completed with a field trial with the customer. These improvements are targeted to improve overall operation efficiency in the field and reduce the retrofitting project cost. A coating for high temperatures (250°C) was also developed. The ability of this coating to resist oscillations and other mechanical stresses has been demonstrated with some field experiments.

*Reduced CFP*

### **Circuits for electric vehicles**

The wireless dynamic charging on a test circuit of BreBeMi has been validated and officially launched. Prysmian has developed, supplied and installed innovative LVDC P-Laser cable to power the management units of the charging coils. Moreover, Prysmian with EOSS has provided the full monitoring system (PDs, temperature, vibrations, etc.) to support all the tests that will be performed on the circuit with materials, vehicles and different equipment. Recently the system has been studied for carrying out similar installations in Europe. A completely innovative new approach and the first fully wireless dynamic energy transfer project has been developed to power the entire operational area of an international airport located in northern Italy.

*Energy Transition – Reduced CFP – Enhanced Circularity*

### **Medium Voltage Cable Automated Splicing Machine for Underground Cable Network System**

Reliability and safety of medium-voltage cable splicing is of paramount importance for an underground cable network system. Manual splicing process posts the safety concerns to workers and reduces the reliability of the network system. Hence to improve the safety and reliability of the network, a detailed study to automate the splicing process has been initiated in collaboration with PA Consulting and 2 major US Utilities. In 2023, we have completed the conceptualization of the overall process and understood the feasibility of the single step operations.

*Reduced CFP – Safety*

### **Sensor for Oil Pollution in Outdoor HV Sealing Ends**

PG is partnering with a startup to develop an innovative sensor to detect pollution and early signs of degradation of oils inside sealing ends for outdoor use of HV cables. The sensor will send the oil analysis as output directly to the control room. The device can be installed on new sealing ends or even as a retrofitting on existing sealing ends. In 2023, the first prototype of the sensor was validated and the industrialization phase began.

*Energy Transition – Safety*

## Telecom products

### **Sirocco Extreme cables for micro-ducts**

They are part of a new range of extremely dense fiber optical cables that utilize the world's first commercially available 180 µm fiber optic. The cables offer the highest fiber density available on the market, a feature that makes it possible to fit them into smaller ducts or install more fibers in an existing duct. The first cable with 288 fibers was launched at the end of 2020. Two additional cables with 192 fibers and 576 fibers were launched in 2021. Subsequently, in 2022, the development of 144-, 432-, and 864-fiber versions began. Development of 144- and 864-fiber versions continued in 2023. Activity on the 432-fiber version was instead temporarily suspended to focus on other priorities. Development of the 144- and 864-fiber versions continued in 2023, while activity on the 432-fiber version was temporarily suspended to focus on other priorities. At the end of 2023, qualification tests of the 144- and 864-fiber versions were completed, and they were then launched.

*Reduced CFP – Digitalization*

### **Aging of optical cables over the long term – Sirocco**

Generally, underground optical fiber cables have a lifespan of 25 years, and this is the minimum value included in most customers' specifications. During 2023, Prysmian started long-term aging tests on the Sirocco cable range to prove that they can last even more than 50 years after installation. Testing began in May 2023 and ended in January 2024.

*Reduced CFP – Digitalization*

### **Mini flat drop cable**

Drop cable volumes currently used in the last mile connecting the FTTH network to the consumer in North America are very high. The cable has a flat profile and measures 8.1 x 4.5 mm. In 2023, a project was initiated to reduce the size of the drop cable to 5.5 x 2.8 mm and remove the duct used to lay the optical fiber inside the cable. This will simplify the production process because the cable can be made in one step using a coating line instead of the usual two steps that involve first producing a buffer tube on the dedicated line and then applying the coating. The smaller cable size provides an additional sustainability advantage since a larger amount of cable can be shipped on a single reel, resulting in fewer reels per shipment. The cable has been produced in a prototype version and is currently undergoing testing, to be completed in the first quarter of 2024.

*Reduced CFP – Digitalization*

### **Smart building solutions**

Buildings generate the highest amount of CO<sub>2</sub> emissions globally. To tackle this problem, Prysmian developed a smart building solution using PoE (Power over Ethernet) technology. A large amount of energy is lost inside buildings when converting alternating current to direct current. This is especially the case with building lighting and emergency lights. Today, all new lights installed in buildings are LEDs and do not require high AC voltage but run on 48-V DC. Converting AC to DC for lighting generates waste, so our solution aims to use PoE technology to power and control the lights, emergency lights and IoT devices in the building with a simple plug-and-play solution using Ethernet cables. Several products were developed during 2022 and 2023, including a 24-port switch, a LED driver for LED lights, an emergency point of withdrawal (POD) to control emergency lights, an IoT Gateway to connect IoT devices and a sensor to measure various parameters including occupancy level, air quality and temperature. The certification phase of the products has begun, and they are expected to be ready in the third quarter of 2024.

*Reduced CFP – Digitalization*

### **Hybrid Cables**

The ever increasing spread of 5G and IoT requires the use of distributed antennas and sensors that utilize 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. Three more cables were developed in 2023. The first is a 2.5 mm<sup>2</sup> four-pole cable containing up to 24 fibers. The second is a 1 mm<sup>2</sup> four-pole cable with up to 24 fibers, and the third is a 1 mm<sup>2</sup> two-pole cable with up to 6 fibers.

*Reduced CFP – Digitalization*

### **Multi-core fiber**

The project consists of developing a multi-core fiber where each fiber contains four separate cores. This solution offers four times the capacity of a standard fiber within the same space, enabling cables to be manufactured with four times the capacity in the same diameter. In 2022, fiber drawing trials took place in Douvrin (France) while the first cable prototype was made in Lexington (USA). More fiber and cable trials were conducted in 2023, but the process was slowed down as Telecom business declined. Activities are expected to resume again in the latter part of 2024 as the market recovers.

*Reduced CFP – Digitalization*

### **Pre-terminated Very High Fiber Count Cables**

Development of the fully pre-terminated FlexRibbon cable having an extremely high fiber count, with ultra-compact 144-fiber expanded beam connectors. This solution 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.

After making first prototypes in 2021, further work was carried out in 2022 to make the first prototype cable for a field trial. The cable was made in Lexington (USA) while the sealing end with EBO connectors was made by a third-party supplier. The first field test was carried out in January 2023, but was unsuccessful because the duct was found to be too small in size.

More tests were conducted during 2023, and we are currently awaiting a field trial with the end user, expected before the end of 2024.

*Reduced CFP – Digitalization*

### **96-fiber ULW cable**

Currently British Telecom uses a 36-fiber ULW cable to distribute optical fiber within its FTTH network in the United Kingdom. Many thousands of kilometers of this cable are used each year.

In 2022, a 96-fiber version was developed in the same diameter as the 36-fiber cable, which provides additional capacity in the same space. Several versions of the cable were made and tested during 2023, with some critical issues in meeting the performance indicated in the customer's specifications coming to light.

A solution was finally found in the third quarter of 2023, and the cable was sent to the customer for approval testing. Final approval was obtained in the last quarter of 2023, and to date the cable is on the market. This will enable a reduction in the carbon footprint as it will be possible to install fewer cables in the network.

*Reduced CFP – Digitalization*

### **Mini CSP (Customer Splice Point)**

A Mini CSP for OpenReach was developed in 2023. This is a new product designed taking a creative thinking approach. In the design phase, a solution smaller than the product currently in use was developed. It saves a total of 150 g of plastic, metal and rubber per piece.

Due to its design, the box contains only the parts needed for installation, with no additional elements. The existing product was supplied with several additional components, some of which were used in only 10% of installations.

Since this product is consumed in very high volumes (~1 million pieces per year), it was extremely important to eliminate the waste of the pieces that were usually sent to landfills.

*Reduced CFP – Digitalization*

### **Use of regrinds – Connectivity**

In 2023, using regrinds in Connectivity was studied. During the injection into the mold process, a large amount of waste material escapes from the sprue that injects the plastic into the mold. The first piece to be analyzed was the LMJ muffle base.

The feeding system inside the instrument produces 156 g of waste material per molded base. This material is now reground and used to mold three small components used in another product. Other products are currently being evaluated for 2024.

*Reduced CFP – Digitalization*

---

## Network components

### **“Twin-Plug” asymmetric joints for 400- & 525-kV DC cables**

The introduction of gas-free solutions such as the Twin-Plug will totally eliminate any CO<sub>2</sub> emission. In addition to successfully completing prequalification tests for 525-kV DC systems, performance tests were carried out to assess the reliability margin under higher stress on 525-kV DC cable systems with XLPE insulation. Qualification testing of the asymmetric configuration, including systems with XLPEP-Laser insulation, was completed in the first quarter of 2024.

*Energy Transition – Reduced CFP*

### **Asymmetric rigid repair joint (RRJ) for 275-kV shallow water cables**

The development and qualification of the new rigid repair joint (RRJ) for 275-kV cables for shallow water submarine applications were successfully completed in 2022.

Type-test qualification of the asymmetrical rigid repair joint (RRJ) on unreinforced cables, including with 2,000 mm<sup>2</sup> aluminum and 2,000 mm<sup>2</sup> copper bimetallic conductor, was successfully completed in the first quarter of 2023.

*Energy Transition*

### Very high-voltage AC and high-voltage DC dry outdoor sealing ends (ODSE)

Development and qualification of a full range of self-supporting dry ODSE for technologies up to 400-kV AC and 420-kV DC.

The development of dry 400-kV DC ODSE involves the use of EPDM internal cone technology to manage the distribution of electrical stress on the cable part. Validation with testing will be completed in the first quarter of 2024 and subsequently, the sealing end will undergo full prequalification testing on 2,500 mm<sup>2</sup> cable systems with XLPE insulation. The dry 400 kV AC ODSE sealing end requires the use of EPDM internal cone technology to manage distribution of electrical stress on the cable part.

Definition of the configuration was completed in the second quarter of 2023, while prototyping is currently in progress. Validation with testing is expected to be completed by the end of the second quarter of 2024.

*Energy Transition – Reduced CFP*

## Introduction of new products

As with all R&D core activities, New Product Introductions (NPI) are monitored on an ongoing basis. The main objective of this process is to raise awareness of the importance of innovation as a success factor, and of new product development as a driver for improving the organization's performance.

Consolidation of new product processes, combined with General Cable legacy activities, generates additional value in order to sustain the business, outperform competitors and win new customers.

The main activities relating to new products are supported by data management software for global innovation (Sophion Accolade®), the main information regarding which is provided below:

- Accolade is an innovation management tool, designed to manage and measure innovation, new product development and technology transfer programs. At Prysmian, Accolade acts as the "Single Source of Truth" (SSOT) for product development, being the only tool capable of gathering all relevant data. This global platform will further improve the process of prioritizing and therefore assigning resources to strategic projects, thereby increasing value creation and the innovation success rate;
- the platform enables the configuration of processes, deliverables and metrics specific to the business, providing support for strategic planning, portfolio management and efficient project execution;
- the platform increases process efficiency through improved coordination and information sharing among Prysmian's R&D, Operations, Sales and Quality functions;
- Accolade will be implemented in all of the Group's integrated regions and business units by 2024: during 2023, the UK, Latin America, North America, Northern Europe, Central Europe, Oman, Turkey, China, Oceania, as well as in the Automotive, Network Components, MMS and Elevator-Escalator segments fully completed the rollout;
- more than 450 new product development projects had been managed within the platform at the end of 2023.

Better management and more effective monitoring also ensure more accurate reporting. With regard to this last activity, a specific new tool has been implemented for new products, to assist with their economic analysis and keep track of the most important projects during the three-year vitality period. Indeed, it is used to set vitality objectives (NP revenue/global revenue) for each region/business unit, in order to maintain the focus on development and analyze progress in coming years.

The R&D function implemented numerous new product development projects during 2023, leading to:



Over 80 new products in the Innovation category

(new product Category/Type that does not exist in the global market);



Over 760 new products in the Development category

(new product Category/Type that does not exist within Prysmian, but already exists in the market).

The company achieved incredible results, thanks to new technologies and products that allowed the group to achieve the best result in the innovation category, compared to previous years. The result achieved in 2023 in terms of category vitality was 4.2% compared to 2% of 2022. This growth has allowed us to lead the market and promote innovative products before our competitors.

