

Climate Transition Plan

Introduction



**Massimo
Battaini**

Prysmian CEO

This first edition of Prysmian's Climate Transition Plan sets out a clear and ambitious roadmap for decarbonizing the company's value chain and accelerating its global shift to clean energy and electrification.

We stand in the midst of societal evolution.

As we enter the AI era, vast quantities of energy will be needed to meet demand. At the same time, energy security and energy affordability are promised through the development of long-term, clean sources of energy to remove the geopolitical risks from our energy bills.

Efficiency will be key, and that is where we are essential. Everything we do is about being as effective as possible, including the way we work and the energy production and connections we enable in order to make the energy transition more sustainable and affordable.

We have also been ambitious in setting our own targets for decarbonization. Targets that outpace those set by many others.

We have done this because we are a leader, and when leaders act, they must consider the long-term positive impacts they can achieve. We are driving meaningful change through science-based targets, technological innovation, and collaboration with business partners.

Reaching net zero emissions across our value chain by 2035 is a significant challenge, one that requires fundamental changes in how we design infrastructure and run our operations. Our strategy will continue to adapt as we reshape our business and pursue scalable climate solutions, even as we recognize that this kind of sweeping change doesn't happen overnight.

The good news is we have the mindset, the technological track record, the customer relationships and, most importantly, a plan for how to make this happen.

We must be bold. We must be ambitious. It is our responsibility to our customers, and to society as a whole.

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About Prysmian

Global leader

Prysmian is the global leader in cable solutions for energy and digital. Headquartered in Milan, Italy and listed on the Borsa Italiana, the Company was established as an independent business in 2005 but can boast a history spanning three centuries.

The Company operates in submarine and underground high voltage energy solutions, power grids, industrial and construction cables, as well as cables for end-use applications, and in digital, fiber optic and telecommunication solutions.

Prysmian enables the world's decarbonization efforts, leading the way to reduce millions of greenhouse gas emissions each year, accelerating electrification of the planet while making the world more connected, safer, and more efficient thanks to its focus on industry-leading innovation.

The Company is evolving from a cable manufacturer to a world class solutions provider in order to meet unprecedented demand driven by the energy transition and digitalization.



Global leader

Presence and key figures

North America: 26 Plants

Europe, Middle East
and Africa: 51 Plants

Latin America: 13 Plants

Asia Pacific: 18 Plants

50+
Countries

108
Plants

30
R&D centers

10+
Cable-laying
vessels

34,000
Employees

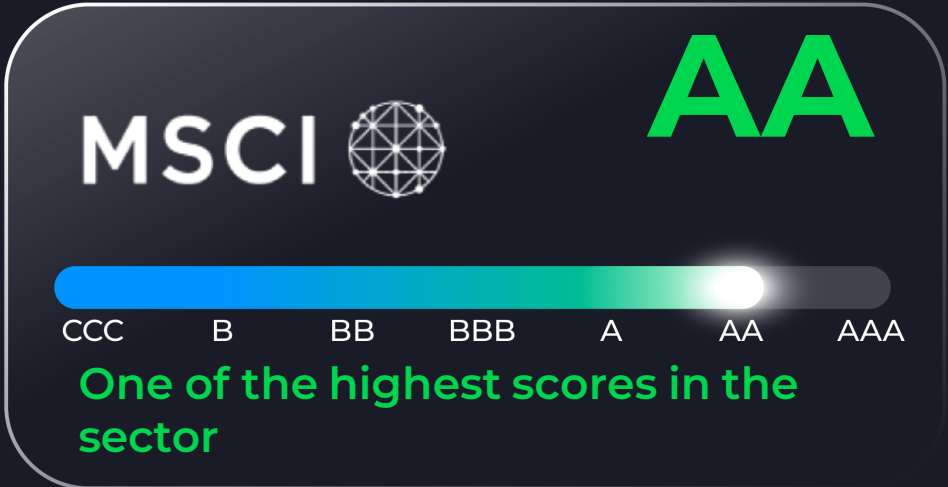
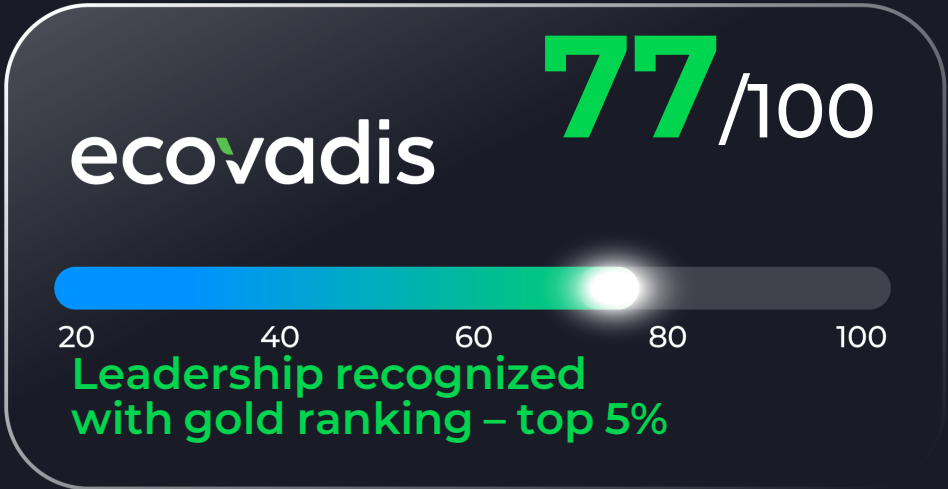
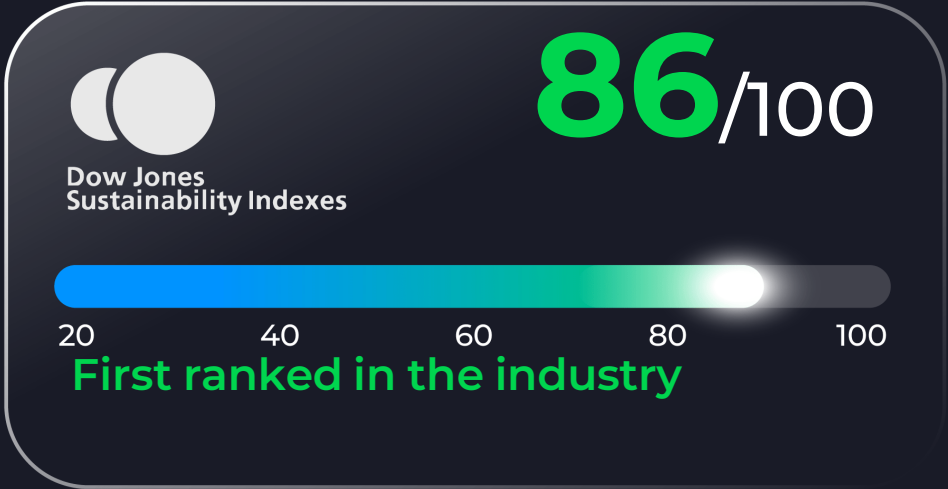
20 €B
Annual revenue
2025

Global leader

ESG RATINGS

Prysmian's inclusion in major international sustainability indices reflects independent validation of its sustainability performance.

