CONNECT TO LEAD

2023
Integrated Annual Report

prysmian

The planet's pathways

Disclaimer

This document contains forward-looking statements, specifically in the section entitled and "Business outlook", that relate to future events and the operating, economic and financial results of Prysmian. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Actual results may diverge even significantly from those announced in forward-looking statements due to a variety of factors.

"Connect, to lead" represents the essence of Prysmian's mission and strategic vision. We want to connect the world and together lead the energy transition and digital transformation. We want to push ourselves further and further. Beyond the boundaries of innovation, developing sustainable technologies and solutions in tune with the evolving dynamics of the market. To be the leaders. To be a driving force behind the transformation

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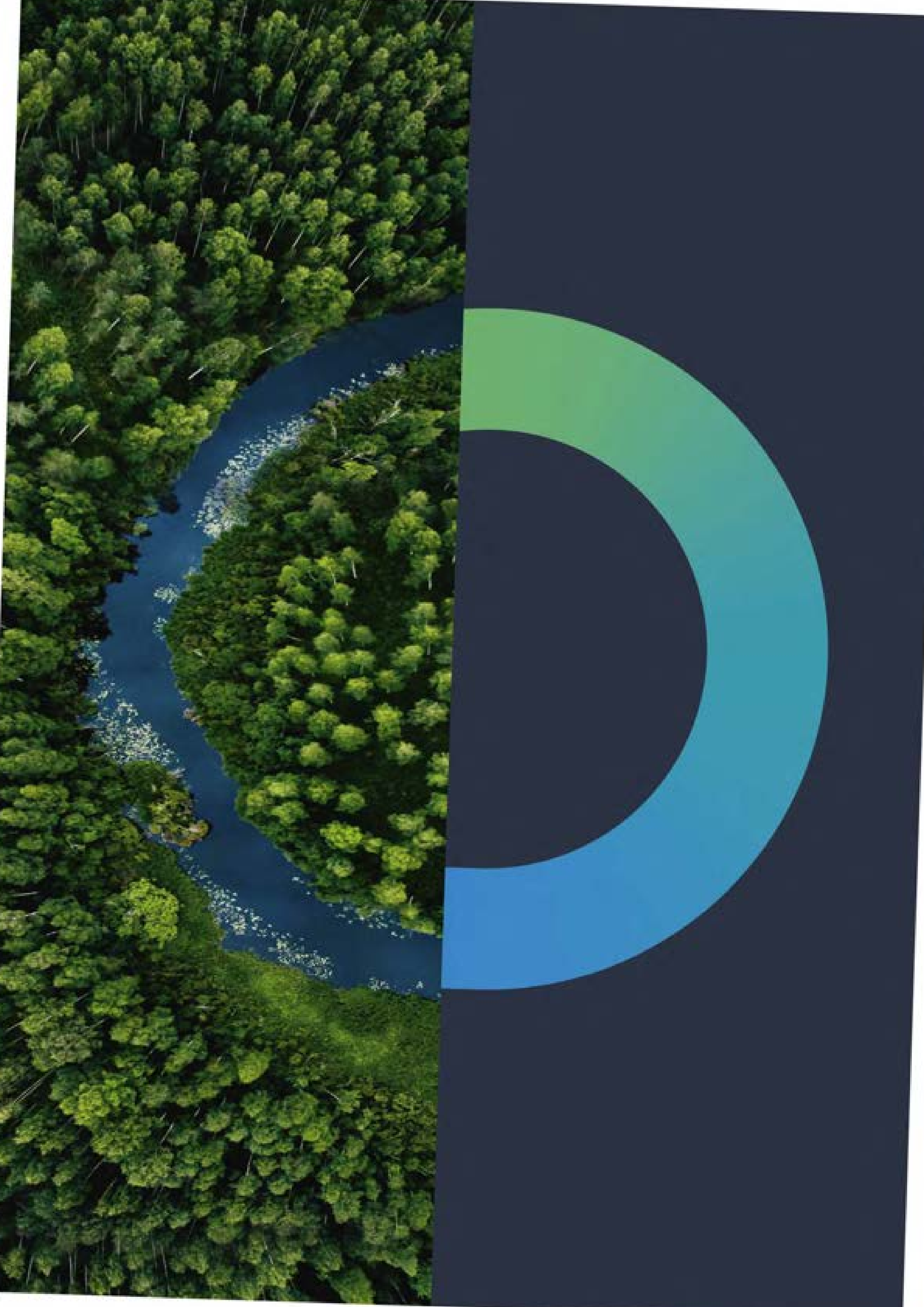

Letter from the CEO

The year 2023 was an extraordinary year for our Company, as we continued with the positive results achieved during the previous year. Despite a challenging economic environment - characterized by a still fragile macroeconomic and market scenario - we have confirmed our position as market leader through a comprehensive and balanced portfolio that is well exposed to structural trends and great resilience. **Once again Prysmian ended 2023 with excellent performance, ensuring a creation of value for all our stakeholders.**

By carefully understanding the market dynamics, we experienced solid margin expansion and strong cash generation. The revenue figure proves to be essentially stable at €15,354M with significant growth in the Projects business (organic growth +15.3%), supported by solid execution of interconnection and offshore wind farm projects, as well as projects with better profitability in the backlog. We closed the year with a record backlog of about €18 billion.

The results in terms of profitability were significant, with a major increase in Adj EBITDA growing to €1,628M (+9.4% vs 2022). Margins also improved to 10.6% (9.3% in 2022), in addition to an increase in net profit to €547M (+7.5% vs. 2022).