The Q3 2023 parameter measuring the vitality of the Group reflects an increase with respect to the same period in 2022, rising from 17.1% to 20.7%:

#### New products vitality

Prysmian	Total net sales result (K€)	NP net sales (K€)	% Vitality
Group result	10,506,043	2,177,328	20.7

#### New products vitality

NP category	NP net sales (K€)	% Vitality	
		3Q2023	3Q2022
Innovation	441,008	4.2	2.0
Product development	1,344,973	12.8	8.9
Technology transfer	391,347	3.7	6.2

# Group investment for a sustainable future

In 2023, Prysmian increased investment in support of its ambition to be an enabler of the energy transition, responding to accelerating demand for digitalization and electrification solutions.

The strategy, aligned with the five-year plan unveiled on Capital Markets Day in October 2023, specifically calls for a selective acceleration of investment to meet growing demand, mainly in the Projects area. Over the 2023-2027 period, investment will grow 1.7 times over the previous five years to Euro 2.7 billion.

## Industrial activities

The geographical distribution and capabilities of the various plants allowed Prysmian to consolidate its industrial strategy even further during 2023. This strategy is based on the following factors:

1. production of high value-added, high-tech products in a limited number of plants destined to become centers of excellence with high technological skills and where it is possible to leverage economies of scale, consequently improving production efficiency and reducing capital invested;
2. constant pursuit of greater manufacturing efficiency in the commodities sector, while maintaining a widespread geographical presence to minimize distribution costs.

**In 2023, the value of gross investment was Euro 624 million**, up from the previous year (Euro 454 million) due to increased investment in production and installation capacity, which is essential to meet the needs of the energy transition.

## Capacity/Product mix

Investment to increase production capacity and take account of changes in mix accounted for **80%** of the total.

### Projects

**Aiming to support the growing demand for submarine cable systems for interconnection projects and offshore wind farms and to strengthen execution capacity, Prysmian announced an investment of about Euro 350 million for two new state-of-the-art cable laying vessels.**

The first cable-laying vessel will be the evolution of the Mona Lisa class. With a length of about 185 m and a width of about 34 m, the new vessel will be equipped with advanced cable installation solutions, such as three rotating platforms with a total capacity of 19,000 tons, making it among the cable-layers with the highest carrying capacity on the market. The towing force, exceeding 180 tons, will enable complex installation operations by simultaneously carrying out cable laying and burying (up to 4 cables) using several plows, for unparalleled optimization of offshore operations. The vessel will be operational by early 2027.

The other cable-laying vessel will be the Ulysses-class evolution, with a length of about 167 m and a width of about 40 m. The vessel will be equipped with two rotating platforms, one of which is divided into two concentric sections, for a total cargo capacity of 10,000 tons. The vessel will be operational by the first half of 2025. Both vessels will have green credentials: they will be equipped with high-voltage shore connection systems that will power them with clean energy during loading operations (shore connection), diesel generators suitable for biodiesel blends and hybrid batteries only for the vessel that will install at high depths (for special activities).

In the same area, the construction of the cable-laying vessel Monna Lisa, an investment of about Euro 200 million, which began in 2022, plus an adjustment of about Euro 40 million for cable installation equipment, continues on schedule. The Monna Lisa will be operational from early 2025. Among the most significant investments aimed at increasing the production capacity of the Projects Business Unit, which is necessary to meet growing market demands, are those aimed at further upgrading the plants in Pikkala (Finland) and Gron (France).

**In Pikkala, plant expansion continues with the construction of a tower about 185 m high that will house a new vertical extrusion line for the production of 525-kV DC or 400-kV AC submarine high-voltage cables, for a total investment of about Euro 120 million. A further expansion step has also been approved during 2023, which includes the installation of a second vertical extrusion line within the tower under construction and all the necessary machinery to complete the other steps of the production process based on the incremental volumes generated by the new insulation line, for a total investment of approximately Euro 120 million.**



An investment has been approved at Gron to install an additional silicone oil insulation line, which will support the production of 525-kV terrestrial HVDC cables with XLPE insulation or proprietary P-laser technology and all the necessary machinery to complete the other steps of the production process based on the incremental volumes generated by the new insulation line. **The project, which follows the previous expansion that began in 2022 and is nearing completion, involves an investment of more than Euro 50 million.** Planning continues for the new **Brayton Point (Massachusetts – U.S.)** plant, which involves the conversion of an area formerly occupied by a coal-fired thermal power plant into a state-of-the-art inter-array and export submarine cable production site. The expansion of high-voltage cable installation and manufacturing capacity was accompanied by the strengthening of testing capacity through the approval of an investment to increase the number of HVDC test bays and mechanical test areas at the Quattordio (Italy) site. The investment of more than Euro 20 million will support an ongoing innovation process to research new materials and/or technologies for HVDC applications.

## Energy

Investment in this business segment has focused on certain specific sectors, in order to support the growth in market demand. An investment of approximately Euro 60 million was approved in DuQuoin, Illinois, for a major increase in medium-voltage cable capacity that will be mainly for renewable energy (solar and wind) distribution markets. The project involves the expansion of the plant with about 9,000 square meters of new production space and the necessary machinery for an approximately 50% increase in renewable energy cable production capacity. Investments continue to be made in Sedalia (Missouri) to expand the plant for the production of low-voltage aluminum cables, which mainly serve the residential/commercial/industrial construction market and the photovoltaic market, and in Williamsport (Pennsylvania) to increase the capacity to produce HV cables for overhead distribution lines. Finally, several investments are being made in Europe aimed at increasing capacity and expanding medium- and low-voltage cable capability in order to support market demands.

## Telecom

In the Telecom business segment, investments were finalized to increase optical cable production capacity in Jackson (Tennessee) for the production of Loose Tube and Drop cables, and in Dee Why (Australia) to upgrade plant capacity in order to produce cables for Telstra's new Australian fiber-optic network that will reach 20,000 km, connecting the country's major cities.

## Efficiency and Industrial Footprint

**About 4% of total investment was allocated to achieving efficiency improvements and reductions in fixed and variable costs (mainly product design and material usage).** The Group has continued to invest in cost optimization throughout the Telecom segment's production chain. Specifically, investments continued in 2023 in upgrading machinery with the best production technologies currently available within the Group.

Again in 2023, Prysmian continued with its 10-year Euro 100 million sustainability investment program. These investments, totaling Euro 7 million in 2023, involve several types of activities, including the installation of photovoltaic systems in some of the Group's facilities, various measures to reduce energy consumption, and a multi-year plan to reduce the use of SF6 gas.

## IT, Research and Development

**Around 8% of capital expenditure was dedicated to further development of the Group's IT systems, Digital Transformation initiatives and R&D.**

In 2023, following the integration strategy of Prysmian, the group ERP system (SAP 1C) was implemented in the U.S. for the Elevators Business, bringing the total number of production plants to 84, also adding the corresponding 6 distribution centers, managed in the single SAP 1C system, present in more than 30 countries. In the Operations area, the Corporate MES implementation project (FastTrack) was successfully completed at the Livorno (Network Components) facility in June 2023, while the Vilanova (Energy, Spain) factory began the go-live phase during Q4 2023 and was completed in January 2024. FastTrack implementation has also been launched at the Energy facilities in Kistelek (Hungary) and Neustadt (Germany), as well as the Telecom facility in Jackson (United States) and Suzhou (China); for all four sites, project completion is expected by the first half of 2024. Two more factories, already identified, will see implementation during the second half of 2024.

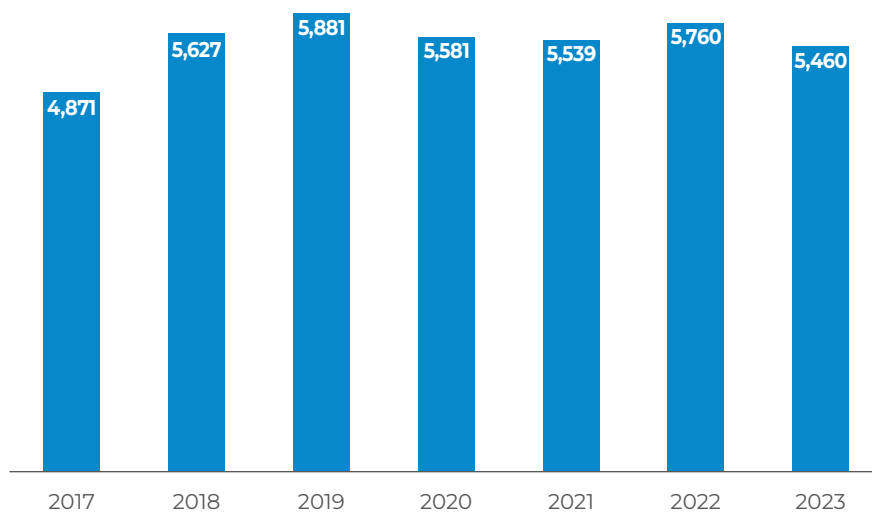
## Base-load

**Capital expenditure for structural maintenance activities amounted to about 8%.** The main component of this amount is related to the continuation of the modernization of offices and production sites in order to support the well-being and safety of people, and the reliability of machinery.

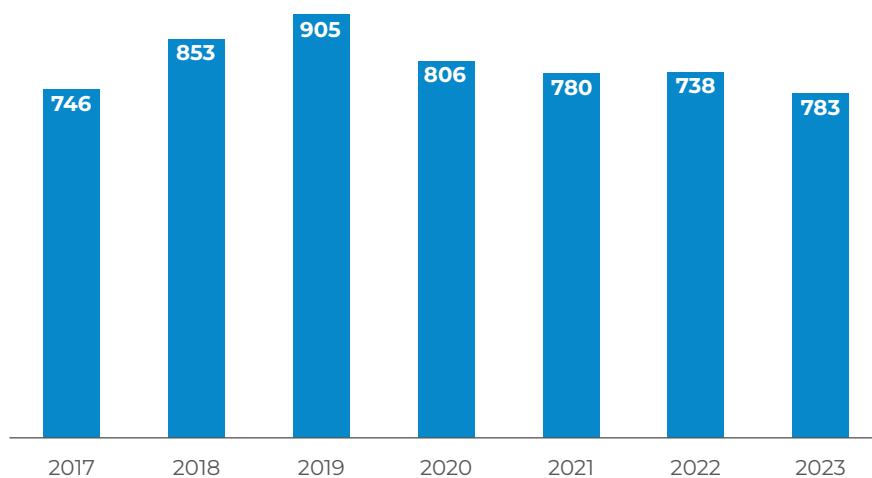
## 6.8 Intellectual property

The protection of the patent and trademark portfolio is a key element of the Group's activities, also in relation to the growth strategy in high-tech market segments. At the end of 2023, the number of patents and patent applications of Prysmian and the number of patent families remained basically unchanged. The strategy of filing patents in new countries to go along with the expansion of Prysmian's presence around the world continues.