These ratings measure alignment with principles of responsibility, transparency, and long-term value creation, serving as a benchmark for ESG investors and driving continuous improvement toward more ambitious targets.



Prysmian's strategic landscape: energy market drivers

Climate transition can no longer be addressed separately from market and industrial strategies. A credible climate transition plan must fully integrate business, innovation, capital allocation, and product portfolio development. Prysmian views the transition not as a constraint, but as the landscape within which to redefine its competitiveness and the central role Prysmian plays in the global energy and digital system.



Prysmian knows that reducing operational emissions alone is no longer enough. Only by changing the way products are designed, manufactured and used can we make a systemic impact on the energy transition. For Prysmian, this means evolving from a cable manufacturer to an integrated solutions provider, enabling customer decarbonization and infrastructure transformation. The Company operates at the intersection of four structural megatrends that are reshaping global energy demand and directly influencing investment decisions and innovation priorities.



Renewable
energy
generation

2x
RENEWABLES
ACCELERATION

Global renewable capacity additions reached 585 GW in 2024, with solar and wind accounting for 96.6% of new capacity. The IEA projects ~4,600 GW of new renewable capacity between 2025-2030—double the 2019-2024 deployment. This rapid growth drives increasing demand for infrastructure capable of efficiently transmitting and integrating power from intermittent and distributed sources.



Power grid
enhancement

2x
INVESTMENTS

Grid investments are projected to double over the next decade, driven by the need to manage increasing system complexity and to support large-scale renewable integration. Modernization requires enhanced resilience, reliability, and security. Prysmian's solutions include advanced monitoring and preventive maintenance systems to optimize network performance and reduce downtime.



Electrical
applications
growth

1.5x
ENERGY DEMAND

Electricity consumption is projected to grow ~1.5x over the coming decade, driven by e-mobility, industrial electrification, and heating systems. This structural growth across industrial and residential sectors requires advanced, reliable, and efficient transmission and distribution infrastructure.



Digital
transformation

2.5x
FIBER EXPANSION

Data center deployment is accelerating, with premises and towers being fiberized at 2.5x the historical rate. Hyperscale data centers are expanding globally, driven by AI and cloud computing demand. This creates unprecedented demand for high-performance communication and energy infrastructure.

How Prysmian creates value through the energy transition

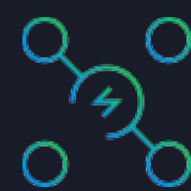
Prysmian has positioned itself to fully capture market growth drivers by building an industrial model that combines technological innovation, sustainability leadership, and large-scale execution capabilities. This convergence enables the Company not only to support the transition, but to accelerate it, delivering solutions that maximize performance, reliability, safety, and decarbonization throughout their entire lifecycle.

The Group's activities are organized into four business units: Transmission, Power Grid, Electrification and Digital Solutions.



Transmission

Includes high-value-added and highly specialized submarine power and land HVDC business and offshore specialties; it is focused on enabling the transmission of renewable energy through advanced cable technologies.



Power Grid

Encompasses the HVAC, power distribution, and overhead lines business units. It supports the modernization and expansion of electricity networks through innovative technologies designed to improve reliability, resilience, and operational performance.



Electrification

Includes a broad range of integrated end-to-end solutions designed to meet the growing demand for electricity across multiple market sectors. It serves industrial and construction markets, renewables, and specialty applications like railways, elevators and automotive.



Digital Solutions

Comprises of fiber and optical cables, connectivity, and multimedia & inside plant cables (MMS) businesses, and focuses on the production of cable systems and connectivity solutions used in telecommunications networks.

This business approach has translated into a profound transformation of the role innovation plays within the company. Prysmian has evolved from a model primarily focused on cost optimization to a design-for-value approach, where engineering and product development become strategic levers for generating industrial, environmental, and customer value.

Today, this evolution continues toward a model built on scale, speed, integrated solutions, and value-added services, reflecting the systemic nature of the energy and digital challenges that global markets are required to deal with.

Prysmian's climate strategy is fully aligned with this integrated vision. While pursuing the reduction of operational emissions, the company's most significant contribution is in the value chain: the Company's innovative approach stems from its ability to enable low-carbon, resilient, and high-performance solutions for its business partners.

Prysmian's climate commitment

Why our Climate Transition Plan is a strategic imperative

Prysmian's Climate Transition Plan sets out the Company's long-term roadmap to achieve its Net Zero ambition by 2035. It represents Prysmian's response to the urgent need for collective climate action, outlining how the Company intends to contribute its fair share to global efforts to limit warming and accelerate the transition to a low-carbon economy.

The Climate Transition Plan provides the strategic framework for **understanding and managing Prysmian's greenhouse gas emissions** across the value chain, making it possible to identify the most effective **decarbonization levers** and support informed decision-making. Beyond reducing its own footprint, Prysmian aims to maximize its positive climate impact through innovative solutions that help customers **avoid emissions**, while responding to the evolving expectations of clients, investors, and other key stakeholders.

Understanding our emissions

Establishing a robust understanding of the Company's carbon footprint is the first step toward an effective decarbonization strategy, providing the insights needed to direct resources and initiatives toward the most impactful reduction opportunities.

Prysmian has invested in an advanced IT platform, enabling high-quality data management at corporate and product levels. The platform supports GHG emissions tracking and includes automated tools for cable lifecycle assessments (LCAs) and environmental product declarations (EPDs). These digital capabilities provide clear insights to identify hotspots, prioritize actions, and drive emission reductions.