Cash generation remains a key factor in our success, with Free Cash Flow at €724M (+29.5% vs. 2022). The soundness of the financial structure enables us to sustain with balance the sizeable investments to support growth, to make our leadership even more solid and to seize the opportunities offered by the market.

No less important has been our commitment to ESG performance. **Prysmian recognizes that sustainability is an essential element in creating value for all our stakeholders.** We have further revised our decarbonization plan upward to contribute even more proactively to the fight against climate change. We continue to drive innovation in the cable industry by developing products that have a lower environmental impact and that can support our customers in their decarbonization goals.

Significant improvements have also been recorded in the goals of inclusiveness and focus on people. The results of initiatives implemented by Prysmian in recent years have enabled the company to intensify its efforts to anticipate achieving some of the targets set for 2030 as early as 2027, such as the KPI on gender equality. I am also proud to note that 46% of our employees, including blue collars, are shareholders in the group, an important lever for the future success of the company, as well as a source of great pride.

In conclusion, I would like to express my gratitude for having had the honor of leading this company for almost two decades. I am extremely pleased with the milestones we have achieved together, supported by a competent and well-established management team and talented colleagues, without whom Prysmian would not be what it is today: a world leader in the cable industry.

With confidence I place the helm in the hands of Massimo Battaini, who has been part of the team since the beginning of this great project and has played a key role in the most important moments for the Group. It is, therefore, a source of pride for me to complete my term, handing over to my successors a solid company with a clear vision for its future. It is a story that, starting tomorrow, I will support from a different position, but with the same closeness.

Valerio Battista
Chief Executive Officer, Prysmian

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INTEGRATED ANNUAL REPORT

1. Introduction: Prysmian approach to the integrated report

Prysmian presents its annual financial report in the "integrated" form as a tool for integrated reporting of financial and non-financial data, serving as additional proof of the Group's daily commitment to integrating sustainability within its business strategies and its role as an enabler of the energy transition and digitalization process. In an integrated manner, the Report explains the Group's ability to **create** both financial and non-financial **value over time**, in the context and markets in which it operates.

The Integrated Annual Report, approved by the Board of Directors on 28 February 2024, consists of the Directors' Report (integrated with both financial information and the Non-Financial Declaration, including also the EU Taxonomy disclosures required by Regulation (EU) 2020/852), the Consolidated Financial Statements and the Parent Company Annual Report of Prysmian S.p.A.. The decision to integrate financial and non-financial data into a single report is in accordance with the provisions of Art. 5(3)(a) of Italian Legislative Decree 254/2016. The Group presents the Consolidated Non-Financial Statement in a specific section of the Directors' Report. The Consolidated Non-Financial Statement was approved by the Board of Directors on 28 February 2024. The document is subjected to a limited review by an auditing firm, EY S.p.A., in accordance with the *International Standard on Assurance Engagements (ISAE 3000 Revised).*

The Parent Company Financial Statements and the Consolidated Financial Statements have been prepared in accordance with IAS/IFRS international accounting standards.

The expanded, holistic reporting encompasses strategy, governance, production activities, financial performance and interactions with the social, environmental and economic context. This revolution in corporate reporting reflects the adoption of an innovative cultural approach. For Prysmian, combining the Non-Financial Statement with the Annual Report means explaining, in a coherent, rigorous and yet engaging manner why sustainability is central to the Group's business.

This method of reporting makes it possible to explain how Prysmian has become a leader in the worldwide ecological transition process – a sustainability enabler – by describing our history, performance, innovations and projects that, at a global level, allow the transportation of clean energy and deliver connectivity with state-of-the-art solutions.

In addition to the Integrated Annual Report, Prysmian has voluntarily decided to publish separately a Sustainability Report, supplementing the contents of the Non-Financial Statement, and which has undergone assurance by auditors EY S.p.A.

The documentation published for 2023 on sustainability matters also includes:

- the 2023 TCFD Report, dedicated to information about the management of climate change risks in accordance with TCFD (Taskforce on Climate-related Financial Disclosures) recommendations;
- the 2023 GHG Statement, dedicated to calculation of the CO_2 emissions generated by Prysmian and its entire value chain;
- the 2023 SASB Report, providing information in compliance with Sustainability Accounting Standards Board (SASB) framework.

European Single Electronic Format (ESEF) fulfillments

This document is prepared in PDF format and is a supplementary version to the official version that complies with the provisions of Delegated Regulation (EU) 2019/815 of the European Commission (European Single Electronic Format – ESEF Regulation) and is available on the Company's website as well as at the authorized storage mechanism called "eMarket STORAGE"[1].

1 www.emarketstorage.com

2. Highlights

Key financial, operating and ESG performance data

All percentages contained in this report pertaining to financial data have been calculated with reference to amounts expressed in thousands of Euro.