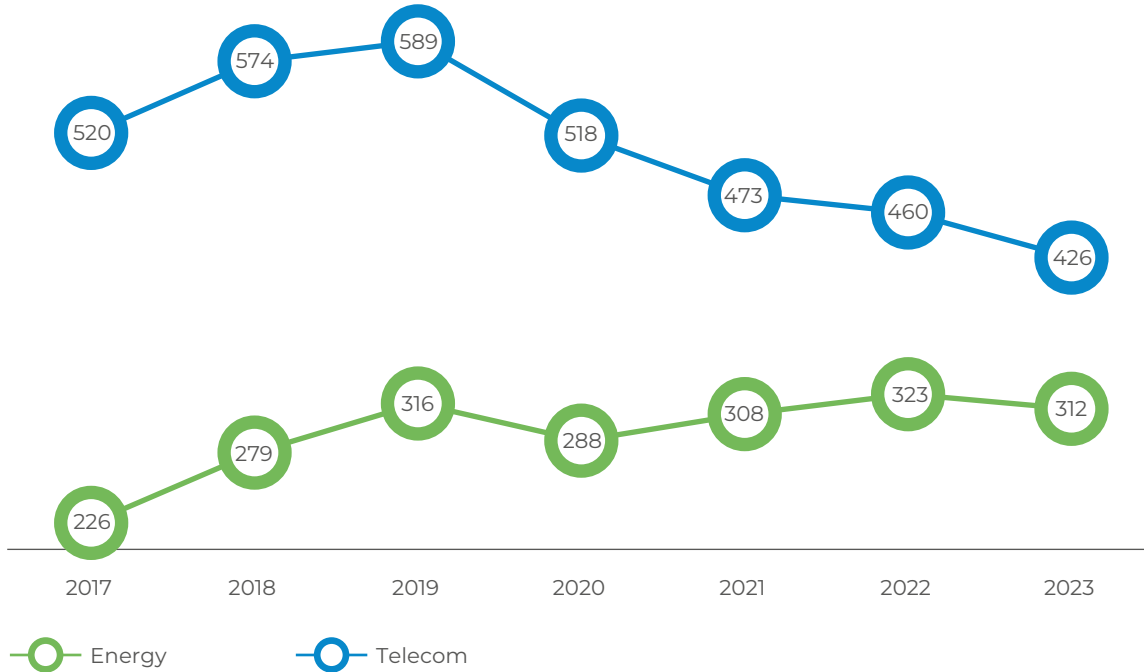
### Number of patents and applications



### Number of families

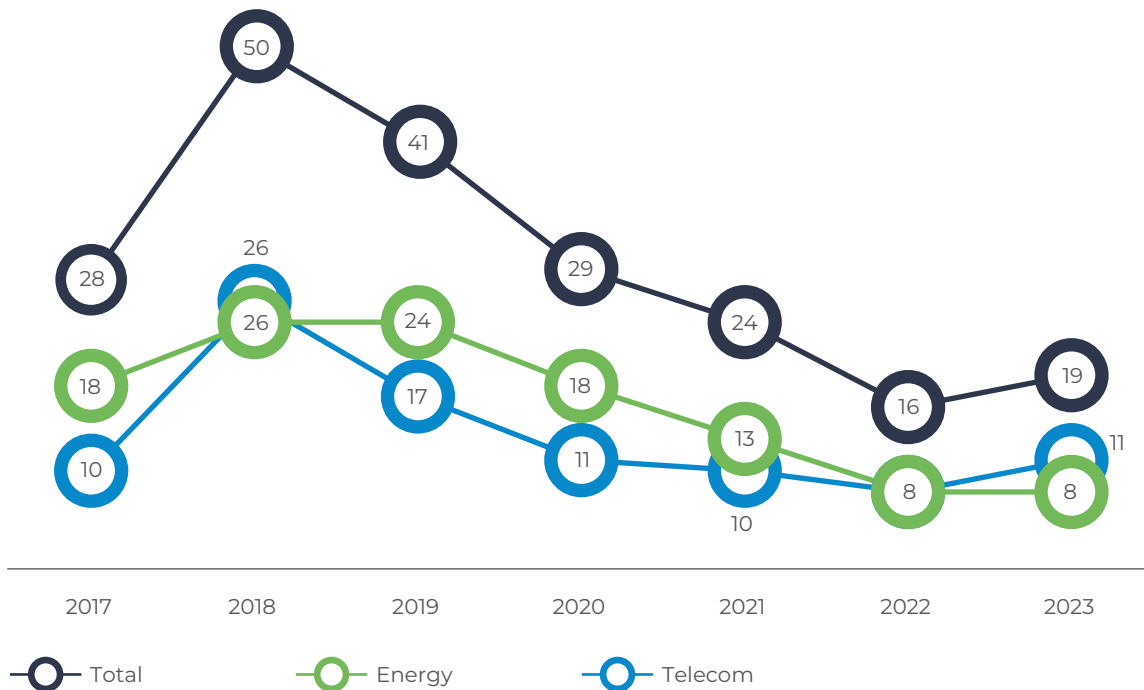


**Number of patents for the Energy and Telecom sectors**

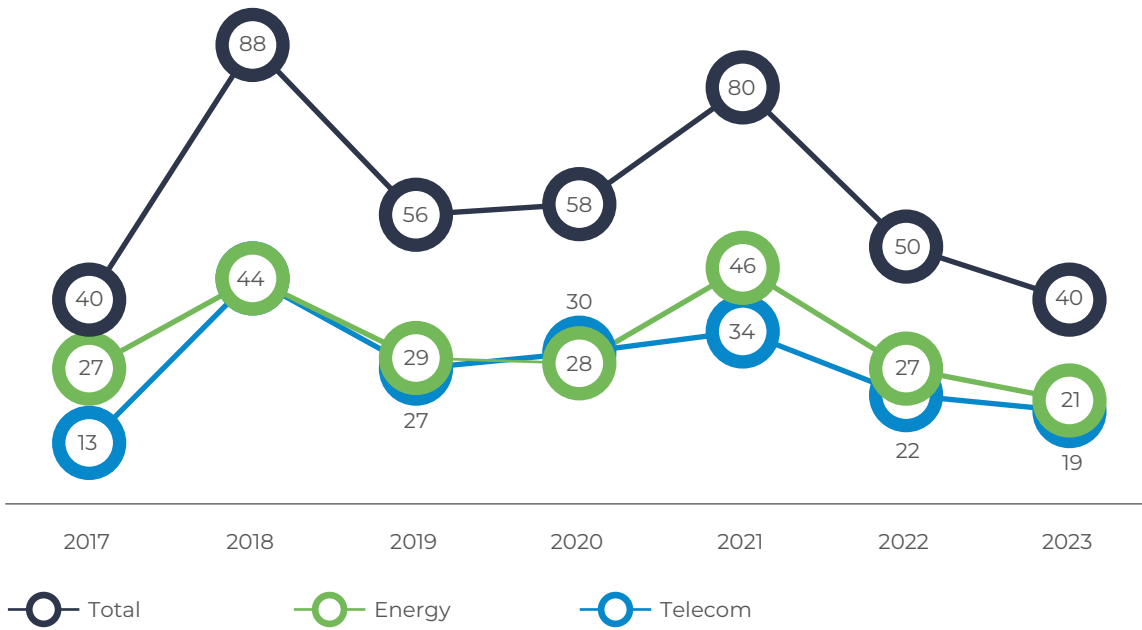


The number of new filings per year is decreasing although the number of ROI (Record of Invention) received remains high, that is, inventions sent to the Intellectual Property department. Apparently, the number of patentable inventions compared to the number of ROIs received continues to be lower than in the past.

**New first filings**



**Number of ROI**



It is important to note that again in 2023 the Group's patents were used in infringement cases in Italy and France. There are two lawsuits still underway in Italy and France, while for the others an agreement has been reached with the other party. These legal initiatives are part of a broader strategy undertaken by the Group in order to protect investments made in R&D.

In terms of trademarks, Prysmian filed 5 new trademark families, abandoned 149 trademarks no longer in use locally and aligned registrations with the Group's strategies. At the end of 2023, Prysmian owned 4,583 trademark registrations related to 861 trademark families.

The data come from Prysmian's internal database, which is constantly updated by the Intellectual Property department in line with the main patent databases available. Also, among the tools used by the Intellectual Property department is a new website for collecting ROIs and applications for new trademarks. The internal database regularly cross-references data with the databases of patent and trademark offices. The data are also cross-referenced with databases of external legal advisers who manage certain stages of the patent and trademark granting process.

# METHODOLOGY

This document represents the Sustainability Report (or “Report”) prepared by Prysmian S.p.A. The Sustainability Report scope includes the parent company (Prysmian S.p.A.) and the fully consolidated companies (hereinafter also “Prysmian” or the “Prysmian Group”). The purpose of this document is to ensure an understanding of the Group’s organizational model, activities, key risks and performance indicators with regard to environmental, social, personnel-related, human rights, anti-corruption and anti-bribery aspects that are relevant taking into account the company’s activities and characteristics in the 2023 financial year (1 January – 31 December), as specified in detail in the materiality analysis contained in this document in the “Stakeholder engagement and materiality analysis” section.

Moreover, additional KPIs specific to the sector in which the Group operates have been incorporated into the 2023 Sustainability Report.

The scope of the data is clearly indicated in the text, in the “Global leadership” section. This report has been prepared by adopting the “in accordance with” option, in line with the “GRI Sustainability Reporting Standards” published in 2016 by the “GRI – Global Reporting Initiative”, and updated later. The document takes into account the sustainability matters considered significant for the Group, as identified in the materiality analysis (see the section entitled “Stakeholder engagement and materiality analysis”).

As required by the Reporting Standard, this document includes the “GRI Content Index” containing details of the indicators reported. The process of collecting the data and information necessary for the drafting of the Sustainability Report has involved various functions of the Group companies and has been designed to ensure reporting in line with the GRI principles of precision, balance, clarity, comparability, completeness, sustainability, timeliness and reliability. In particular, the data was collected using a digital platform, which enables information to be centralized and activates a virtuous analysis-management circle for these indicators. The Report is published on an annual basis. The Board of Directors of Prysmian S.p.A. approved this document on 28 February 2023. This document has undergone limited review in accordance with the International Standard on Assurance Engagement (ISAE 3000 Revised) by EY S.p.A. The review was carried out in accordance with the procedures indicated in the “Independent Auditors’ Report” included in this document.

With regard to the materiality analysis conducted by the Group, only the part relating to financial materiality was not included in the limited review by EY S.p.A. Those quantitative indicators unrelated to any general or topic-specific disclosures required by the GRI Standards, as identified in the Content Index, were not included in the limited assurance review by EY S.p.A. It should be noted that Prysmian also published the 2023 TCFD Report and the 2023 SASB Report. Correlation tables between the content published pursuant to the GRI Standards and the content of these Reports have been included in the 2023 Consolidated Non-Financial Statement.

For comments, requests, opinions and suggestions for improvement on Prysmian’s operations and the information contained in the document, you can contact:

**SUSTAINABILITY DEPARTMENT [sustainability@prysmian.com](mailto:sustainability@prysmian.com)**

## Notes on the data and information

In general, for all data analyzed by geographical segment, the following regions were considered: North America, Latin America, EMEA (Europe, Middle East and Africa) and APAC regions. For details of the countries included in the geographical regions, please refer to the map of the Group’s factories shown in the “Global leadership” section.

## Workforce data

For 2023, the headcount figures of the companies forming part of the Prysmian Group as at 31 December 2023 and consolidated on a line-by-line basis were considered.

With reference to pay data, the workforce of “Nantong Haixun Draka Elevator Products Co. LTD” and “Nantong Zhongyao Draka Elevator Products Co. LTD” is excluded.

With reference to employee gender data, the “other” category includes a non-binary qualification declared by the employee or the employee’s failure to specify a gender.

## Environmental data

The environmental data presented in the document is derived from a reporting system that, with respect to the stated reporting scope, does not include offices and distribution centers as they have a reduced environmental impact compared with the Group's production activities. The following points have to be noted:

- **Chiplun plant (India):** the data included in the reporting scope is estimated on the basis of actual production in the years 2022 and 2023. For the year 2021, the data were estimated on a linear basis.
- **Sohar plant (Oman):** the data, included in the reporting scope, for the years 2021 were estimated on a linear basis.

The data relating to this site are included in the figures reported in this document, except when expressly indicated otherwise. Environmental data is not yet reported in relation to the installation of underground cables (the environmental aspects and methods of management differ greatly from those of the operating units), except the CO<sub>2</sub>eq emissions coming from those installation performed by contractors, which are estimated thanks to a spent-based methodology and included in the purchased goods and services category of the Group's Scope 3 emissions. Note also that environmental performance indicators may contain estimates, if final data is not yet available at the time of preparing the Consolidated Non-Financial Statement.

## Calculation of ghg emissions

### Greenhouse gases analyzed

The GHG emissions included in this document comprise CO<sub>2</sub>, HFC, PFC and SF<sub>6</sub>. Other gases such as CH<sub>4</sub> and N<sub>2</sub>O whose emissions were found to be insignificant were also analyzed. GHG emissions are expressed in CO<sub>2</sub>eq, the standard unit of measurement for the global warming potential (GWP) of greenhouse gases, calculated as the warming power of a unit of gas with respect to that of carbon dioxide. The GWP values used to calculate the CO<sub>2</sub>eq are taken from the Fourth Assessment Report (AR4) of the Intergovernmental Panel on Climate Change (IPCC) and cover a period of 100 years. With regard to refrigerant gases, the GWP values associated with them were considered. In all cases, an oxidation factor of 1 is presumed.

### Sources of Scope 1, Scope 2 and Scope 3 emissions

Scope 1 GHG emissions derive from sources owned or controlled by the Group, including:

- natural gas;
- LPG;
- petrol;
- diesel;
- fuel oil;
- marine diesel;
- refrigerant gas leaks;
- SF<sub>6</sub> gas leaks.