Reducing our emissions

Prysmian has set ambitious climate action targets, embedding decarbonization and sustainability at the heart of its innovation portfolio. This commitment translates into three key pillars that guide the Company's approach:



Driving the global **energy transition** by connecting renewable technologies and improving grid safety



Utilizing **recycled and low-carbon** footprint materials



Boosting **product efficiency** (e.g., solutions for reducing losses)

Extending positive impact beyond our value chain

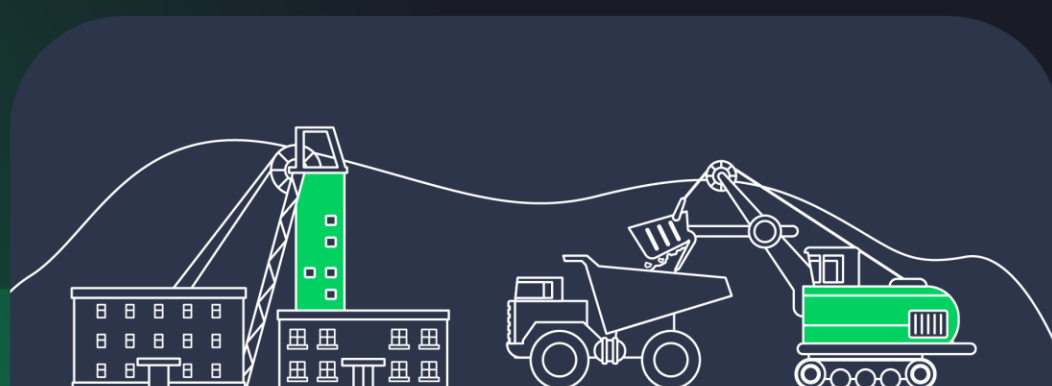
Prysmian considers carbon removals a complementary measure to address residual emissions, while prioritizing the maximization of avoided emissions through acceleration of the global energy transition.

Although the Company aims to neutralize residual Scope 1 and Scope 2 emissions through high-quality carbon removal solutions, it recognizes that its most significant climate contribution comes from enabling emissions reductions beyond its value chain. By supporting the deployment of renewable energy and electrification infrastructure, Prysmian seeks to maximize avoided emissions and accelerate economy-wide decarbonization.

Understanding our emissions

Prysmian's carbon footprint

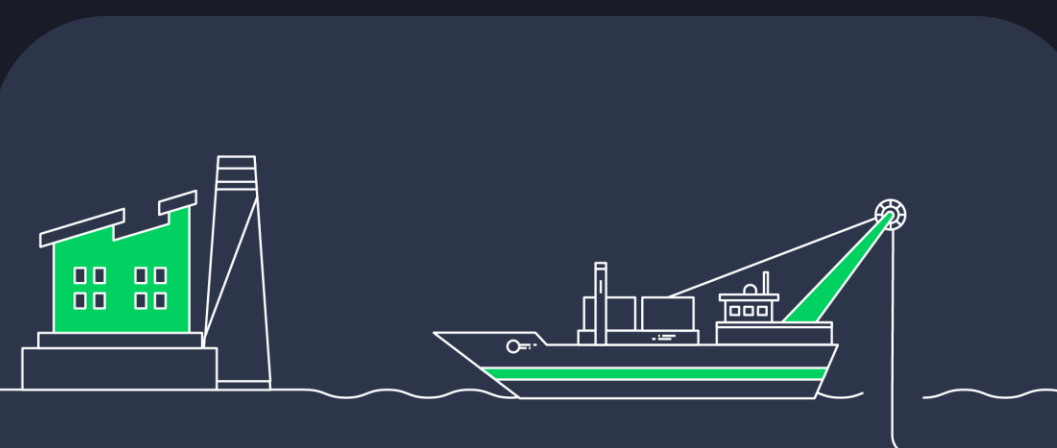
Prysmian's comprehensive carbon footprint assessment spans the entire value chain, encompassing Scope 1 & 2 emissions from manufacturing operations and Scope 3 emissions from sourcing through product use.



Scope 3 Upstream

Raw material sourcing

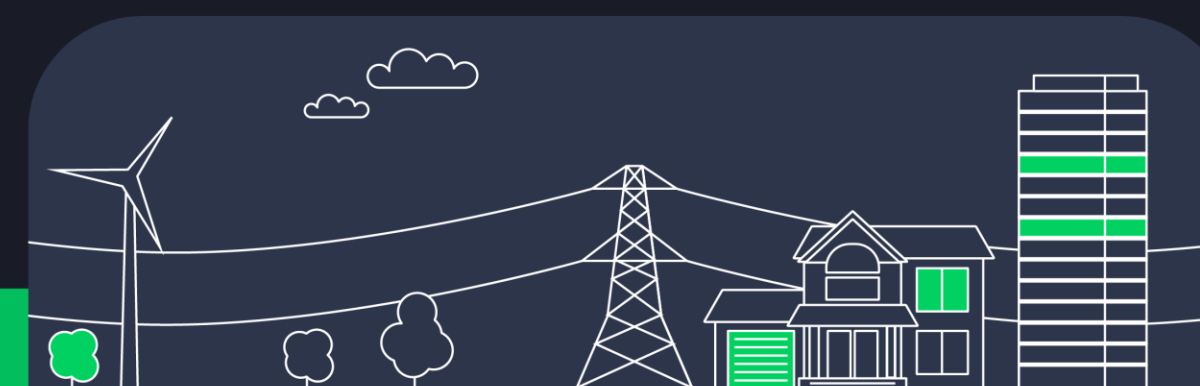
Scope 3 upstream mainly covers emissions from sourcing raw materials – like copper, aluminum and polymers – and purchased services.



Scope 1 and 2

Manufacturing & installation

Scope 1 and 2 cover emissions generated by Prysmian's own operations, including electricity from the grid and natural gas consumption in production sites, and marine fuel for vessels.