(Euro/million)	2023	2022	% Change	2021
Sales	**15,354**	16,067	-4.4%	12,736
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**1,595**	1,442	10.6%	958
Adjusted EBITDA(1)	**1,628**	1,488	9.4%	976
EBITDA(2)	**1,485**	1,387	7.1%	927
Adjusted operating income(3)	**1,270**	1,119	13.5%	647
Operating income	**860**	849	1.3%	572
Profit/(loss) before taxes	**764**	739	3.4%	476
Net profit/(loss)	**547**	509	7.5%	310

(Euro/million)	31.12.2023	31.12.2022	Change	31.12.2021
Net invested capital	**5,493**	5,517	(24)	5,295
Employee benefit obligations	**333**	329	4	446
Equity	**3,972**	3,771	201	3,089
- of which attributable to non-controlling interests	**191**	186	5	174
Net financial debt	**1,188**	1,417	(229)	1,760

(Euro/million)	2023	2022	% Change	2021
Net capital expenditure(4)	**624**	452	38.1%	275
Employees (at period-end)	**30,088**	30,185	-0.3%	29,763
Earnings/(loss) per share				
- basic	**1.94**	1.91		1.17
- diluted	**1.84**	1.90		1.17
Number of patents(5)	**5,460**	5,760		5,539
Number of plants	**108**	108		108

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

Several of the ESG performance objectives achieved by Prysmian in 2023 are particularly meaningful when discussing the creation of value shared with stakeholders. Some of these indicators are also included in the short- and long-term incentive schemes. These will be discussed in detail in the relevant sections of the Consolidated Non-Financial Statement.

A summary is presented below:

	2023	2022	% Change	2021
Emissions of tCO_2 - Scope 1 and Scope 2 Market Based(1)	**616,059**	665,104	-7%	706,969
Percentage of Scope 1 and Scope 2 CO_2 reduction vs 2019 baseline(2)	**-33%**	-28%	-5%	-22%
Percentage reduction of Scope 3 emissions vs 2019 baseline	**-10.0%**	-7.5%	-2.5%	
Share of recycled content on PE jackets and copper(3)	**12.7%**	10.0%	2.7%	
Percentage of women executives (job grade ≥ 20)(4)	**18.8%**	15.7%	3.1%	13.5%
Percentage of Desk Workers women hired(5)	**46.0%**	44.9%	1.1%	39.0%
Leadership Impact Index (LI)(6)	**57%**	55%	2%	54%
Safety Assessment Plan(7)	**3.4**			
Share of revenue linked to Sustainable Products(8)	**37%**	30%	7%	

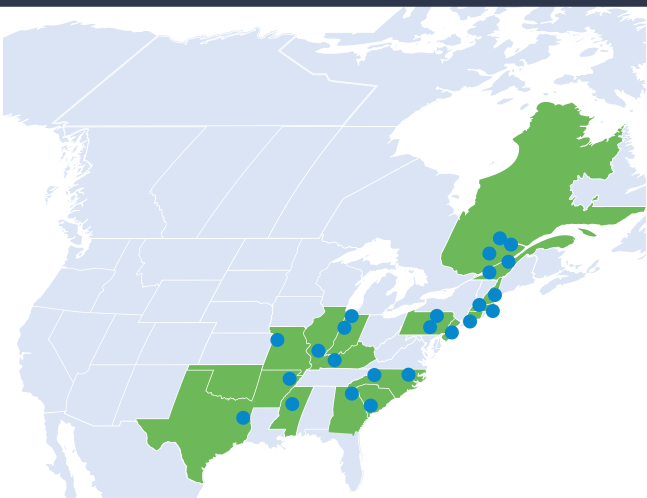
(1) **Scope 1** emissions are defined as the organisation's direct emissions, being those generated by resources under its direct control. Reported Scope 1 emissions derive from combustion processes (using natural gas, LPG, petrol, diesel, fuel oil, marine diesel), leaks of refrigerant gases (HFC, PFC) and SF6 gas leakage. **Scope 2** emissions are those indirect emissions of the organisation that derive from its direct consumption excluding generation activities. These include purchased electricity, district heating and steam. With regard to Scope 2 emissions, **Market-based** is a method of quantification based on the CO_2 emissions of the energy suppliers from which the organisation purchases an electricity bundle under a contract.
(2) Percentage of **reduction in CO_2 emissions (Scope1 and 2)** compared to the year 2019, according to SBTi methodology. Scope 2 is calculated using the Market-based method.
(3) 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.
(4) 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..
(5) 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.
(6) 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.
(7) 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).
(8) 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.

3. 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 over 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 (Europa, Middle East and Africa) 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
- Schuylkill 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

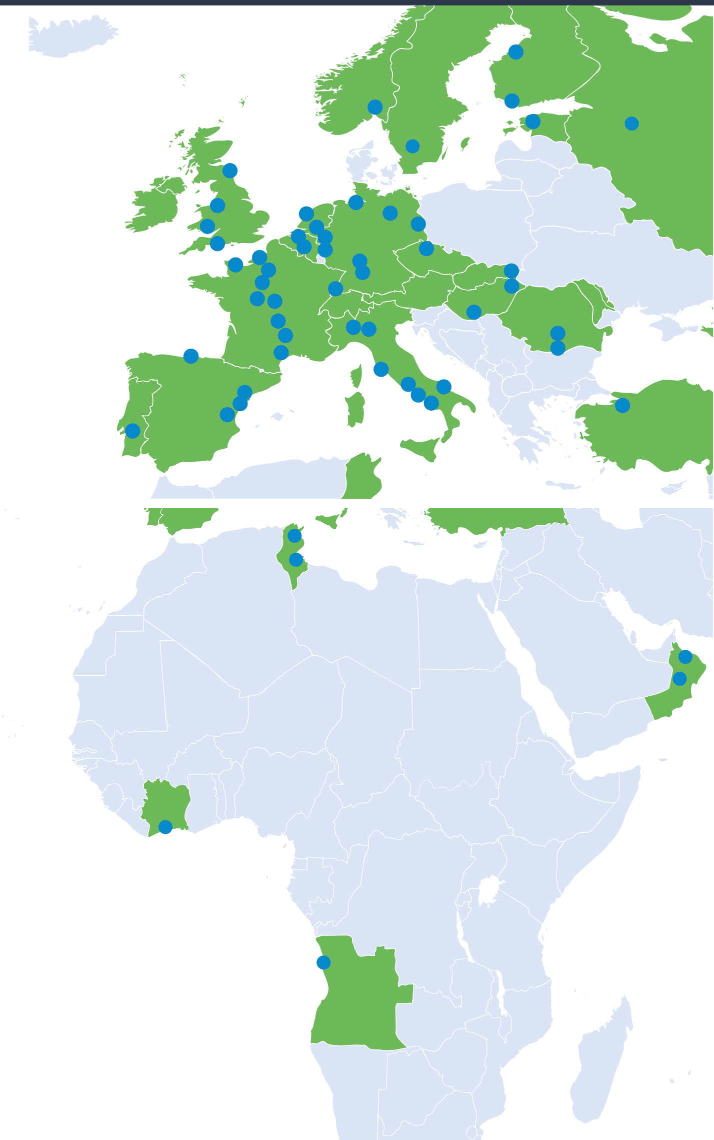
Messico
- Durango
- Nogales
- Piedras Negras
- Tetla