Scope 2 GHG emissions derive from purchased energy that was produced outside of the Group, but consumed by it, including:

- electricity generated from renewable sources and obtained as a result of purchasing Guarantee of Origin (GO) certificates and EECs (European Energy Certificate System);
- electricity produced from fossil fuels;
- district heating;
- steam.

Scope 3 GHG emissions considered in this document relate to the following sources, identified with reference to the GHG Protocol guidelines:

- purchased goods and services;
- capital goods;
- fuels and energy-related activities;
- upstream transportation and distribution;
- waste generated in operations;
- business travel;

- employee commuting;
- upstream leased assets;
- downstream transportation and distribution;
- use of sold products;
- end-of-life treatment of sold products;
- investments.

Note that Scope 3 categories excluded from the above list have been omitted because they are not material. More information can be found in the “2023 GHG Statement” prepared by the Group.

## Emission factors

Sources of emission factors for the Scope 1 calculation:

- **2021:**
  - Fuels: Defra 2021;
  - F-GAS: GHG Protocol.
- **2022:**
  - Fuels: Defra 2022;
  - F-GAS: GHG Protocol.
- **2023:**
  - Fuels: Defra 2023;
  - F-GAS: GHG Protocol.

Sources of emission factors for the Scope 2 calculation are:

- **2021:**
  - Location-based: Terna 2019;
  - Market-based: AIB 2020 (for European countries) and Center for Resource Solutions (for the USA and Canada), using the “2021 Green-e Energy Residual Mix Emissions Rates” as source where available, otherwise Terna 2019.
- **2022:**
  - Location-based: Terna 2019;
  - Market-based: AIB 2021 (for European countries) and Center for Resource Solutions (for the USA and Canada), using the “2022 Green-e Energy Residual Mix Emissions Rates” as source where available, otherwise Terna 2019.
- **2023:**
  - Location-based: IEA 2023;
  - Market-based: AIB 2022 (for European countries) and Center for Resource Solutions (for the USA and Canada), using EPA as source (2023 Green-e Energy Residual Mix Emissions Rates sheet) where available, otherwise IEA 2023.

As of 2022, TERNA no longer publishes Location-based Emission Factors. For 2022 reporting, due to TERNA’s publication delay, emissions were calculated by maintaining the TERNA factors used for 2021 (as per the procedure). While, starting from FY 2023, Prysmian decided to switch to IEA as the source for Location-based factors.

The following checks and assessments were performed to confirm that the introduction of the new IEA factors into the Group’s GHG emission calculation and reporting tools did not make it necessary to re-state the Baseline:

Calculation of deviation in emission values (2019-2020-2021) due to the change in the Location-based data source

- (IEA instead of TERNA): the changes, averaging about 1-2%, were considered insignificant at Group level;
- Recalculation of 2022 emissions, with new factors (IEA 2022), and comparison of values obtained with those published in the 2022 NFS (calculated with the TERNA factors already used for 2021). Again, the deviation in total emissions (Scope 1 and Scope 2 Market-based) associated with the change in data source was not significant (+0.92%, using IEA), so there was no need for a recalculation of emissions for the year 2022, which is the baseline for the reduction targets for the next three years (2023-2025).
- The rate relating to electricity covered by GOs associated with nuclear energy has been quantified as having zero direct emissions.

## Calculation of Scope 3 GHG emissions

For Scope 3 emissions calculations, the data source for location-based factors is the IEA, so no comparisons are needed.

### Category 1: Purchased goods and services

Le emissioni relative agli acquisti si dividono in:

- **category 1.a** – product-related, including all goods and services purchased that are directly linked to production of the product;
- **category 1.b** – non-product related, including all other goods and services purchased that are not directly linked to the production process, but are needed for the functioning of the organization.

The methodology used to calculate these emissions is described below:

- **category 1.a** – the calculation considers the data for purchased metals and the bills of materials for components. It uses specific emission factors for each of the metals, depending on the form of the metal purchased, the location of the supplier of each metal, the recycled content of each metal. For other raw materials, emission factors are taken from the Ecoinvent database, applying the EU guidelines on product environmental footprint (“EU-PEF”);
- **category 1.b** – for each category of expenditure, a specific emission factor is taken from the EEIO database<sup>50</sup>, either as raw data or calculated as an average of other emission factors. In this case, the emission factors do not make any assumptions about recycling, as this is not an established market practice.

### Category 2: Capital goods

The calculation methodology is based on Prysmian’s capital expenditure, estimating the portion relating to each of the following 8 categories: buildings, utilities, purchased machinery, customized machinery, refurbished machinery, control systems, production engineering and vessels. Emission factors are calculated for each of these 8 expenditure categories by averaging the relevant EEIO emission factors. Assumptions are then made about the portion of investment in each expenditure category associated with the procurement of a material or service. Lastly, the emissions are calculated by multiplying the expenditure on each category by a combined average of the material emission factor and the service emission factor.

### Category 3: Fuels and energy-related activities (not included in Scope 1 or 2)

Emissions are calculated by multiplying the quantities of fuel, electricity and thermal energy by the relevant upstream emission factors. The 2023 conversion factors issued by the International Energy Agency (IEA)<sup>51</sup> and DEFRA<sup>52</sup> (UK Department for Environment, Food and Rural Affairs) are used to calculate the upstream emissions of purchased fuels, electricity and thermal energy, including transport and distribution (T&D) losses.

### Category 4: Upstream transportation and distribution

Two methods of calculation are used for this category, one for inbound logistics and one for outbound logistics.

- The calculation of inbound logistics emissions is based on an estimate that uses product quantitative information relating to purchased goods and services (category 1.a) and EEIO emission factors.
- The outbound logistics calculation is based on the distance travelled, the weight carried and the method of transport. Given that the Prysmian data includes thousands of individual journeys, making it difficult to extract the distances for each route, the distance is estimated by grouping the journeys for each country and assuming that all journeys go from one capital city to another. In the case of journeys within the same country, it is assumed that they go from the capital to the second-largest city. In addition, since no data was provided on the method of transport, it was estimated that all journeys of less than 3,000 km were made on the road, while all those of more than 3,000 km were made 10% on the road and 90% by sea (journeys by air for logistical purposes are minimal). The emissions for each journey are then calculated by firstly determining the “tons-km” (multiplying the total distance travelled by the weight transported) and then multiplying it by the applicable DEFRA emission factor. The emissions from outbound logistics not performed by the Group or outsourced are included in category 9.

<sup>50</sup> Source of emission factors: Open Input Output (2011), Sustainability Consortium, University of Arkansas. Please consider that EEIO factors are yearly adjusted for global inflation, average global improvements in CO<sub>2</sub>eq/GDP, and switch to service sector of global economy.

<sup>51</sup> Source of emission factors: IEA (2023), “Emission Factors”

<sup>52</sup> Source of emission factors: DEFRA (2023), “UK Government GHG Conversion Factors for Company Reporting”.



The emission factors used for the category 4 calculation include Well-To-Tank (WTT) emissions. Data for the following Units is excluded from this emissions category: Chiplun (India), OAPIL (Oman), Automotive B.U. (only Tunisia, North America and Mexico), Ivory Coast, Russia, EHC (North America Elevator), Projects (Powerlink, NSW and the Arco Felice factory) and other minor streams among China logistic centers and European semi-finished products.

#### **Category 5: Waste generated in operations**

Waste data for the calculation of emissions is provided by each production site, while the waste data of offices is estimated with reference to sector averages. Waste data includes a subdivision by the location of final processing. The data is expressed in kg and subsequently combined with the DEFRA emission factors for waste processing. Given that office waste data was not available, a sector average was used for the calculation. The kg of waste per m<sup>2</sup> was determined using the average kg of waste per employee and the average density of employees per m<sup>2</sup>, given the surface area occupied by Prysmian. The result was weighted considering the average of the waste sent to landfills vs that recycled by an office.

#### **Category 6: Business travel**

The methodology used to calculate these emissions is described below:

- The cost of business travel was recorded for each reporting year, distinguishing between air and rail travel and car rental.
- Emissions were calculated by multiplying the cost by the related EEIO emission factors for each category of travel.

#### **Category 7: Employee commuting**

Emissions were calculated as the product of the number of employees times an emission factor of = 1700kgCO<sub>2</sub>eq/year for each employee's commute. The mean factor is derived by using the "Quantis Scope 3 Evaluator" tool.

#### **Category 8: Upstream leased assets**

The calculation for this emissions category considers the electricity consumption values available and the surface area occupied by Prysmian. Subsequently, the IEA emission factors for each country are applied to the related kWh. An average of kWh/m<sup>2</sup> is calculated if the kWh data is missing or not provided.

#### **Category 9: Downstream transportation and distribution**

This category includes the emissions generated by product transportation and distribution activities that are not controlled or paid for by the reporting entity. Specifically, the scope of category 9 includes ex-works (EXW) deliveries and other Incoterm types.

The emissions calculation is based on the distance travelled, the weight carried and the method of transport. Since no data was provided on the mode of transport, it was estimated that all journeys of less than 3,000 km were made on the road, while all those of more than 3,000 km were made 10% on the road and 90% by sea (journeys by air for logistical purposes are minimal). The emissions for each journey are then calculated by firstly determining the "tons-km" (multiplying the total distance travelled by the weight transported) and then multiplying it by the applicable DEFRA emission factor. The emission factors used for the category 9 calculation include Well-To-Tank (WTT) emissions. Data for the following Units is excluded from this emissions category: Chiplun (India), OAPIL (Oman), Automotive B.U. (only Tunisia, North America and Mexico), Ivory Coast, Russia, EHC (North America Elevator), Projects (Powerlink, NSW and the Arco Felice factory) and other minor streams among China logistic centers and European semi-finished products.

#### **Category 11: Use of sold products**

A model has been developed for the calculation of emissions that determines the annual cable losses, by type of cable and by country, from 2023 until end of life (between 2046 and 2063, depending on the cable). These annual losses are then multiplied by the emission factor for electricity in the country concerned, being the emission factor for national grid generation and for Well To Tank (WTT) generation provided by the IEA. The emission factor for a country is different for each year from now until 2063, in order to take account of the expected changes in the CO<sub>2</sub> intensity of the grids. Grid decarbonization forecasts are calculated for each country in which Prysmian cable losses exceed 5% of the total losses and for those in which the forecast data is easily obtained. Regional proxies are used for countries in which the losses are less than or equal to 5% and whose forecasts are difficult to obtain: for example, EU data is used for Belgium and data for the Asia Pacific area is used for New Zealand.

## Category 12: End-of-life treatment of sold products

The methodology used to calculate these emissions is described below. In particular the following assumptions are made:

- the quantity of cables produced is the same as the quantity of cables sold to customers;
- “power cables” and “wire rods” are produced by the Energy and Projects divisions and represent 90% of sales, while “telecom cables” and “fiber optic” are produced by the “Telecom” division and account for the remaining 10%;
- 90% of the cables are recycled at their end of life, while the remaining 10% are transferred to landfills;
- “power cables” consist of 90% metal and 10% plastic, while “wire rods” are 100% metal.

The emissions of “power cables” and “wire rods” are calculated, as they are the only categories for which metric data expressed is available in tons of product, rather than km. This is because the DEFRA emission factors are expressed in kgCO<sub>2</sub>eq/ton. The calculation involves multiplying the weight of the metals and plastic by the related BEIS emission factors, for both the quantity recycled and that transferred to landfills. The value obtained is then uplifted by 10% to account for “telecom cables” and “fiber optic”.

## Category 15: Investments

Emissions are calculated using the following equation:

- $CO_2eq = \text{SUM}(\text{USD invested per sector} \times \text{emission factor for the sector (kgCO}_2\text{eq/million USD)})$ .

Different emission factors are used depending on the sector in which subsidiaries operate and, therefore, each investment is compared with the sector concerned. Most investments are assigned to the “industrials” category, others to “materials” and still others – where subsidiary information is not available – to an average “global” emission factor.

Note that some categories are excluded – treated as zero emissions – as they are not relevant to Prysmian.

These categories are listed below.