Scope 3 Downstream

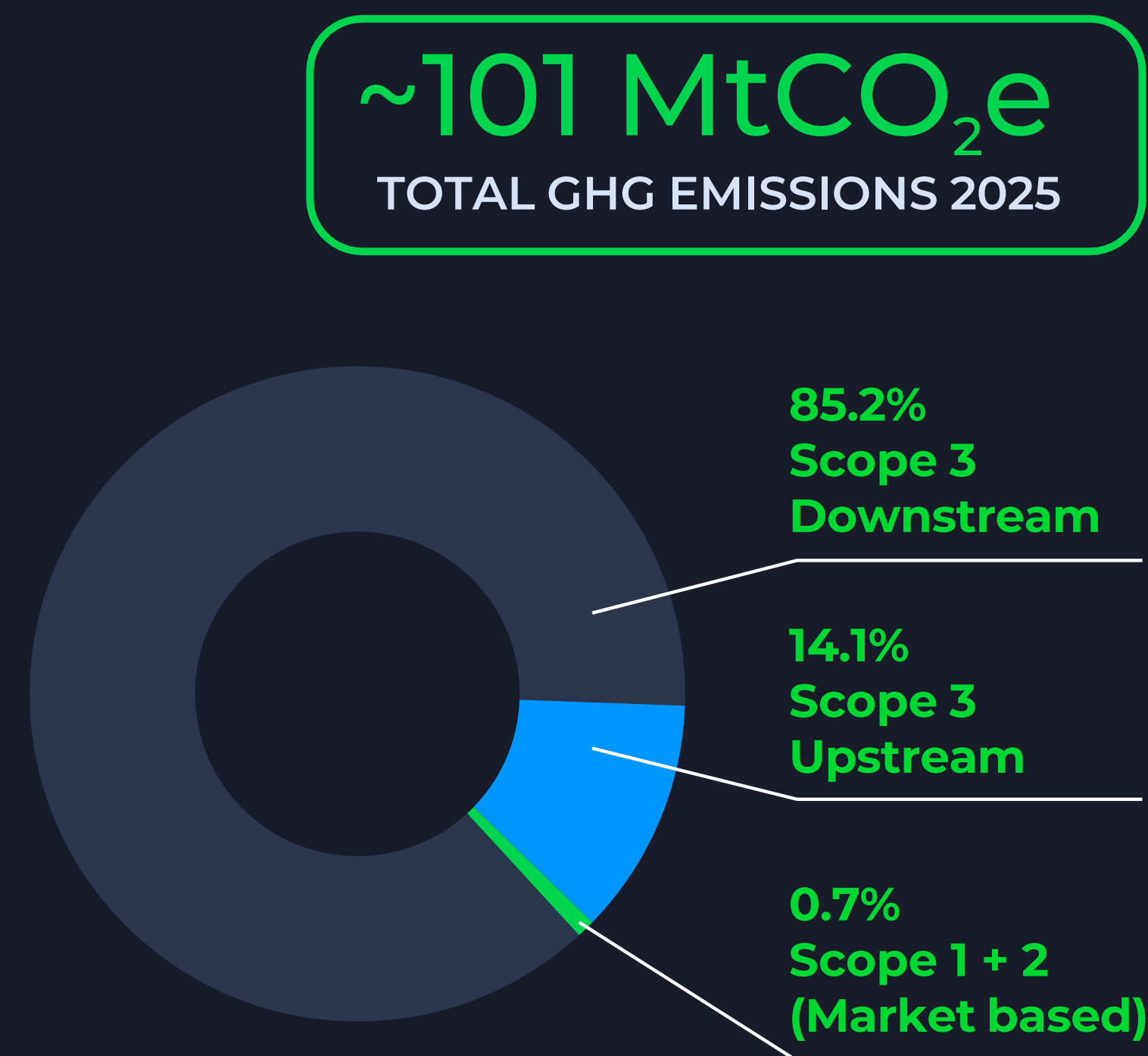
Use phase

Scope 3 downstream covers emissions occurring during cable use, primarily from energy losses caused by the Joule effect.

As is common across manufacturing industries, the vast majority of Prysmian's greenhouse gas emissions lie within Scope 3.

Approximately 85% of total emissions originate from the use phase of its products, while around 14% are associated with the production and sourcing of raw materials. Use-phase emissions are primarily driven by energy losses occurring during cable operation through the Joule effect, and set by an accounting approach that attributes emissions generated over a cable's lifetime—often exceeding 30 years—to the reporting year. Upstream emissions are largely linked to the production of energy-intensive raw materials, particularly copper and aluminum, which are essential inputs for cable manufacturing. As a result, Prysmian's direct operational footprint represents less than 1% of its total greenhouse gas emissions.

This emissions profile highlights the importance of focusing decarbonization efforts on the most material sources across the value chain. For Prysmian, this means reducing energy losses throughout the use phase of its products, accelerating circularity and the adoption of low-carbon materials, and engaging suppliers to drive emissions reductions upstream.



Reducing our emissions

Prysmian Net Zero targets

Prysmian's Climate Transition Plan translates the Company's climate strategy into concrete actions, providing a path to achieving the Net Zero targets approved by the Board of Directors. By committing to reach Net Zero by 2035, Prysmian is anticipating the ambition of the Paris Agreement by 15 years, demonstrating its determination to play a leading role in the transition to a low-carbon economy. Both the short-term 2030 targets and the long-term 2035 targets have been validated by the Science Based Targets initiative (SBTi), confirming their alignment with the latest climate science.

To ensure robust and transparent tracking of decarbonization progress, Prysmian has selected 2019 as its base year. The year provides a reliable and representative emissions baseline, enabling consistent measurement of performance over time while ensuring comparability with leading industry peers and business partners that have adopted the same reference year for their decarbonization pathways.

Long-term targets

90% reduction in absolute **Scope 1 & 2** emissions and **90%** reduction in absolute **Scope 3** emissions by **2035**, compared to the 2019 base year

Short-term targets

60% reduction in absolute **Scope 1 & 2** emissions and **65%** reduction in absolute **Scope 3** emissions by **2030**, compared to the 2019 base year



Extending positive impact beyond our value chain

Avoided emissions

Prysmian contributes to climate action not only by reducing its own emissions, but also by enabling customers to avoid emissions through its cable solutions. By supporting the integration of clean energy into power grids and the decarbonization of customer operations, Prysmian delivers climate benefits that extend beyond its value chain and accelerate the transition to a low-carbon economy.

According to the World Business Council for Sustainable Development (WBCSD), avoided emissions are the positive impact created when comparing the greenhouse gas emissions of a solution to a most likely alternative scenario in which the solution would not be used.

ENABLEMENT PRIORITIES - How Prysmian solutions enable avoided emissions



Enable Renewable Energy

Submarine cable systems connect offshore wind generation to onshore grids and accelerate renewable integration



Power Grid Resilience

Interconnectors make power grids more resilient, efficient, and enable renewables to perform at their peak performance



Electrify Transport & Industry

Cable solutions support lower-carbon infrastructure deployment across mobility, networks, and industrial applications

USE CASE

Export cables for offshore wind

Export cables transmit electricity generated by offshore wind farms to the onshore grid, making them an essential and non-substitutable component of offshore wind infrastructure.

Because they enable renewable power to enter the electricity system, they play a direct role in unlocking the avoided emissions associated with offshore wind projects.

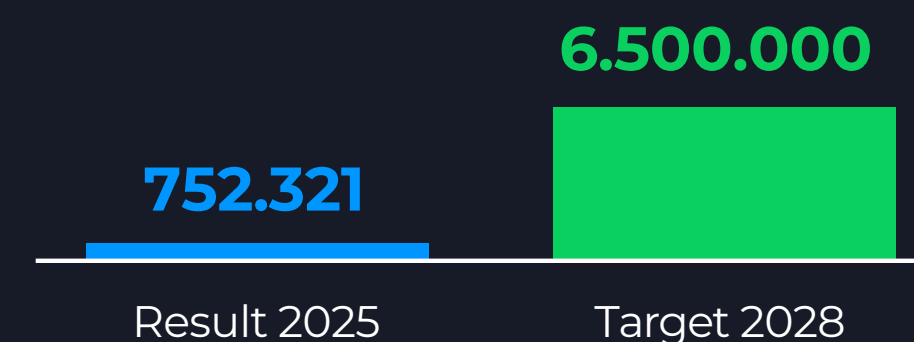
TRANSMISSION BUSINESS OUTLOOK

Prysmian established a target to increase avoided emissions enabled by its Transmission solutions over the 2025–2028 period