+50 countries

108 plants

EMEA

56 plants



Angola
Luanda

Czech Republic
Velké Meziríćí

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

APAC

15 plants

Australia
Dee Why
Liverpool

China
Haixun DEP
Shangai
Suzhou
Tianjin
Yixing
Zhongyao DEP

India
Chiplun

Indonesia
Cikampek

Malaysia
Melaka

New Zealand
New Lynn

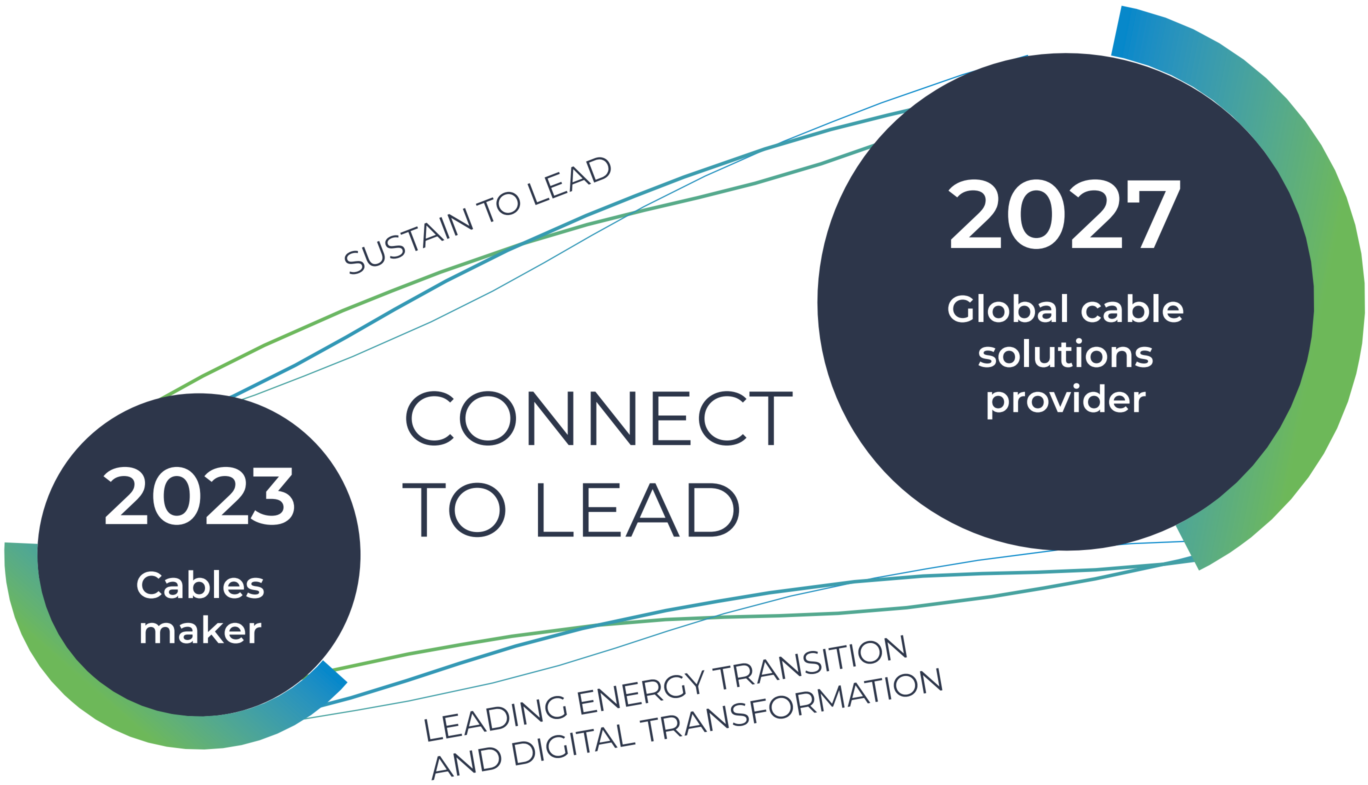
Philippines
Cebu

Thailand
Rayong

26 R&D centers

around **30,000** employees

5 cable-laying ships



The DNA of Prysmian: mission, vision and values of the Group

Over the last two years, the world has faced complex and interlinked political, economic and social crises, such as the wars in Ukraine and the Middle East, the isolation of China, the slowdown in global growth and high rates of inflation, not to mention extreme climate events. These circumstances generated challenges associated with energy and food supply, scarcity of raw materials and the strategic role of cyber security, which have prompted businesses to adopt increasingly flexible and resilient business models.