- **Category 10:** this category is excluded because Prysmian sells finished products to end users, without intermediate products that might be processed further or transformed into other products.
- **Category 13:** Prysmian does not lease assets to third parties and, accordingly, this category is excluded.
- **Category 14:** Prysmian does not have franchises and, accordingly, this category is excluded from the Scope 3 inventory.

## Health and safety data

Health and safety data (FR, SR) does not include: for 2021, 2022 and 2023, the company Associated Cables Pvt. Ltd. (Chiplun site).

Data on occupational diseases do not include: for 2020, Associated Cables Pvt. Ltd. (Chiplun site), Oman Aluminium Processing Industries LLC (Sohar site) and Oman Cables Industry (Muscat site); for 2021 Associated Cables Pvt. Ltd. (Chiplun site) and Oman Aluminium Processing Industries LLC (Sohar site); for 2022 and 2023 Associated Cables Pvt. Ltd. (Chiplun site).

The injury-related indices are calculated as follows:

The injury-related indices are calculated as follows:

- **Frequency rate (FR):** (total number of injuries with loss of work/hours worked) \* 200,000;
- Fatalities are included in the calculation of the Frequency rate;
- **Severity rate (SR):** (number of days lost/hours worked) \* 200,000;
- **Occupational disease rate:** cases of occupational disease (officially notified/hours worked) \* 1,000,000;
- **Absentee rate:** total hours of absence/hours to be worked;
- **Fatality rate:** (number of fatalities/hours worked) \* 200,000;
- The frequency, severity, fatality and occupational disease rates were calculated using, as the denominator, the hours worked by employees and external collaborators (including temporary agency workers and contractors). This calculation applies to 2021, 2022 and 2023.

# CORRELATION TABLE

pursuant to Italian Legislative Decree 254/2016, Material topics and GRI Aspects

It. Leg. Decree 254/2016	Material topics for Prysmian Group	GRI Standards	Chapter/Page
	Governance, Ethics and Integrity	GRI 3-3 GRI 2-23	Ethics and integrity - Page 67 Environmental responsibility - Page 87 People, Prysmian's human capital - Page 105 Sustainable value chain - Page 139
Organizational Model	-	GRI 2-1 GRI 2-2 GRI 2-3 GRI 2-4 GRI 2-5 GRI 2-6 GRI 2-9 GRI 2-10 GRI 2-11 GRI 2-12 GRI 2-13 GRI 2-14 GRI 2-15 GRI 2-16 GRI 2-17 GRI 2-18 GRI 2-19 GRI 2-20 GRI 2-21 GRI 2-22 GRI 2-24 GRI 2-25 GRI 2-26 GRI 2-27 GRI 2-28 GRI 2-29 GRI 2-30 GRI 3-1 GRI 3-2	Methodology - Page 179 Prysmian: Connect, to lead - Page 12 Major events in 2023 - Page 10 Corporate Governance - Page 32 External reference: "Report on Corporate Governance and Ownership Structure" 2022 Letter from the Chief Investor Relations, Sustainability and Communications Officer - Page 5 Prysmian: Sustain, to lead - Page 20 Ethics and integrity - Page 67 External reference: "Report on remuneration policy and compensation paid" 2023 Proactive role in trade associations - Page 29 Remuneration policy and welfare plans - Page 124 Respect for human rights - Page 130 Prysmian's Customers. The Customer Excellence approach - Page 152 Sustainable value chain - Page 139 Stakeholder engagement and materiality analysis - Page 45
Staff	Well-being, engagement and improvement of human capital skills	GRI 3-3 GRI 401-1 GRI 401-2 GRI 402-1 GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-9 GRI 403-10 GRI 404-1 GRI 404-3	Composition of human capital - Page 108 Respect for human rights - Page 130 Remuneration policy and welfare plans - Page 124 Health and safety in the workplace - Page 132
	-	GRI 2-7 GRI 2-8	Prysmian: Connect, to lead - Page 12 Composition of human capital - Page 108 Respect for human rights - Page 130
Human Rights	Equity, diversity, inclusion and respect for human rights	GRI 3-3 GRI 405-1	Composition of human capital - Page 108 Respect for human rights - Page 130
Anti-corruption	Governance, ethics and integrity	GRI 3-3 GRI 205-2 GRI 205-3	Business ethics and integrity: the pillars of sustainability - Page 68

It. Leg. Decree 254/2016	Material topics for Prysmian Group	GRI Standards	Chapter/Page
	Biodiversity and impacts on nature	GRI 3-3 GRI 304-3	Environmental responsibility - Page 87
	Facilitating decarbonization to achieve Net-Zero and digitalization	GRI 3-3 GRI 302-1 GRI 302-3 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	Environmental responsibility - Page 87
	Pollution	GRI 3-3 GRI 305-7	Environmental responsibility - Page 87
Environment	Water and effluents	GRI 3-3 GRI 303-1 GRI 303-2 GRI 303-3 GRI 303-5	Environmental responsibility - Page 87
	Sustainable value chain	GRI 3-3 GRI 308-2	Sustainable value chain - Page 139
	Sustainable innovation and circularity	GRI 3-3 GRI 301-1 GRI 302-1 GRI 302-3 GRI 303-1 GRI 303-2 GRI 303-3 GRI 303-5 GRI 305-7 GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5	Sustainable innovation for products, applications and processes - Page 158 Sustainable value chain - Page 139 Environmental responsibility - Page 87 Energy - Page 93 Greenhouse gas emissions - Page 93 Other atmospheric emissions - Page 95 Water - Page 100 Waste - Page 96
	Cybersecurity and data protection	GRI 3-3 GRI 418-1	Cybersecurity - Pag. 83
	Sustainable value chain	GRI 3-3 GRI 414-2	Sustainable value chain - Page 139
Social	Governance, ethics and integrity	GRI 3-3 GRI 206-1 GRI 207-1 GRI 207-2 GRI 207-3 GRI 207-4	Business ethics and integrity: the pillars of sustainability - Page 68 Prysmian's tax strategy - Page 73
	Local communities	GRI 3-3 GRI 203-1	Positive impact on communities - Page 155
	Sustainable value chain	GRI 3-3 GRI 201-2 GRI 204-1	Environmental responsibility - Page 87 Sustainable value chain - Page 139

# GRI CONTENT INDEX

Statement of Use	Prysmian has submitted reporting in accordance with the GRI Standards for the period 1 January 2023 - 31 December 2023
GRI 1 used	GRI 1 - Foundation - 2021 version
Relevant GRI sector standards	Not applicable

GRI aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
<b>GENERAL INFORMATION</b>				
The Organization and its reporting procedures	2-1	Organizational details		Methodology - Page 179 Prysmian: Connect, to lead - Page 12
	2-2	Entities included in the organization's sustainability reporting		Methodology - Page 179
	2-3	Reporting period, frequency and contact point		Methodology - Page 179
	2-4	Restatements of information		Methodology - Page 179
	2-5	External assurance		Methodology - Page 179
Activities and workers	2-6	Activities, value chain and other business relationships		Major events in 2023 - Page 10 Prysmian: Connect, to lead - Page 12 Prysmian: Sustain, to lead - Page 20 Prysmian's Customers. The Customer Excellence approach - Page 152 Sustainable value chain - Page 139
	2-7	Employees		Prysmian: Connect, to lead - Page 12 Composition of human capital - Page 108 Respect for human rights - Page 130
	2-8	Workers who are not employees		Composition of human capital - Page 108 Respect for human rights - Page 130
Governance	2-9	Governance structure and composition		Corporate Governance - Page 32 External reference: "Report on Corporate Governance and Ownership Structure" 2022
	2-10	Nomination and selection of the highest governance body		External reference: "Report on Corporate Governance and Ownership Structure" 2022
	2-11	Chair of the highest governance body		Corporate Governance - Page 32 External reference: "Report on Corporate Governance and Ownership Structure" 2022
	2-12	Role of the highest governance body in overseeing the management of impacts		External reference: "Report on Corporate Governance and Ownership Structure" 2022
	2-13	Delegation of responsibility for managing impacts		External reference: "Report on Corporate Governance and Ownership Structure" 2022
	2-14	Role of the highest governance body in sustainability reporting		External reference: "Report on Corporate Governance and Ownership Structure" 2022
	2-15	Conflicts of interest		External reference: "Annual Integrated Report" 2023
	2-16	Communication of critical concerns		Ethics and integrity - Page 67

GRI aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
Governance	2-17	Collective knowledge of the highest governance body		External reference: "Report on Corporate Governance and Ownership Structure" 2022
	2-18	Evaluation of the performance of the highest governance body		External reference: "Report on Corporate Governance and Ownership Structure" 2022
	2-19	Remuneration policies		Remuneration policy and welfare plans - Page 124 Respect for human rights - Page 130 External reference: "Report on remuneration policy and compensation paid" 2023
	2-20	Process to determine remuneration		External reference: "Report on remuneration policy and compensation paid" 2023
	2-21	Annual total compensation ratio		Remuneration policy and welfare plans - Page 124
Strategy, policies and practices	2-22	Statement on sustainable development strategy		Letter from the Chief Investor Relations, Sustainability and Communications Officer - Page 5
	2-23	Policy commitments		Ethics and integrity - Page 67 Environmental responsibility - Page 87 Respect for human rights - Page 130 Sustainable value chain - Page 139
	2-24	Embedding policy commitments		Ethics and integrity - Page 67 Environmental responsibility - Page 87 Respect for human rights - Page 130 Sustainable value chain - Page 139
	2-25	Processes to remediate negative impacts		Ethics and integrity - Page 67 Environmental responsibility - Page 87 Respect for human rights - Page 130 Sustainable value chain - Page 139
	2-26	Mechanisms for seeking advice and raising concerns		Ethics and integrity - Page 67
	2-27	Compliance with laws and regulations		Ethics and integrity - Page 67
	2-28	Membership associations		Proactive role in trade associations - Page 29
Involvement of Stakeholders	2-29	Approach to stakeholder engagement		Stakeholder engagement and materiality analysis - Page 45
	2-30	Collective bargaining agreements		Dialogue with social partners and collective bargaining - Page 122
<b>MATERIAL TOPICS</b>				
Disclosure of material topics	3-1	Process to determine material topics		Stakeholder engagement and materiality analysis - Page 45
	3-2	List of material topics		Stakeholder engagement and materiality analysis - Page 45
<b>FACILITATING DECARBONIZATION TO ACHIEVE NET-ZERO AND DIGITALIZATION</b>				
GRI 3 - Material topics - Version 2021	3-3	Management of material topics		Environmental responsibility - Page 87
302: Energy	302-1	Energy consumption within the organization		Energy - Page 93
	302-3	Energy intensity		Energy - Page 93

GRI aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
305: Emissions	305-1	Direct (Scope 1) GHG emissions		Greenhouse gas emissions - Page 93
	305-2	Energy indirect (Scope 2) GHG emissions		Greenhouse gas emissions - Page 93
	305-3	Other indirect (Scope 3) GHG emissions		Greenhouse gas emissions - Page 93
	305-4	GHG emissions intensity		Greenhouse gas emissions - Page 93
<b>LOCAL COMMUNITIES</b>				
GRI 3 - Material topics - Version 2021	3-3	Management of material topics		Positive impact on communities - Page 155
203: Indirect economic impacts	203-1	Infrastructure investments and services supported		Positive impact on communities - Page 155
<b>SUSTAINABLE VALUE CHAIN</b>				
GRI 3 - Material topics - Version 2021	3-3	Management of material topics		Sustainable value chain - Page 139
201: Economic performance	201-2	Financial implications and other risks and opportunities due to climate change		Sustainable value chain - Page 139
204: Procurement practices	204-1	Proportion of spending on local suppliers		Sustainable value chain - Page 139
308: Supplier environmental assessment	308-2	Negative environmental impacts in the supply chain and actions taken		Sustainable value chain - Page 139
414: Supplier social assessment	414-2	Negative social impacts on the supply chain and actions taken		Sustainable value chain - Page 139
<b>GOVERNANCE, ETHICS AND INTEGRITY</b>				
GRI 3 - Material topics - Version 2021	3-3	Management of material topics		Business ethics and integrity: the pillars of sustainability - Page 68
205: Anti-corruption	205-2	Communication and training on anti-corruption regulations and procedures		Business ethics and integrity: the pillars of sustainability - Page 68
	205-3	Confirmed incidents of corruption and actions taken		Business ethics and integrity: the pillars of sustainability - Page 68
206: Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, antitrust and monopoly practices		Business ethics and integrity: the pillars of sustainability - Page 68
207: Tax (2019)	207-1	Approach to taxation		Prysmian's tax strategy - Page 73
	207-2	Tax governance, control and risk management		Prysmian's tax strategy - Page 73
	207-3	Stakeholder engagement and management concerns related to tax		Prysmian's tax strategy - Page 73
	207-4	Country-by-country reporting		Prysmian's tax strategy - Page 73 Annexes - Page 197