Target

6.5 MtCO₂e by 2028

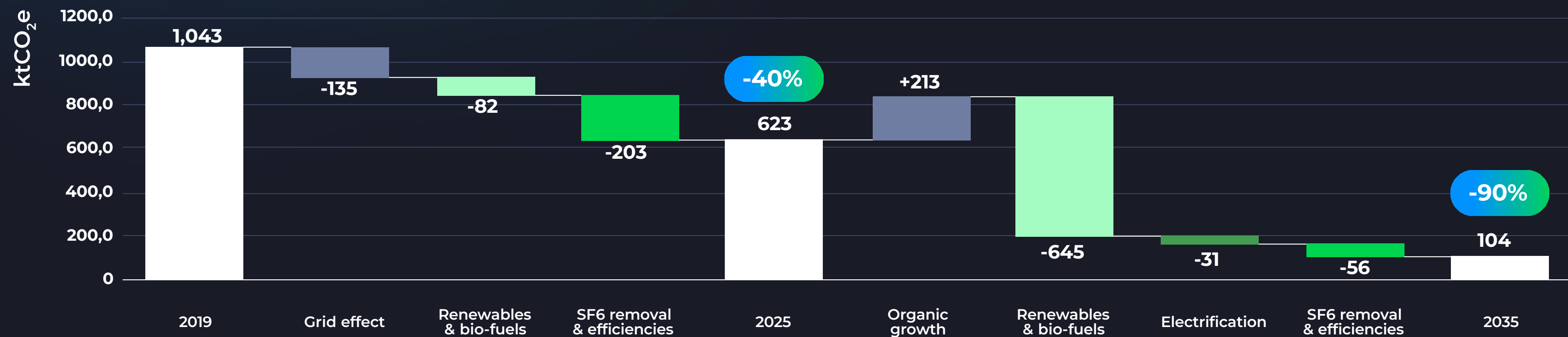
Avoided emissions in tCO₂e cumulated in the 2025-2028 period



**An operative
plan to drive
decarbonization**

How we will decarbonize Scope 1 & 2

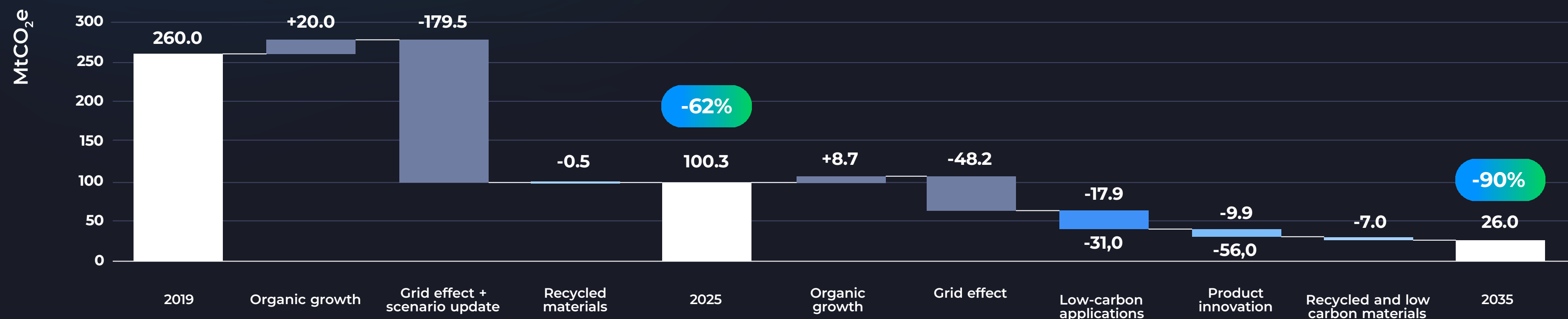
Prysmian's Scope 1 & 2 decarbonization plan to 2035 is built on a balanced mix of mature and emerging levers, designed to progressively reduce operational emissions by 90%. The roadmap combines the transition to renewable electricity through a range of market-based mechanisms, including Power Purchase Agreements, renewable energy certificates and other renewable sourcing arrangements, the adoption of low-carbon fuels such as biodiesel for cable-laying vessels and biomethane for non-electrified industrial processes, as well as the electrification of heating and process gas applications where technically and economically viable. While bio-based energy is expected to play an important role in decarbonizing residual fuel demand, its large-scale deployment remains subject to market and regulatory challenges, including constrained availability, price volatility and evolving policy frameworks. These actions are complemented by targeted energy efficiency initiatives and the full elimination of SF₆, enabling a structured reduction pathway from 2019 levels and positioning operational decarbonization as a key pillar of Prysmian's Climate Transition Plan.



How we will decarbonize Scope 3

As most of Prysmian's carbon footprint sits within its value chain, Scope 3 decarbonization is the cornerstone of its Net Zero pathway. Progress depends on external factors beyond Prysmian's direct control, requiring the Company to leverage all available decarbonization levers to accelerate emissions reductions.

The strategy focuses on three complementary levers addressing the main drivers of value chain emissions: materials & cable design, product applications and use-phase performance. The plan combines the progressive increase of recycled content in base metals and polymers, the sourcing of lower-carbon alternatives, such as aluminum, and the expansion of solutions enabling renewable energy and other low-carbon technologies, supported by enhanced product traceability. In parallel, Prysmian will accelerate product innovation to reduce use-phase losses through high-efficiency solutions already available, such as E3X, while continuing to develop next-generation technologies that improve network performance and reduce lifetime emissions. The successful delivery of these levers will require close collaboration with suppliers and customers to support a credible pathway toward a 90% reduction in Scope 3 emissions by 2035, acknowledging that outcomes are also influenced by the pace of decarbonization across the broader ecosystem.



Introducing recycled and low-carbon materials into our products and solutions

Raw materials are among the most important levers for reducing Prysmian's Scope 3 emissions. The Group is therefore increasing the use of recycled and low-carbon alternatives in key materials such as copper, polyethylene and aluminum, leveraging supplier partnerships, material traceability and technical qualification to ensure both emissions reduction and product performance.