In a volatile, uncertain, complex and ambiguous world, it is therefore essential to understand the direction of changes to turn them into opportunities for growth, while also maintaining the steadfast pillars of the company's DNA. Indeed, Prysmian's actions are underpinned by its **mission** – "*To offer our customers worldwide cables and solutions for the transport of energy and telecommunications, using state-of-the-art technological solutions*," its **vision** – "*We believe in the efficient, effective and sustainable supply of energy and data as the main driver for community development*", and its **values**:

Drive
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.

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

Simplicity
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.

Favorable market development: 4 macro-trends

Risks arising from the recent instability in the global socioeconomic and geopolitical landscape are not the only ones with which the Group will have to deal. Indeed, at industry level, 2023 confirmed the emergence of four global trends that Prysmian will need to take into account in the near future, to then aim to turn them into major development opportunities:

1. 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%.

2. 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.

3. 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.

4. 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.

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

Cutting across these four trends, the increasing focus of customers, investors and partners throughout the value chain on all aspects of sustainability is another element of market renewal, as well as a significant opportunity for Prysmian.

As an enabler of the global green transition and digitalization, the so-called "**twin transition**", Prysmian supports the achievement of the goals of the European Green Deal by implementing its sustainable strategy.
This complex transition process requires the modernization, in the industrial realm, of production processes through the development of new solutions that help society as a whole become more sustainable. To this end, technology and the smart use of data play a strategic role, which still has great untapped potential.

Together, digitalization and the energy transition can have a positive impact by making technology, data resources and infrastructure greener, while also accelerating sustainability throughout the organization.

Prysmian's competitive advantages

In order to face the continual complex changes described, Prysmian can count on a solid business model based on the following strategic pillars:

Diversification

A broad product portfolio and geographically diversified coverage to exploit the convergence of Energy and Digitalization and reduce the cyclic nature of Prysmian's various businesses.

Technological excellence

Innovative solutions and highly skilled human capital to support Prysmian's positioning as a market leader and develop products with a lower environmental impact.

Decentralized supply chain

A decentralized supply chain capable of creating customized solutions to establish itself as a leader even in years of major geopolitical change.

Aggregation hub

Ability to successfully conclude acquisitions and integrations, for significant cost and revenue synergies.

Prepared for the future

Leveraging these robust competitive advantages, on 5 October 2023 – at the company's first Capital Markets Day – Prysmian announced its new strategic plan to 2027, based on which the company aims to:

Consolidate its leadership
in core sectors (e.g., interconnections, network enhancement, FTTx) with structural and long-term growth, including through targeted investments in production capacity and strategic assets.

Be a pioneer in technological innovation
both in sectors where Prysmian is already the recognized leader and in rapidly expanding sectors where there is greater room for growth, such as Solar, Wind, EV Charging, Data Centers and 5G.

Strengthen its intimacy with customers
to identify technological innovation needs early, including through greater emphasis on offering turnkey services.

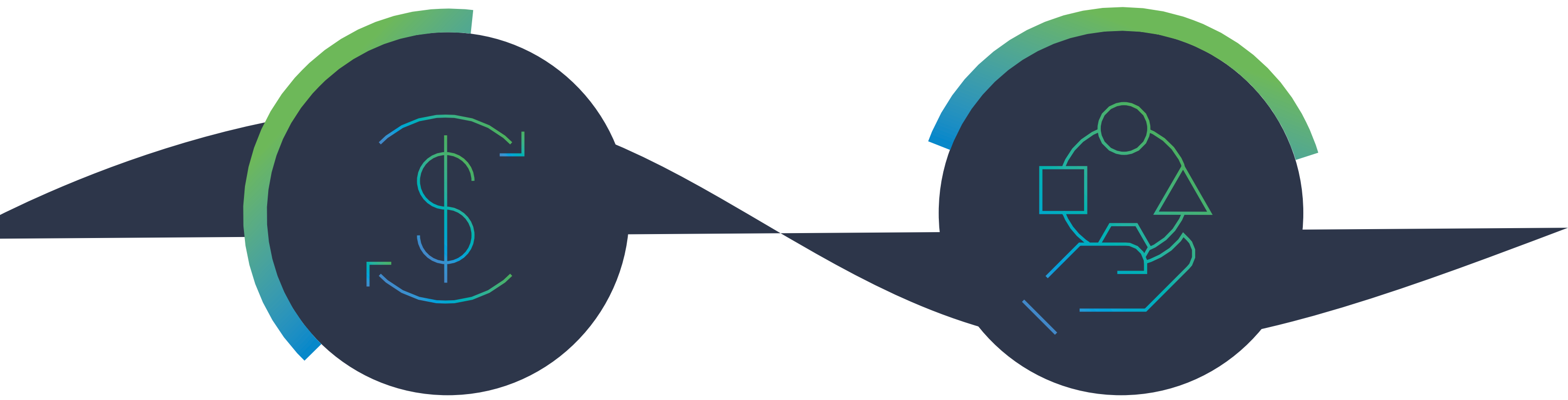
Leverage the group's unique expertise
developed over decades, and the breadth of the product portfolio and markets in which Prysmian operates, to offer distinctive solutions in a timely manner.