GRI aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
<b>WATER AND EFFLUENTS</b>				
GRI 3 - Material topics - Version 2021	3-3	Management of material topics		Water - Page 100
303: Water and effluents (2018)	303-1	Interaction with water as a shared resource		Water - Page 100
	303-2	Management of water discharge-related impacts		Water - Page 100
	303-3	Water withdrawal		Water - Page 100
	303-5	Water consumption		Water - Page 100
<b>BIODIVERSITY AND IMPACTS ON NATURE</b>				
GRI 3 - Material topics - Version 2021	3-3	Management of material topics		Biodiversity – Page 102
304: Biodiversity	304-3	Habitats protected or restored		Biodiversity – Page 102
<b>POLLUTION</b>				
GRI 3 - Material topics - Version 2021	3-3	Management of material topics		Other atmospheric emissions - Page 95
305: Emissions	305-7	Other significant air emissions		Other atmospheric emissions - Page 95
<b>WELL-BEING, ENGAGEMENT AND IMPROVEMENT OF HUMAN CAPITAL SKILLS</b>				
GRI 3 - Material topics - Version 2021	3-3	Management of material topics		Composition of human capital - Page 108 Respect for human rights - Page 130
401: Employment	401-1	New employee hires and employee turnover		Composition of human capital - Page 108
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Remuneration policies and welfare plans - Page 124
402: Labor/management relations	402-1	Minimum notice periods regarding operational changes		Respect for human rights - Page 130
403: Occupational Health and Safety	403-1	Occupational health and safety management system		Health and safety in the workplace - Page 132
	403-2	Hazard identification, risk assessment, and accident investigation		Health and safety in the workplace - Page 132
	403-3	Occupational health services		Health and safety in the workplace - Page 132
	403-4	Worker participation, consultation and communication on occupational health and safety		Health and safety in the workplace - Page 132
	403-5	Worker training on occupational health and safety		Health and safety in the workplace - Page 132
	403-6	Promotion of worker health		Welfare system - Page 125
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Health and safety in the workplace - Page 132
	403-9	Work-related injuries		Health and safety in the workplace - Page 132
	403-10	Work-related ill health		Health and safety in the workplace - Page 132

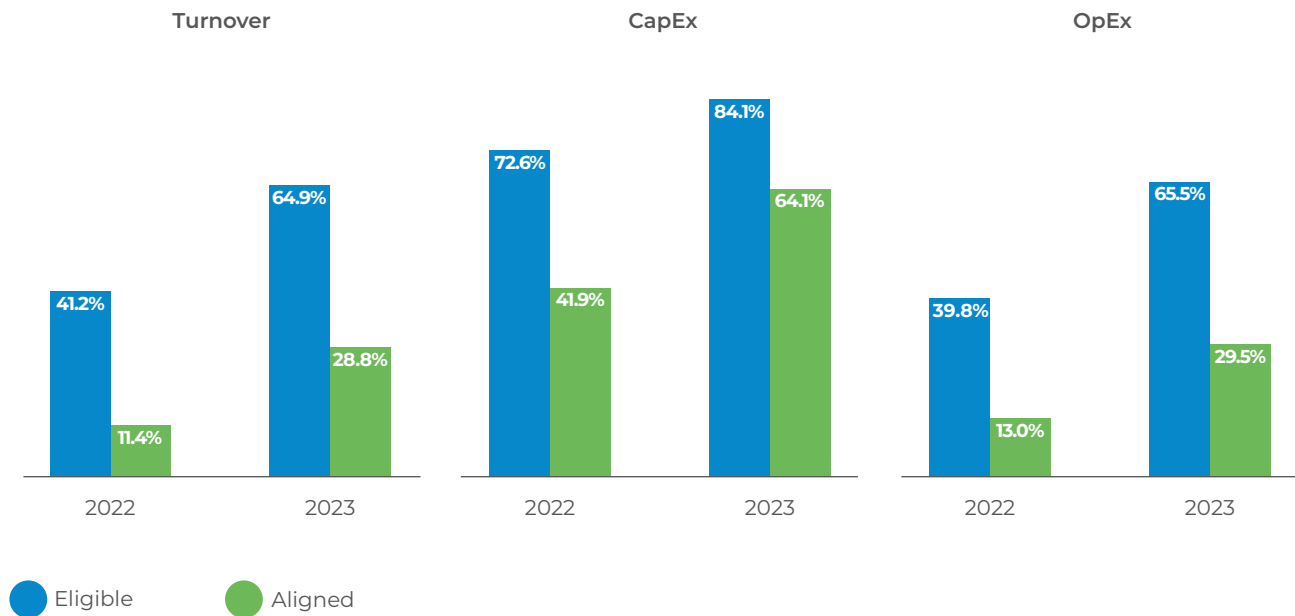


GRI aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
404: Training and education	404-1	Average hours of training per year per employee		Training and development - Page 119
	404-3	Percentage of employees receiving regular performance and career development reviews		Training and development - Page 119
<b>EQUITY, DIVERSITY, INCLUSION AND RESPECT FOR HUMAN RIGHTS</b>				
GRI 3 - Material topics - Version 2021	3-3	Management of material topics		Respect for human rights - Page 130
405: Diversity and equal opportunity	405-1	Diversity in governance bodies and among employees		Composition of human capital - Page 108 Diversity, equity, inclusion and equal opportunity - Page 127
<b>CYBERSECURITY AND DATA PROTECTION</b>				
GRI 3 - Material topics - Version 2021	3-3	Management of material topics		Cybersecurity - Page 83
418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Cybersecurity - Page 83
<b>SUSTAINABLE INNOVATION AND CIRCULARITY</b>				
GRI 3 - Material topics - Version 2021	3-3	Management of material topics		Waste - Page 96
301: Materials	301-1	Materials used by weight or volume		Sustainable value chain - Page 139
306: Waste	306-1	Waste generation and significant waste-related impacts		Waste - Page 96
	306-2	Management of significant waste-related impacts		Waste - Page 96
	306-3	Waste generated		Waste - Page 96
	306-4	Waste diverted from disposal		Waste - Page 96
	306-5	Waste directed to disposal		Waste - Page 96



# EUROPEAN TAXONOMY

The European Taxonomy, introduced by EU Regulation 852/2020 and in force since 1 January 2022, is a classification system aimed at identifying environmentally sustainable economic activities, created with the aim of increasing the development of sustainable investments and helping to achieve the stated goals of the European Green Deal.



## Process for determining eligibility

The European Taxonomy defines as eligible those economic activities described in the Climate Delegated Regulation and the Regulation on remaining environmental objectives. Taking into account the regulatory update regarding the

Taxonomy during 2023, the reconciliation of the activities carried out by the Group to those reported in the Delegated Regulations has been partly changed from 2022, thanks to the addition of activity 3.20, as set forth in the table below. Some variations in economic KPIs (Turnover, CapEx and OpEx) are thus due to this reason.

Activities 3.1, 3.6, and 4.9 have the same descriptions for both Climate Change Mitigation and Adaptation objectives and, therefore, are considered eligible for both. Activities 3.18 and 3.20 are eligible only for the Mitigation objective. Regarding the remaining four environmental objectives, no activities related to the core business of the Prysmian Group have been identified. Finally, there are no activities associated with fossil gas and nuclear energy sectors.

Eligible activities as described by the Regulations are listed below.

### Eligible economic activities<sup>53</sup>

EU Taxonomy Economic Activities	Description of the activities of the Prysmian Group	Environmental objectives
3.1 Manufacture of renewable energy technologies	Manufacture of cables and accessories for renewable energies (wind and solar).	Mitigation and Adaptation
3.6 Manufacture of other low carbon technologies	Manufacture of cables and accessories in the following categories, whose characteristics allow GHG emissions to be reduced in the sectors that use them: <ul style="list-style-type: none"> <li>· optical fiber, optical cables and optical fiber submarine cables for the telecommunications sector;</li> <li>· PRY-CAM technology for the accurate remote measurement of key system-diagnostic parameters, identifying anomalies and overheating in real time in order to monitor and optimize energy consumption;</li> <li>· Eco Cable-labelled cables<sup>(1)</sup>, the first green label in the cables industry</li> </ul>	Mitigation and Adaptation
3.18 Production of automotive and mobility components	Manufacture of vehicle cables and accessories.	Mitigation
3.20 Manufacture, installation and servicing of high, medium and low voltage electrical equipment for transmission and distribution of electricity	Manufacture of cables and accessories intended for power transmission and distribution.	Mitigation
4.9 Transmission and distribution of electricity	Manufacturing, installation, and maintenance projects for high voltage onshore and submarine systems, high voltage submarine interconnections and offshore wind farm connection systems.	Mitigation and Adaptation

(1) The Eco Cable label uses known and measurable assessment criteria for determining the contribution that Prysmian cables may make in terms of climate change impact. More information about Eco Cable can be found in the Sustainability section of the Prysmian Group website.

## Process for determining alignment

An economic activity is defined as Taxonomy-aligned when it contributes substantially to at least one of the six environmental objectives, does no significant harm (DNSH) to the other five environmental objectives and complies with the minimum safeguards.

Because the descriptions of activities 3.1, 3.6, and 4.9 coincide for the Climate Change Adaptation and Mitigation objective, an analysis was carried out with respect to both objectives. In addition, although only the eligibility analysis for the newly introduced activities is mandatory in this reporting year, Prysmian also performed the alignment analysis for the new activities 3.18 and 3.20.

Upon completion of the analyses performed on the Substantial Contribution Criteria and DNSH under the delegated acts, activities 3.1, 3.18, 3.20, and 4.9 were found to be partially aligned with the Climate Change Mitigation objective. Activity 3.6, on the other hand, does not meet alignment criteria, for both objectives in which it is included.

Consistent with the requirements of art. 3.c) of Regulation 2020/852, the Group analyzed compliance with the minimum safeguard relating to human rights and workers' rights, corruption, taxation, and fair competition, and was able to confirm that its economic activities are performed in compliance with the requirements.

<sup>53</sup> In addition, certain capital expenditure has been identified as eligible when related to the purchase of products deriving from Taxonomy-aligned economic activities, or to individual measures that enable the Group's activities to be less carbon intensive or to reduce its GHG emissions. Please refer to the "CapEx" section for more details.

# Criteria for the calculation of KPIs and background information

## Turnover

The key performance indicators (or "KPIs") required by the Taxonomy include Turnover, capital expenditure (CapEx), and operating expenditure (OpEx), calculated in accordance with legal requirements and to the accounting criteria specified in Annex I of Art. 8 Delegated Regulation and Annex V of Delegated Regulation 2023/2486.

## CapEx

The taxonomy-eligible/aligned capital expenditure (CapEx) reflects the ratio of CapEx deriving from eligible/aligned activities (numerator) to total CapEx (denominator).

When calculating eligibility, the Group referenced the activities identified as eligible when allocating turnover to the associated families of investments. On the other hand, when calculating alignment, a detailed analysis of each cost item was carried out to identify those associated with aligned activities.

Regarding economic activities 3.1 and 3.20, a timely allocation of expenditures related to the sites responsible for these activities was carried out. In the case of sites where both taxonomy-eligible and/or aligned and/or non-aligned economic activities are carried out, the portion of CapEx was calculated with reference to the sales of the site, considering the ratio of taxonomy-eligible/aligned sales to the total sales of the site. This allocation methodology represents a refinement of the calculation that improves the transparency and meaningfulness of the CapEx KPI.

Capital expenditure relating to the purchase of products deriving from taxonomy-eligible economic activities and individual measures that enable the Group's activities to achieve low carbon emissions or greenhouse gas reductions are attributable to economic activities 7.3 Installation, Maintenance and Repair of Energy Efficiency Devices, 7.4 Installation, Maintenance and Repair of Electric Vehicle Charging Stations in Buildings (and in parking spaces appurtenant to buildings), and 7.6 Installation, Maintenance and Repair of Renewable Energy Technologies and considered only eligible.