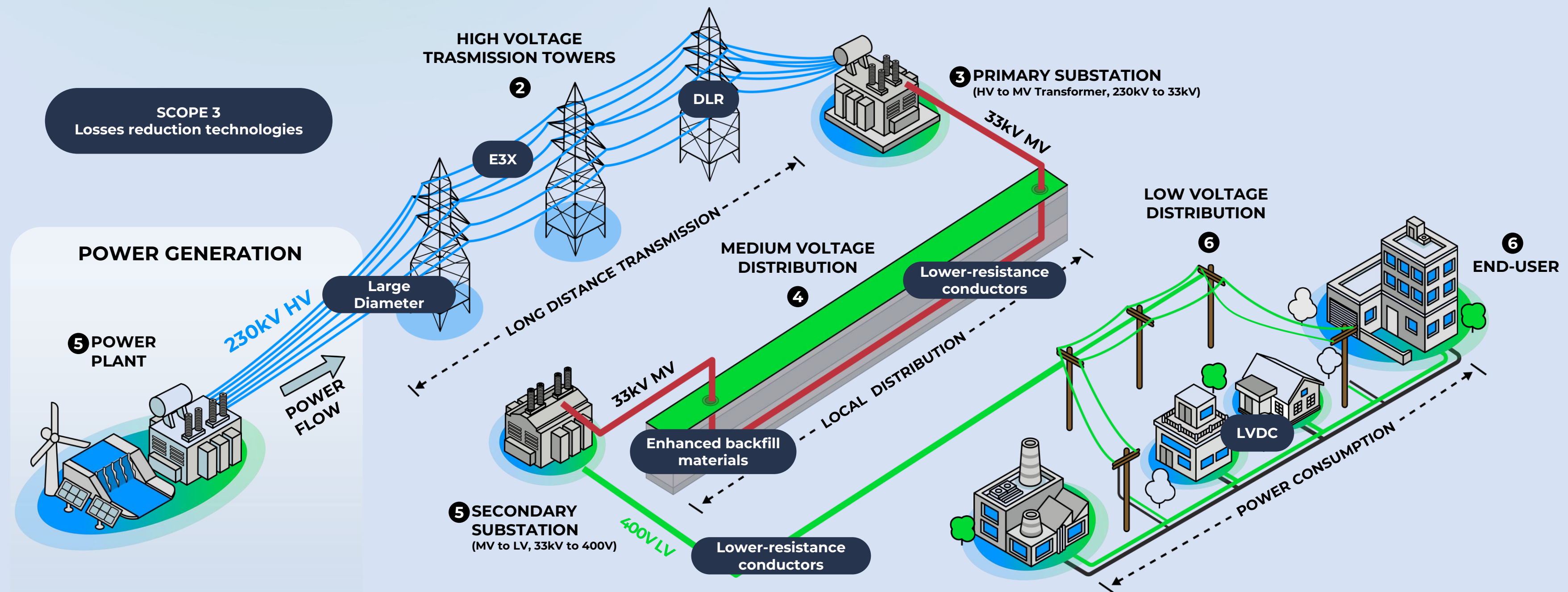
For copper, Prysmian is expanding the use of recycled content, which offers a significantly lower carbon footprint than primary copper while maintaining the required technical properties. For polyethylene, the strategy combines mechanically recycled, chemically recycled and bio-based solutions to reduce embedded emissions and support circularity. Recycled copper and recycled PE are included in Prysmian's integrated ESG Scorecard metric, with a 2026 target of 23.5%, a maximum target of 25%, and an ambition to reach 29% by 2028.

For aluminum, the focus is on increasing the share of low-carbon and recycled supply through strategic partnerships and lower-emission production technologies. In 2025, low-carbon aluminum accounted for over 50% of total aluminum purchases, demonstrating the growing role this lever plays. Compared with conventional aluminum, low-carbon and recycled alternatives can substantially reduce embedded emissions while delivering the same performance. Together, these initiatives help reduce product-level emissions and strengthen Prysmian's ability to act on one of the most material decarbonization levers available within its value chain.



Leveraging on innovation to drive decarbonization in the use-phase

Prysmian's downstream decarbonization strategy reduces use-phase Scope 3 emissions by minimizing electrical losses across power networks through advanced cable technologies. E3X® overhead conductors increase ampacity and transmit more power with lower losses, while Dynamic Line Rating (DLR) optimizes network capacity through real-time operating conditions. Emerging innovations include enhanced backfill materials to improve heat dissipation, larger conductor cross-sections to reduce resistance, lower-resistance conductors, and advanced insulation materials to improve efficiency. The shift to LVDC systems in selected applications further lowers transmission losses. Prysmian's R&D pipeline also includes large cross-section HVAC systems capable of reducing power losses, supporting grid decarbonization and the energy transition.



Partnering to accelerate decarbonization

Decarbonizing power systems at scale requires strong partnerships across the energy value chain. Prysmian collaborates with clients such as utilities and grid operators to accelerate the deployment of innovative cable technologies that reduce transmission losses and improve grid efficiency. By aligning climate ambitions, technical expertise, and investment priorities, these partnerships help transform decarbonization commitments into tangible, large-scale outcomes.

Prysmian's engagement focuses on three critical areas:



Sustainability maturity

Including Net Zero targets in business partners' emissions profiles



Stakeholder pressure

Assessing the importance of power system losses within clients' climate strategies



Partnership potential

Evaluating openness to innovative cable solutions

This engagement exercise revealed significant variation in the maturity of utility decarbonization efforts and in the priority assigned to grid losses. A strong influence of region-specific geopolitical factors was also observed across the different markets assessed. However, across all markets, transmission losses are increasingly being recognized as a strategic decarbonization lever, with several utilities already embedding them into their Net Zero agendas and seeking partners to accelerate progress. Prysmian is uniquely positioned to support this journey by driving innovation and sustainability alongside its business partners.

Financial planning for the transition

Prysmian's Climate Transition Plan is supported by a robust financial framework that translates climate commitments into actionable investments. Long-term planning provides visibility on the resources required to achieve decarbonization goals through 2035, while established budgeting, investment approval, and governance processes ensure projects are prioritized, monitored, and aligned with strategic objectives. By linking climate ambitions to disciplined financial decision-making and management oversight, Prysmian ensures the transparency, accountability, and effective execution of its transition strategy.

SCOPE 1 & 2

A €120 million investment plan will help transform Prysmian's operations through electrification and energy efficiency projects, reducing reliance on fossil fuels and cutting emissions at scale. By focusing on the most effective decarbonization opportunities, the program is expected to avoid over 100 ktCO₂e per year by 2035.

120 €M

investments to decarbonize our production sites

By 2035, Prysmian expects to manage around €30 million of annual spending in renewable energy and sustainable fuels, enabling emissions reductions of over 600 ktCO₂e per year. This projection is based on current assumptions regarding the availability and cost of low-carbon fuels, a market that remains at an early developmental stage and is expected to evolve significantly over the coming decade.

30 €M / year

2035 operative expenses in low-carbon energy and sustainable fuels

Financial planning for the transition

SCOPE 3

Innovation and industrial scale-up are at the core of Prysmian's decarbonization strategy. In 2025, the Company invested €161 million in R&D, supported by a global network of 30 research centers and more than 1,100 professionals dedicated to advancing sustainable cable technologies and next-generation energy solutions.