Selectively expand the portfolio with M&A
aimed at filling niches that are currently uncovered – whether geographically or in terms of product – especially in high-growth and innovative sectors.

The pillars of the 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 (Transmission, Power Grid, Electrification and Digital Solutions). 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:

Transmission
which includes the Submarine Power and Land HVDC business units, currently belonging to the Projects segment;

Power Grid
which includes the HVAC business unit, also currently in the Projects segment, and Power Distribution and Overhead Lines, currently part of the Energy segment;

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

Digital Solutions
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.

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.

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.

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.
It specializes in the manufacture and installation of data transmission cables. The Offshore Specialties business includes a wide range of products for the oil industry.
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.

A world class cable-laying fleet

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

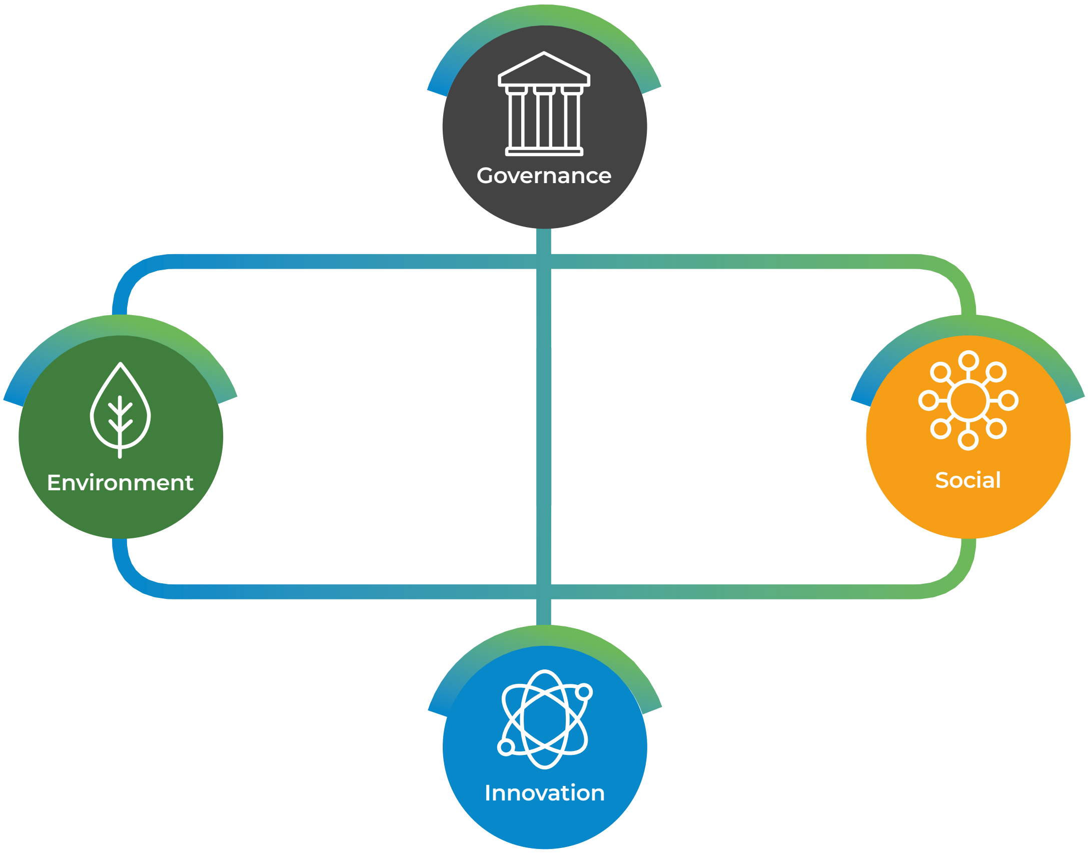
ULISSE

BARBAROSSA

4. Prysmian: Sustain, to lead

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

Prysmian's sustainability strategy is based on four pillars, each of which contributes to the creation of value for the benefit of the Group and all of its stakeholders, and allows long-term sustainability, including financial, to be implemented:



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.

5. 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** 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.