## OpEx

The taxonomy-eligible/aligned operating expenses (OpEx) reflect the proportion of eligible/aligned OpEx included in the non-capitalized direct costs incurred on R&D, short-term lease, maintenance and repair, and the cost of personnel dedicated to the internal maintenance of plant and equipment with respect to the total OpEx of those categories.

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

# Commentary on performance trend and future developments

The introduction in the European Taxonomy of the new activity 3.20 (Manufacture, installation and servicing of high, medium and low voltage electrical equipment for the transmission and distribution of electric power), which is particularly representative of Prysmian's business, and 3.18 (Production of automotive and mobility components) has made it possible to consider power distribution cables and automotive cables, respectively, entirely within the scope.

The percentage of Turnover alignment increased significantly, from 11.4% in 2022 to 28.8% in 2023. This increase mainly reflects the effect of the introduction of new activity 3.20, as well as the positive contribution of aligned investments made in the previous year in the power transmission business.

The share of Taxonomy-aligned CapEx increased from 41.9% in 2022 to 64.1% in 2023, confirming Prysmian's increasing focus on the strategic power transmission business.

Prysmian has chosen to adopt a transparent and conservative approach, interpreting the requirements of the Regulation as strictly as possible. The company has continuously monitored European Commission publications and the interpretations and guidance provided by the Platform on Sustainable Finance and has also participated in working tables and discussions with other industry players, particularly within Europacable.

To date, the European Taxonomy remains a recent and evolving regulation; therefore, further updates and more guidance on the interpretation and applicability of technical screening criteria can be expected for future reporting years, which could also significantly impact the eligibility and alignment results of the Group's activities.

# ANNEXES TO THE SUSTAINABILITY REPORT

## Group companies considered for taxes 2023<sup>54</sup>

In 2023 Prysmian was active in over 50 countries with more than 170 companies and 40 branches. Please refer to the following table containing the list of entities considered in the reporting scope.

Country	Region	Entity	Activity
Australia	APAC	Prysmian Australia Pty Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
China	APAC	Prysmian Tianjin Cables Co. 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 (China) Investment Company Ltd.	Administrative, Management or Support Services; Holding shares or other equity instruments
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
China	APAC	Suzhou Draka Cable Co. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution; Administrative, Management or Support Services
China	APAC	Prysmian Technology Jiangsu Co. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
China	APAC	EHC Escalator Handrail (Shanghai) Co. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution;
China	APAC	EHC Lift Components (Shanghai) Co. Ltd.	Research and Development; Manufacturing or Production; Sales, Marketing or Distribution;
China	APAC	EHC Engineered Polymer (Shanghai) Co. Ltd.	Research and Development; Manufacturing or Production; Sales, Marketing or Distribution;
China	APAC	EHC Lift Components (Shanghai) Co., Ltd FoShan Branch	Sales, Marketing or Distribution
China	APAC	Prysmian Cable (Shanghai) Trading Co Ltd - Suzhou Branch	Manufacturing or Production; Sales, Marketing or Distribution
China	APAC	Prysmian PowerLink - Branch China	Provider of services to unrelated parties
French Polynesia	APAC	Prysmian Cables et Systèmes France SAS - Branch Tahiti	Provider of Services to Unrelated Parties
Hong Kong	APAC	Prysmian Hong Kong Holding Ltd. HK	Sales, Marketing or Distribution; Provider of services to unrelated parties; Holding shares or other equity instruments
India	APAC	Jaguar Communication Consultancy Services Private Ltd.	Provider of Services

<sup>54</sup> They may differ from those in the scope of consolidation of the 2023 Consolidated Financial Statements because the latter do not include entities no longer in existence as at 31 December 2023.

Country	Region	Entity	Activity
India	APAC	Associated Cables Pvt. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
India	APAC	Prysmian Cavi e Sistemi S.r.l. - Branch India	Dormant
Indonesia	APAC	PT. Prysmian Cables Indonesia	Manufacturing or Production; Sales, Marketing or Distribution
Malaysia	APAC	Sindutch Cable Manufacturer Sdn Bhd	Manufacturing or Production; Sales, Marketing or Distribution
Malaysia	APAC	Draka (Malaysia) Sdn Bhd	Dormant
New Zealand	APAC	Prysmian New Zealand Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
Philippines	APAC	Prysmian PowerLink - Branch Filippine	Provider of services to unrelated parties
Philippines	APAC	Draka Philippines Inc.	Manufacturing or Production; Sales, Marketing or Distribution
Singapore	APAC	Prysmian Cables Asia-Pacific Pte Ltd.	Dormant
Singapore	APAC	Draka Cableteq Asia Pacific Holding Pte Ltd.	Holding shares or other equity instruments
Singapore	APAC	Singapore Cables Manufacturers Pte Ltd.	Sales, Marketing or Distribution; Administrative, Management or Support Services
Singapore	APAC	Cable Supply and Consulting Company Private Limited	Holding shares or other equity instruments
Singapore	APAC	Draka NK Cables (Asia) Pte Ltd.	Dormant
Singapore	APAC	Prysmian PowerLink - Branch Singapore	Provider of services to unrelated parties
Thailand	APAC	MCI-Draka Cable Co. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
China	APAC	Prysmian Wuxi Cable Co. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
Algeria	EMEA	Prysmian Cables et Systèmes France SAS - Branch Algeria	Dormant
Algeria	EMEA	Silec Cable SAS - Branch Algeria (dormant)	Dormant
Angola	EMEA	General Cable Condel, Cabos de Energia e Telecomunicações SA	Manufacturing or Production; Sales, Marketing or Distribution
Austria	EMEA	Prysmian OEKW GmbH	Sales, Marketing or Distribution
Bahrain	EMEA	Prysmian PowerLink - Branch Baharain	Provider of services to unrelated parties
Belgium	EMEA	Draka Belgium N.V.	Sales, Marketing or Distribution
Belgium	EMEA	Silec Cable SAS - Branch Belgium	Provider of services to unrelated parties
Cote d'Ivoire	EMEA	SICABLE - Société Ivoirienne de Cables S.A.	Manufacturing or Production; Sales, Marketing or Distribution
Czech Republic	EMEA	Prysmian Kably, s.r.o.	Manufacturing or Production; Sales, Marketing or Distribution



Country	Region	Entity	Activity
Czech Republic	EMEA	Prysmian Kablo SRO - Branch Czech Republic	Sales, Marketing or Distribution
Denmark	EMEA	Prysmian Group Denmark A/S	Sales, Marketing or Distribution
Denmark	EMEA	Prysmian PowerLink - Branch Denmark	Provider of services to unrelated parties
Estonia	EMEA	Prysmian Group Baltics AS	Manufacturing or Production; Sales, Marketing or Distribution
Finland	EMEA	Prysmian Group Finland OY	Manufacturing or Production; Sales, Marketing or Distribution
France	EMEA	Prysmian Cables et Systèmes France SAS	Manufacturing or Production; Sales, Marketing or Distribution
France	EMEA	Prysmian (French) Holdings S.A.S.	Holding shares or other equity instruments
France	EMEA	Draka Comteq France S.A.S.	Research and Development; Holding / managing intellectual property; Manufacturing or Production; Sales, Marketing or Distribution
France	EMEA	Draka Paricable S.A.S.	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
France	EMEA	P.O.R. S.A.S.	Other activities (special purpose entity)
France	EMEA	Silec Cable, S.A.S.	Manufacturing or Production; Sales, Marketing or Distribution
France	EMEA	EHC France SARL	Sales, Marketing or Distribution;
France	EMEA	Prysmian PowerLink - Branch Francia	Provider of services to unrelated parties
Germany	EMEA	Prysmian Kabel und Systeme GmbH	Manufacturing or Production; Sales, Marketing or Distribution
Germany	EMEA	Prysmian Unterstuetzungseinrichtung Lynen GmbH	Other (pension fund)
Germany	EMEA	Draka Comteq Germany GmbH & Co. KG	Manufacturing or Production Sales; Marketing or Distribution
Germany	EMEA	Draka Comteq Berlin GmbH & Co. KG	Manufacturing or Production; Sales, Marketing or Distribution
Germany	EMEA	Draka Comteq Germany Verwaltungs GmbH	Dormant
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
Germany	EMEA	Prysmian Projects Germany GmbH	Other - Provider of services

Country	Region	Entity	Activity
Germany	EMEA	Höhn GmbH	Other activities (Real Estate)
Germany	EMEA	Kaiser Kabel GmbH	Other activities (Real Estate)
Germany	EMEA	NKF Holding (Deutschland) GmbH i.L	Dormant
Germany	EMEA	Prysmian Cable Industrial GmbH.	Manufacturing or Production
Germany	EMEA	Norddeutsche Seekabelwerke GmbH	Manufacturing or Production; Sales, Marketing or Distribution;
Germany	EMEA	EHC Germany GmbH	Manufacturing or Production; Sales, Marketing or Distribution;
Germany	EMEA	Prysmian PowerLink - Branch Germania	Provider of services to unrelated parties
Greece	EMEA	Prysmian PowerLink Services Ltd. - Branch Grecia	Dormant
Greece	EMEA	Prysmian PowerLink - Branch Grecia	Provider of services to unrelated parties
Hungary	EMEA	Prysmian MKM Magyar Kabel Muvek Kft.	Manufacturing or Production; Sales, Marketing or Distribution
Ireland	EMEA	Prysmian Re Company Designated Activity Company	Insurance
Italy	EMEA	Fibre Ottiche Sud - F.O.S. S.r.l.	Manufacturing or Production
Italy	EMEA	Prysmian Treasury S.r.l.	Internal Group Finance
Italy	EMEA	Prysmian Cavi e Sistemi Italia S.r.l.	Manufacturing or Production; Sales, Marketing or Distribution
Italy	EMEA	Prysmian Cavi e Sistemi S.r.l.	Administrative, Management or Support Services; Holding shares or other equity instruments
Italy	EMEA	Prysmian Spa	Research and Development; Holding / Managing Intellectual Property; Purchasing or Procurement; Administrative, Management or Support Services; Holding Shares or Other Equity Instruments
Italy	EMEA	Prysmian PowerLink	Manufacturing or Production; Sales, Marketing or Distribution; Provider of Services to Unrelated Parties;
Italy	EMEA	Electronic and Optical Sensing Solutions S.r.l	Research and Development; Manufacturing or Production;
Italy	EMEA	Prysmian Servizi S.p.A	Dormant
Lebanon	EMEA	Prysmian Cables et Systèmes France SAS - Branch Libano	Provider of services to unrelated parties
Malta	EMEA	Prysmian Cavi e Sistemi Italia S.r.l. - Branch Malta	Dormant
Montenegro	EMEA	Prysmian PowerLink - Branch Montenegro	Provider of services to unrelated parties
Netherlands	EMEA	Prysmian PowerLink - Branch Netherlands	Provider of services to unrelated parties
Netherlands	EMEA	Prysmian Netherlands B.V.	Manufacturing or Production; Sales, Marketing or Distribution

Country	Region	Entity	Activity
Netherlands	EMEA	Draka Holding B.V.	Administrative, Management or Support Services; Holding shares or other equity instruments
Netherlands	EMEA	Draka Comteq Fibre B.V.	Research and Development; Manufacturing or Production Sales, Marketing or Distribution
Netherlands	EMEA	Donne Draad B.V.	Dormant
Netherlands	EMEA	Draka Comteq B.V.	Holding shares or other equity instruments; Managing intellectual property
Netherlands	EMEA	NKF Vastgoed I B.V.	Holding (Real Estate)
Netherlands	EMEA	NKF Vastgoed III B.V.	Holding (Real Estate)
Netherlands	EMEA	Prysmian Netherlands Holding B.V.	Holding shares or other equity instruments
Norway	EMEA	Prysmian Group Norge AS	Manufacturing or Production; Sales, Marketing or Distribution
Oman	EMEA	Oman Cables Industry (SAOG)	Manufacturing or Production Sales, Marketing or Distribution
Oman	EMEA	Oman Aluminum Processing Industries LLC	Manufacturing or Production
Poland	EMEA	Draka Kabely s.r.o. - Branch Poland	Dormant
Poland	EMEA	Prysmian Poland sp.z.o.o	Sales, Marketing or Distribution
Portugal	EMEA	SILEC Cable, S.A.S. - Branch Portugal	Dormant
Portugal	EMEA	General Cable Investments, SGPS, Sociedade Unipessoal, S.A.	Holding shares or other equity instruments
Portugal	EMEA	General Cable Celcat, Energia e Telecomunicações SA	Manufacturing or Production; Sales, Marketing or Distribution
Qatar	EMEA	Prysmian Cavi e Sistemi S.r.l. - Branch Qatar	Provider of services to unrelated parties
Qatar	EMEA	Prysmian PowerLink - Branch Qatar	Provider of services to unrelated parties
Romania	EMEA	Prysmian Cabluri Si Sisteme S.A.	Manufacturing or Production; Sales, Marketing or Distribution
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
Saudi Arabia	EMEA	Prysmian PowerLink - Branch Arabia Saudita	Provider of services to unrelated parties
Saudi Arabia	EMEA	Prysmian Powerlink Saudi LLC	Dormant
Slovakia	EMEA	Prysmian Kablo s.r.o.	Manufacturing or Production; Sales, Marketing or Distribution
South Africa	EMEA	National Cables (Pty) Ltd.	Dormant
South Africa	EMEA	Prysmian Spain SA EPC - Branch South Africa	Sales, Marketing or Distribution; Provider of services to unrelated parties