For upstream Scope 3 emissions, Prysmian expects the transition toward recycled and low-carbon materials to be largely enabled through supplier collaboration and the progressive evolution of market demand.

161 €M / year

Annual R&D spending in sustainable innovation

Beyond innovation, Prysmian's Strategic Plan 2026–2031 includes more than €1 billion of investments to expand manufacturing capacity for cables enabling renewable energy projects and to strengthen the installation capabilities required to deploy them, including cutting-edge technologies for cable-laying vessels. Together, these investments position Prysmian to capture growing demand from the energy transition while accelerating the deployment of low-carbon infrastructure worldwide.

> 1 €B

Strategic investments in renewables and low-carbon solutions manufacturing capacity

Management of other Scope 3 categories through business-as-usual processes

Prysmian concentrates its Scope 3 efforts on the emissions categories with the greatest impact, while managing six non-material categories (less than 1.5% of total emissions) through existing governance and operational controls.

These secondary categories (Capital Goods, Upstream & Downstream Transportation, Waste Generated in Operations, Business Travel & Employee Commuting, End-of-Life Treatment of Sold Products, and Leased Assets) are either less material to the overall emissions profile, or are already embedded within existing corporate policies and continuous improvement initiatives. This tiered approach ensures strategic resource allocation while maintaining comprehensive emissions monitoring and incremental progress across the entire value chain.

OTHER SCOPE 3 CATEGORIES

These categories are monitored and managed within existing operational governance frameworks:

 02 Capital goods	 04 Upstream & downstream T&D	 05 Waste generated in operations
 06, 07 Business travel & employee commuting	 12 End-of-life treatment of sold products	 13, 14, 15 Leased assets & minor categories

Climate scenarios and risk assessment

Climate scenario analysis

To ensure the long-term resilience and credibility of its Climate Transition Plan, Prysmian assessed its business performance under multiple climate scenarios. This analysis helps anticipate how physical climate impacts, evolving regulations, technological shifts, and changing market dynamics could affect the Company over the coming decades, enabling more informed decisions and a more robust transition strategy.

Physical risks

Physical risks require proactive management to safeguard business continuity across operations and supply chains. To understand potential exposure, Prysmian assessed all 109 manufacturing facilities using advanced climate modeling tools, evaluating the impacts of extreme weather events and long-term climate shifts under a severe warming scenario across different time horizons.

Transition risks

Transition risks arise from the global shift toward a low-carbon economy and include factors such as expanding carbon pricing schemes, tighter regulations, evolving customer expectations, emerging technologies and increasing stakeholder scrutiny. While these changes can create challenges, they also present significant opportunities for companies that act early. By anticipating future market trends and investing in innovative solutions, Prysmian can strengthen its competitive position and capture growth opportunities linked to the energy transition.

PHYSICAL RISKS

We analyzed various trajectories in order to evaluate physical risks across different potential future climate conditions. These trajectories were based on the Representative Concentration Pathways (RCPs), which underpin the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report (AR5).

01 RCP 8.5

Represents a high-emissions pathway in which limited climate policies lead to continued reliance on fossil fuels and rapidly rising GHG concentrations.

Expected temperature increase

5–6°C by 2100

TRANSITION RISKS

The transition model is based on the key variables and projections provided by the IEA World Energy Outlook 2025 scenarios (STEPS and NZE), providing a robust framework for assessing potential pathways and their implications for the business.

01 STEPS

Reflects the expected evolution of the energy system under policies currently in place, capturing their real-world impact without assuming additional climate ambition.

Temp. increase

2.5°C by 2100

02 NZE

Outlines a pathway aligned with 1.5°C by achieving global Net Zero emissions by 2050 — a highly transformative scenario requiring rapid scaling of clean tech, strong policy acceleration, and significant investment shifts.

Temp. increase

1.5°C by 2100

PHYSICAL RISKS

INHERENT RISK

As climate patterns intensify — through more frequent extreme weather events, floods and water stress — their potential impact on assets and operations is becoming increasingly relevant for Prysmian.

To assess how these evolving physical hazards may affect assets and business resilience, Prysmian conducted a tool-based exposure analysis on all main plants. The risks listed here reflect the **inherent risks**, representing their potential impact before any mitigation action that the company may have already adopted at the moment of the assessment.

Key methodological pillars

- Reference scenario: RCP 8.5
- Time horizons: Short term: <12 months; Medium term: up to 2030; Long term: up to 2050
- Potential impact estimated assuming **EBITDA loss**



Tornado

Risk of tornado leading to severe damage to structures, removal of roofs and external coverings, and electricity and water network outages lasting several days.

	ST	MT	LT
RCP 8.5	High	n.a.	n.a.



Hailstorm

Risk of hailstorm damage to windows, roofs and external structures, or business interruption from blocked access, water infiltration and power outages.

	ST	MT	LT
RCP 8.5	Low	n.a.	n.a.



River flood

Risk of flooding from fluvial floods, typically caused by prolonged rainfall, resulting in property damage or business interruption.

	ST	MT	LT
RCP 8.5	Low	Low	Low



Coastal flood

Risk of flooding from storm surge for coastal locations.

	ST	MT	LT
RCP 8.5	Very Low	Very Low	Very Low



Windstorm

Risk of storm damage leading to property loss or business interruption.

	ST	MT	LT
RCP 8.5	Very Low	Very Low	Very Low



Water stress

Risk of lack of water for business operations or destruction of agricultural yield.

	ST	MT	LT
RCP 8.5	Very Low	Very Low	Very Low

TRANSITION RISKS

INHERENT RISK

As the shift toward a low-carbon economy accelerates — driven by renewables, electrification, and grid modernization — the transition represents a key strategic driver for Prysmian.

To evaluate how these transition dynamics may impact its strategy, Prysmian conducted a quantitative, model-based climate scenario analysis to understand the potential financial effects of the transition. The risks here reflect the **inherent risks**, representing their potential impact prior to any mitigation action already adopted at the time of the assessment.

Key methodological pillars

- Reference scenarios: STEPS and NZE by IEA Energy Outlook 2025 and Global Minerals Outlook 2025
- Time horizons: Short term: <12 months; Medium term: up to 2035; Long term: up to 2050
- Potential impact estimated assuming **EBITDA loss**



Scarcity of critical minerals

Risk of increased costs, potential production slowdowns, and operational disruption from constrained copper supply and price fluctuations.

	ST	MT	LT
STEPS			
NZE			



Lack of climate strategy

Competitive and reputational risk from the absence of a climate strategy, which could undermine stakeholder confidence and tender eligibility.

	ST	MT	LT
STEPS			
NZE			



Emerging/substitutive technology

Risk of substitution or lower demand for traditional HV cabling due to emerging technologies such as hydrogen, battery storage, and next-gen nuclear.