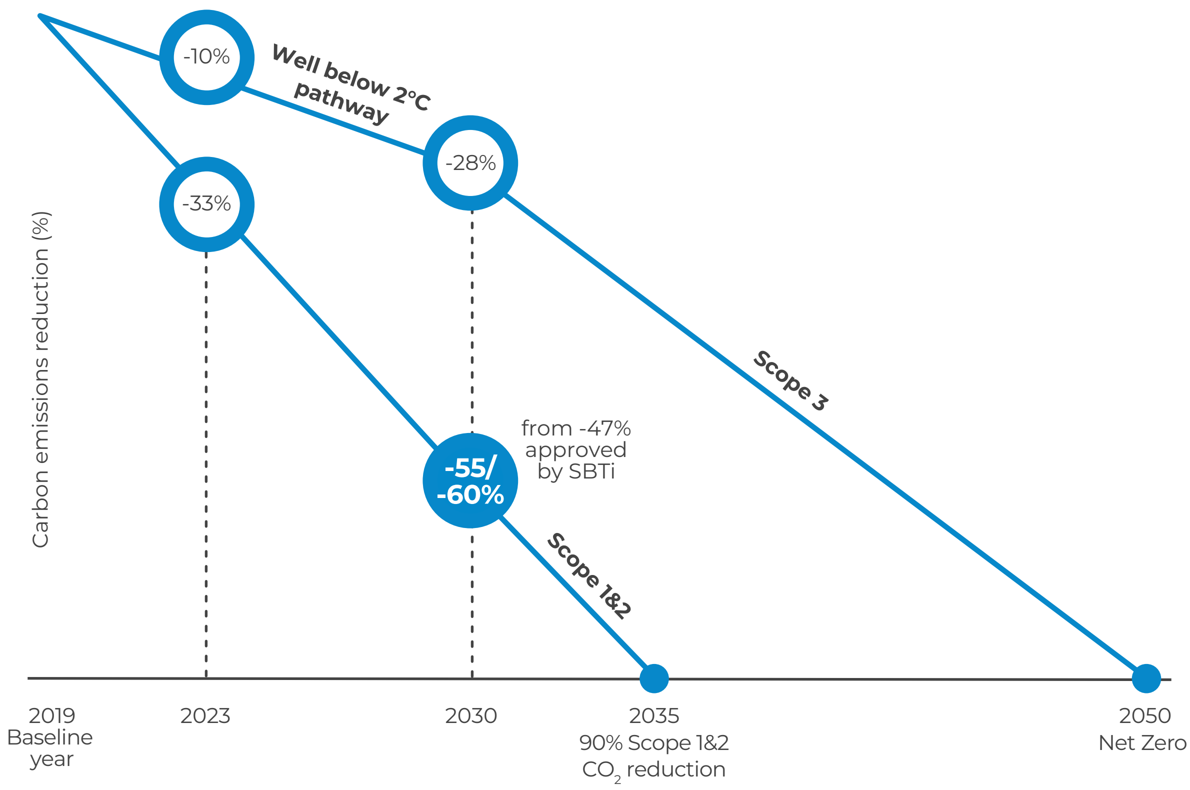
B. **Short-term targets**
Prysmian is committed to reducing its Scope 1 and 2 GHG emissions – in absolute terms – by 47% by 2030, compared to the emissions recorded in the year 2019; Prysmian is also committed to reducing its Scope 3 emissions – in absolute terms – by 28% over the same time horizon.

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

6. 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
11 CITTÀ E COMUNITÀ SOSTENIBILI 7 ENERGIA PULITA E ACCESSIBILE	Impacts on Society	Enable access to green electricity to households[1]	**Enabling the decarbonization to Net-Zero and digitalization** 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[2]		3 m	9 m	15 m
13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO 12 CONSUMO E PRODUZIONE RESPONSABILI	Climate	Percentage reduction of GHG emissions (Scope 1&2 Market Based) vs 2019 baseline[3]	**Enabling the decarbonization to Net-Zero and digitalization** 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[4]	**Enabling the decarbonization to Net-Zero and digitalization** Contribution to GHG emissions of Scope 3 as a result of indirect business activities	-7.5%	-10%	-11.5%/-15%
12 CONSUMO E PRODUZIONE RESPONSABILI	Green & Circular Economy	Share of revenues linked to Sustainable Products[5]	**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	30%	37%	40%
		Share of recycled content on PE jackets and copper[6]		10%	12.7%	15%/16%
8 LAVORO DIGNITOSO E CRESCITA ECONOMICA 5 PARITÀ DI GENERE	Diversity & Inclusion	Percentage of desk workers women hired[7]	**Equity, Diversity, Inclusion & respect for human rights** Promotion of specific programs towards a more inclusive and diverse work environment	44.9%	46%	47%/49%
		Percentage of Executive women[8]	**Equity, Diversity, Inclusion & respect for human rights** Promotion of practices to promote gender balance in Prysmian management and BoD	15.7%	18.8%	21%/24%
11 CITTÀ E COMUNITÀ SOSTENIBILI	People Wellbeing	Safety Assessment Plan[9]	**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	-	3.4	2.75/5
		Leadership Impact Index[10]	**Human capital's well-being, engagement & upskilling** Engagement: Adoption of people oriented policies to safeguard people's need	55%	57%	57%/61%
11 CITTÀ E COMUNITÀ SOSTENIBILI 12 CONSUMO E PRODUZIONE RESPONSABILI	Solid Governance & Ownership	Percentage of shareholders employees[11]	**Human capital's well-being, engagement & upskilling** Engagement: Adoption of people oriented policies to safeguard people's need	37%	46%	44%/45%
		Completion rate for compliance e-trainings promoting anticorruption[12]	**Human capital's well-being, engagement & upskilling** Upskilling: Strengthening and upskilling the competences of the personnel and develop talen	75%	89.3%	90%

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_2 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_2 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.

7. 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

Indices play a central role in assessing the ESG performance of companies. In fact, they make it possible to objectively and comparably measure a company's commitment to sustainability, in addition to providing a clear picture of its standing against international standards and benchmarks.

Moreover, sustainability indices are key metrics for assessing the social, environmental and economic impact of a company's activities. Integrating these indicators allows Prysmian to make informed decisions, promote corporate responsibility and contribute to a sustainable future by meeting current needs without compromising those of future generations.