Country	Region	Entity	Activity
Spain	EMEA	Prysmian Cables Spain, S.A. (Sociedad Unipersonal)	Manufacturing or Production; Sales, Marketing or Distribution
Spain	EMEA	Draka Holding, S.L. (Sociedad Unipersonal)	Holding shares or other equity instruments
Spain	EMEA	GC Latin America Holdings, S.L.	Holding shares or other equity instruments
Spain	EMEA	General Cable Holdings (Spain), S.L.	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
Spain	EMEA	EHC Spain & Portugal, SL	Sales, Marketing or Distribution
Spain	EMEA	Prysmian PowerLink - Branch Spagna	Provider of services to unrelated parties
Sweden	EMEA	Prysmian Group Sverige AB	Manufacturing or Production; Sales, Marketing or Distribution
Switzerland	EMEA	Omnisens SA	Manufacturing or Production; Sales, Marketing or Distribution;
Tunisia	EMEA	Silec Cable SAS - Branch Tunisia	Provider of services to unrelated parties
Tunisia	EMEA	Auto Cables Tunisie S.A.	Manufacturing or Production; Sales, Marketing or Distribution
Tunisia	EMEA	Prysmian Cables and Systems Tunisia S.A.	Manufacturing or Production
Tunisia	EMEA	Prysmian Cables et Systèmes France SAS - Branch Tunisia	Provider of services to unrelated parties
Turkey	EMEA	Prysmian PowerLink - Branch Turchia	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 Po'	Manufacturing or Production; Sales, Marketing or Distribution;
United Arab Emirates	EMEA	Prysmian Cables et Systèmes France SAS - Branch Abu Dhabi	Provider of services
United Arab Emirates	EMEA	Silec Cable SAS - Branch Abu Dhabi	Provider of services to unrelated parties
United Arab Emirates	EMEA	Prysmian Cavi e Sistemi S.r.l. - Branch Abu Dhabi	Provider of services to unrelated parties
United Arab Emirates	EMEA	Prysmian PowerLink - Branch Emirati Arabi (Abu Dhabi)	Provider of services to unrelated parties
United Kingdom	EMEA	Cable Makers Properties & Services Ltd.	Other (professional organization)
United Kingdom	EMEA	Prysmian Cables & Systems Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
United Kingdom	EMEA	Prysmian Construction Company Ltd.	Dormant
United Kingdom	EMEA	Comergy Ltd.	Dormant
United Kingdom	EMEA	Prysmian Cables (2000) Ltd.	Dormant

Country	Region	Entity	Activity
United Kingdom	EMEA	Prysmian Pension Scheme Trustee Ltd.	Other
United Kingdom	EMEA	Draka Comteq UK Ltd.	Manufacturing or Production Sales; Marketing or Distribution
United Kingdom	EMEA	Draka UK Ltd.	Dormant
United Kingdom	EMEA	Prysmian UK Group Ltd.	Holding shares or other equity instruments
United Kingdom	EMEA	Prysmian PowerLink Services Ltd.	Provider of Services
United Kingdom	EMEA	EHC Escalator Handrail (UK) Limited	Administrative, Management or Support Services
United Kingdom	EMEA	Prysmian PowerLink - Branch Uk	Provider of services to unrelated parties
Argentina	LATAM	Prysmian Consultora Conductores e Instalaciones SAIC	Holding shares or other equity instruments
Argentina	LATAM	Prysmian Energia Cables y Sistemas de Argentina S.A.	Manufacturing or Production; Sales, Marketing or Distribution
Brazil	LATAM	Prysmian Cabos e Sistemas do Brasil S.A.	Manufacturing or Production; Sales, Marketing or Distribution
Brazil	LATAM	Draka Comteq Cabos Brasil S.A.	Manufacturing or Production; Sales, Marketing or Distribution
Chile	LATAM	Cobre Cerrillos S.A.	Manufacturing or Production; Sales, Marketing or Distribution
Colombia	LATAM	Productora de Cables Procables S.A.S.	Manufacturing or Production; Sales, Marketing or Distribution
Colombia	LATAM	SILEC Cable, S.A.S. - Branch Colombia	Dormant
Costa Rica	LATAM	Conducen, S.R.L.	Manufacturing or Production; Sales, Marketing or Distribution
Dominican Republic	LATAM	General Cable Caribbean, S.R.L	Dormant
Ecuador	LATAM	Cables Electricos Ecuatorianos C.A. CABLEC	Sales, Marketing or Distribution
Guatemala	LATAM	Proveedora de Cables y Alambres PDCA Guatemala, S.A.	Dormant
Honduras	LATAM	Electroconductores de Honduras, S.A. de C.V.	Dormant
Mexico	LATAM	Draka Durango S. de R.L. de C.V.	Manufacturing or Production
Mexico	LATAM	Draka Mexico Holdings S.A. de C.V.	Holding shares or other equity instruments
Mexico	LATAM	NK Mexico Holdings S.A. de C.V.	Dormant
Mexico	LATAM	Prysmian Cables y Sistemas de Mexico S. de R. L. de C. V.	Manufacturing or Production; Sales, Marketing or Distribution
Mexico	LATAM	General Cable de Mexico, S.A de C.V.	Manufacturing or Production; Sales, Marketing or Distribution
Mexico	LATAM	General de Cable de Mexico del Norte, S.A. de C.V.	Manufacturing or Production
Mexico	LATAM	Prestolite de Mexico, S.A. de C.V.	Manufacturing or Production

Country	Region	Entity	Activity
Mexico	LATAM	Servicios Latinoamericanos GC, S.A. de C.V.	Dormant
Mexico	LATAM	Prysmian Cables y Sistemas S.A. - Branch Mexico	Dormant
Peru	LATAM	General Cable Peru S.A.C.	Sales, Marketing or Distribution
Trinidad and Tobago	LATAM	General Cable Trinidad Limited	Dormant
Canada	NORAM	Prysmian Cables and Systems Canada Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
Canada	NORAM	Draka Elevator Products Incorporated	Sales, Marketing or Distribution
Canada	NORAM	General Cable Company Ltd.	Manufacturing or Production; Sales, Marketing or Distribution
Canada	NORAM	EHC Global Inc. (Parent Company)	Holding Shares or Other Equity Instruments
Canada	NORAM	EHC Canada Inc.	Research and Development; Holding / managing intellectual property; Manufacturing or Production; Sales, Marketing or Distribution; Administrative, Management or Support Services
United States	NORAM	Norddeutsche Seekabelwerke GmbH - Branch US	Provider of services to unrelated parties
United States	NORAM	Prysmian Construction Services Inc.	Other services (Payroll company)
United States	NORAM	Prysmian Cables and Systems USA, LLC	Manufacturing or Production; Sales, Marketing or Distribution; Administrative, Management or Support Services
United States	NORAM	Prysmian Cables and Systems (US) Inc.	Holding shares or other equity instruments
United States	NORAM	Draka Elevator Products, Inc.	Manufacturing or Production; Sales, Marketing or Distribution
United States	NORAM	Draka Transport USA, LLC	Manufacturing or Production; Sales, Marketing or Distribution
United States	NORAM	General Cable Corporation	Administrative, Management or Support Services; Holding shares or other equity instruments
United States	NORAM	General Cable Overseas Holdings, LLC (Merged during 2023)	Holding Shares or Other Equity Instruments
United States	NORAM	General Cable Technologies Corporation	Holding / managing intellectual property
United States	NORAM	Phelps Dodge Enfield Corporation	Holding shares or other equity instruments
United States	NORAM	Phelps Dodge National Cables Corporation	Holding shares or other equity instruments
United States	NORAM	GK Technologies, Incorporated (Merged during 2023)	Holding Shares or Other Equity Instruments
United States	NORAM	Prysmian group Speciality cables LLC	Manufacturing or Production; Sales, Marketing or Distribution
United States	NORAM	EHC USA Inc.	Sales, Marketing or Distribution;

# AUDITORS' REPORT ON THE SUSTAINABILITY REPORT



EY S.p.A.  
Via Meravigli, 12  
20123 Milano

Tel: +39 02 722121  
Fax: +39 02 722122037  
ey.com

## Independent auditors' report on the "Sustainability Report 2023" (Translation from the original Italian text)

To the board of Directors of  
Prysmian S.p.A.

We have been appointed to perform a limited assurance engagement on the "Sustainability Report 2023" (hereinafter "Sustainability Report") of Prysmian S.p.A. and its subsidiaries (hereinafter the "Group" or "Prysmian Group") for the year ended on 31<sup>st</sup> December 2023.

### Responsibilities of Directors on the Sustainability Report

The Directors of Prysmian S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodology" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of Prysmian S.p.A. regarding the sustainability performance, as well as for the identification of the stakeholders and of the significant matters to report.

### Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the *International Standard on Quality Control 1 (ISQC Italia 1)* and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

### Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been performed in accordance with the principle "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

EY S.p.A.  
Sede Legale: Via Meravigli, 12 – 20123 Milano  
Sede Secondaria: Via Lombardia, 31 – 00187 Roma  
Capitale Sociale Euro 2.600.000,00 i.v.  
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi  
Codice fiscale e numero di iscrizione 0434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003  
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

A member firm of Ernst & Young Global Limited

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the *ISAE 3000 Revised* ("*reasonable assurance engagement*") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with Company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the reasons for the co-presence of the DNF (Non Financial Declaration required under Articles 3 and 4 of Legislative Decree 254/2016) and the Sustainability Report and of the profiles that differentiate the two documents;
2. analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the methods of analysis and understanding of the reference context, the identification, assessment and prioritization of actual and potential impacts and the internal validation of the process outcome;
3. comparison of economic and financial data and information included in the paragraph "1.6 Prysmian: connect, to lead" of the Sustainability Report with those included in the Prysmian Group's consolidated financial statements;
4. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report.

In particular, we have conducted interviews and discussions with the management of Prysmian S.p.A. and with the personnel of Cobre Cerrillos S.A., Conducen S.R.L., Prysmian Cavi e Sistemi Italia S.r.l., Prysmian Kabel und Systeme GmbH, Prysmian MKM Magyar Kabel Muvek Kft. and Prysmian Netherlands B.V. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the Sustainability Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level
  - a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
  - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for Cobre Cerrillos S.A. (Santiago plant), Conducen S.R.L. (Heredia plant), Prysmian Cavi e Sistemi Italia S.r.l. (Merlino plant), Prysmian Kabel und Systeme GmbH (Wuppertal plant), Prysmian MKM Magyar Kabel Muvek Kft. (Balassagyarmat plant) and Prysmian Netherlands B.V. (Emmen plant), that we have selected based on their activity, 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 Sustainability Report of the Prysmian Group for the year ended on 31<sup>st</sup> December 2023 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, with reference to the GRI Standards selection as described in the paragraph "Methodology" of the Sustainability Report.

Our conclusions on the Sustainability Report of the Prysmian Group do not refer to the information included in the paragraph "European Taxonomy" of the Sustainability Report itself, that are required by Article 8 of European Regulation 2020/852.

### **Other information**

The comparative information presented in the Sustainability Report for the year ended on 31<sup>st</sup> December 2021 have not been examined.

Milan, 15 March 2024

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.*