	ST	MT	LT
STEPS			
NZE			



Carbon taxation

Regulatory risk from higher costs driven by carbon pricing and emission taxation initiatives (EU ETS, CBAM, USA ETS, Shipping EU ETS).

	ST	MT	LT
STEPS			
NZE			



Enlargement of competitive arena

Risk driven by new entrants into the HV cable market, which could intensify competitive pressure and affect market share and margins.

	ST	MT	LT
STEPS			
NZE			

Impact on EBITDA: Very Low Low Medium High

ST: Short-term · MT: Medium-term · LT: Long-term

Climate
governance

An integrated governance structure

Effective climate action requires strong governance. Prysmian's Climate Transition Plan is built on an integrated governance framework that connects strategic oversight, executive accountability, and operational execution.

In 2025, the Company reinforced this commitment by bringing sustainability, R&D, and innovation under a single leadership structure, recognizing the energy transition as both a sustainability imperative and a driver of long-term growth.

This approach ensures that climate considerations are consistently embedded in decision-making, risk management, capital allocation, and business strategy across the organization.

STRATEGIC OVERSIGHT

The Board of Directors, supported by the Innovation and Sustainability Committee, approves climate strategy and the major targets. The Board provides strategic oversight of climate risks and approves major climate investments.

SUPERVISORY COMMITTEES

The Board-level Innovation & Sustainability Committee provides strategic governance over the innovation and climate agenda, setting long-term guidelines, overseeing ESG impacts and technology roadmaps, and ensuring the Group's leadership in sustainable value creation.

EXECUTIVE LEADERSHIP

The Chief Sustainability, R&D & Innovation Officer works with the Chief Strategy Officer to lead development of Climate Strategy, identifying and monitoring the Group's material impacts and supporting regions and business units in achieving climate goals.

FUNCTIONAL LEADERSHIP

The Sustainability function develops climate strategy. Finance & Control ensure reporting accuracy. HSE manages environmental compliance. Procurement drives low-carbon sourcing. Product Development creates low-loss technologies.

EXECUTION LEVEL

The Local Sustainability Ambassadors' Network, following the Chief Sustainability, R&D & Innovation Officer's guidance, promotes sustainability culture across regions. Operational departments implement decarbonization initiatives.

Governance tools to support climate action

Incentive alignments

Short term incentive:

20%

ESG weighting —
Safety & Recycled
Content

Long term incentive:

20%

ESG weighting —
Sustainability-
Linked Revenues

Climate-related remuneration targets help translate Prysmian's Net Zero ambition into day-to-day business decisions. Increasing recycled content reduces the carbon footprint of purchased materials and Scope 3 emissions, while growing sustainability-linked revenues accelerates the commercialization of products and solutions that support the energy transition, renewable energy deployment, and more efficient power networks.



The Board supports the delivery of Prysmian's Net Zero ambitions through a set of management tools designed to guide decision-making, strengthen accountability, and drive climate action across the business. Sustainability and HSEE policies provide the strategic and operational framework for implementation, while climate-related targets embedded in remuneration schemes help align management incentives with the Company's decarbonization objectives. Together, these mechanisms support the integration of climate considerations into day-to-day business decisions and long-term value creation.

SUSTAINABILITY POLICY

A strategic policy embedding sustainability into Prysmian's business model and long-term value creation through responsible practices, innovation, and environmental stewardship. Key climate-related requirements include:

- Sustainability integrated into business strategy and decision-making.
- Innovation and low-impact solutions supporting the energy transition.
- Net Zero ambition and a more sustainable value chain.
- Climate governance, ESG oversight, and integration into Enterprise Risk Management.
- Stakeholder engagement to support sustainability priorities and climate transition actions.

HSEE POLICY

A policy guiding safe, compliant, and efficient operations, with a strong focus on climate action, resource efficiency, biodiversity, and continuous improvement. Key climate-related requirements include:

- Net Zero 2035 across Scope 1, 2 and 3 emissions.
- Innovation, circular economy and value chain engagement to drive decarbonization.
- 100% renewable and low-carbon energy, supported by energy efficiency.
- Governance, monitoring and continuous improvement to deliver climate commitments.
- Responsible climate advocacy to support the energy transition.

Barriers and enablers to delivery

This Climate Transition Plan contains forward-looking statements regarding Prysmian's future climate-related objectives, targets, strategies, and performance. These statements are based on the regulatory and methodological frameworks available at the date of publication, as well as on assumptions, expectations, and estimates considered reasonable by the Company. By their nature, such statements are subject to evolving circumstances, uncertainties, and factors that may affect actual outcomes.

The achievement of the objectives outlined in this Plan depends on a range of factors, many of which are not entirely within the Company's control. These include the evolution of regulatory requirements and reporting standards, market dynamics and customer demand, the availability and maturity of decarbonization technologies, access to low-carbon energy and sustainable raw materials, the level of alignment and collaboration across the value chain, and broader macroeconomic and geopolitical developments.

The climate strategy and targets presented in this plan were developed in accordance with the SBTi Corporate Net-Zero Standard version 1.3, which was the applicable framework at the time of their definition and validation. As of the date of publication, SBTi has recently released version 2.0 of the Standard, introducing significant methodological and implementation changes that are still being assessed and interpreted by companies and market participants.

Given the evolving nature of the climate transition, Prysmian considers this plan to be a dynamic document that will be periodically reviewed and updated to reflect developments in regulation, methodology, technology and market conditions. The Company is committed to maintaining an approach based on transparency, consistency and credibility, ensuring that its transition strategy continues to reflect the best available evidence and stakeholder expectations over time.

Key assumptions and limitations

The current Climate Transition Plan is based on a number of specific assumptions, including but not limited to:

- The evolution of reporting standards, methodologies, and disclosure requirements may require updates to targets, metrics, and decarbonization pathways.
- The development and deployment of decarbonization technologies, together with the availability of renewable electricity, low-carbon fuels, and sustainable raw materials, are assumed to be broadly aligned with the transition pathways and climate objectives adopted across the main regions in which the Group operates.
- Achieving the targets, particularly those related to Scope 3 emissions, assumes continued improvements in environmental performance across the value chain and the availability of increasingly complete, accurate, and verifiable data.
- Analyses and projections are based on the emission factors, data sources, and scenarios considered most authoritative and representative at the time of assessment; however, their forward-looking nature does not guarantee realization of the underlying assumptions or achievement of the expected outcomes.
- Long-term business growth projections and the implementation of certain decarbonization initiatives assume economic conditions consistent with the current industrial plan and the Company's capital allocation priorities.
- The information and scenarios presented are subject to inherent limitations and should not be considered a guarantee of future performance or results.



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