Index	Description	2021	2022	2023
Dow Jones Sustainability Indexes	The DJSI is based on an analysis of business performance using 24 criteria divided into three main categories: environment, social and corporate governance. These categories are further divided into more specific sub-categories. Ratings range from 0 to 100.	Rank: 87/100 (ELQ World) included and ranked as 1st	Rank: 87/100 (ELQ World) included and ranked as 3rd	Rank 79/100 (EQL World) included and ranked 3rd in the World score
MSCI	The MSCI ESG Ratings seek to measure the resilience of a cTompany to long-term and financially significant ESG risks. The ESG ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).	Score: AA	Score: AA	Score: A
ecovadis	EcoVadis is a platform that allows companies to monitor the sustainability performance of suppliers through an assessment. The overall score (0-100) reflects the quality of the company's sustainability management system at the time of the assessment. Criteria for the 2023 scorecards: - Platinum: overall score between 78 and 100; - Gold: overall score between 70 and 77; - Silver: overall score between 59 and 69; - Bronze: overall score between 50 and 58.	Score: 73/100 (Platinum)	Score: 74/100 (Gold)	Score: 76/100 (Gold)
CDP DISCLOSURE INSIGHT ACTION	CDP is the most well-known NGO in the world when it comes to assessing the transparency of climate-change disclosures, with the assignment to firms of scores from D to A. The scoring methodology is aligned with the Task force for Climate-related Financial Disclosures (TCFD) and the main environmental standards, thus providing the entire market with a set of comparative data.	Score Climate Change: B (World) Score Water Security: B	Score Climate Change: A- (World) Score Water Security: B	Score Climate Change: A - (World) Score Water Security: B

Index	Description	2021	2022	2023
SUSTAINALYTICS	The ESG Risk Rating provides an overall score for the firm based on an assessment of how much it is exposed to ESG risks and how they are managed. The scale ranges from 0 (low risk) to 40 (high risk).	Risk: 22.8 (Medium)	Risk: 21.4 (Medium)	Rating: 16.5 (Low Risk)
FTSE4Good	The FTSE4Good Index Series are equity indices launched in 2001 by the FTSE Group to measure the performance of companies that demonstrate solid Environmental, Social and Governance (ESG) practices. Companies must have an overall ESG rating of at least 3.3/5 for inclusion in the FTSE4Good indices.	Score: 3.8/5	Score: 3.8/5	Score: 3.9/5
Bloomberg	Bloomberg collects Environmental, Social and Governance data from corporate public communications. Bloomberg ESG Disclosure Scores evaluates companies on the basis of their disclosure of ESG data, in consideration of the relevant industries. The rating scale ranges from 0 to 100.	Score: 55/100	Score: 63/100	Score: 65/100
STOXX	The Stoxx ESG Indices are a new group of indices. Their ratings are based on specific environmental, social and governance performance indicators in addition to overall sustainability performance.	Included (STOXX Italy 45 ESG-X and STOXX Europe 600 ESG-X)	Included (STOXX Italy 45 ESG-X and STOXX Europe 600 ESG-X)	Included (STOXX Italy 45 ESG-X and STOXX Europe 600 ESG-X)
MIB ESG	Launched by Euronext, the MIB® ESG index is the first ESG index dedicated to Italian blue chips. It combines the measurement of economic performance with ESG assessments in line with the principles of the UN Global Compact2. The composition of the index is based on the analysis of ESG criteria by Vigeo Eiris (V.E.), part of Moody's ESG Solutions, which assesses the ESG performance of issuers. The methodology behind the index uses ESG criteria to rank the 40 best from the 60 most liquid Italian companies, excluding those involved in activities not compatible with ESG investments.	Included	Included	Included
V.E VIGEO.EIRIS	Moody's ESG solutions seek to understand better the ESG performance of the organisation, assess its exposure to climate and environmental risks, strengthen its action plans in the area of sustainability and communicate with the main stakeholders. The index assesses sustainability performance using 25 criteria, subdivided into 6 different areas: environment, human resources, human rights, community involvement, ethical conduct and governance. The rating scale ranges from 0 to 100.	Rank: 51/100	Rank: 57/100	Rank: 58/100

Proactive role in trade associations and organizations

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:

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

Fairness
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

Transparency
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 combatting 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 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 (the association of Electrotechnical and Electronic Companies, brings together strategic players that make cutting-edge technologies available for the Building, Energy, Industries 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 (https://www.prysmian.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
Trade associations or tax-exempt groups (e.g., think tanks)	1,621
Other types of activities	1,576
Total contributions and other expenses	**4,420**

8. Corporate governance

Directors and auditors

Board of Directors[4]	
Chairman	Claudio De Conto(*)(2)
Chief Executive Officer	Valerio Battista
Directors	Francesco Gori(**)(1) Maria Letizia Mariani(**)(3) Jaska Marianne de Bakker(**)(1) Massimo Battaini Tarak Mehta(**)(1) Pier Francesco Facchini Ines Kolmsee(**)(3) Annalisa Stupenengo(**)(2) Paolo Amato(**)(2) Mimi Kung(**)(3)
Board of Statutory Auditors[5]	
Chairman	Stefano Sarubbi
Standing Statutory Auditors	Laura Gualtieri Roberto Capone
Alternative Statutory Auditors	Stefano Rossetti Vieri Chimenti
Independent Auditors[6]	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 Assogestioni (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 knows the importance of a good system of corporate governance in achieving strategic objectives and creating long-term sustainable value, by assuring governance that is effective in complying with the legal and regulatory framework, efficient in terms of cost-effectiveness, and fair towards all the Group's stakeholders. Accordingly, Prysmian keeps its corporate governance system constantly aligned with latest recommendations and regulations, adhering to national and international best practices. In addition, the Group has adopted principles, rules and procedures that govern and guide the conduct of activities by all its organisational and operating units, as well as ensuring that all business transactions are carried out in an effective and transparent manner. Once again, during 2023 Prysmian continued to comply with Italy's Corporate Governance for listed companies, approved by the Corporate Governance Committee.

Further information about:
- compliance with the principles and recommendations of the Corporate Governance Code 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;

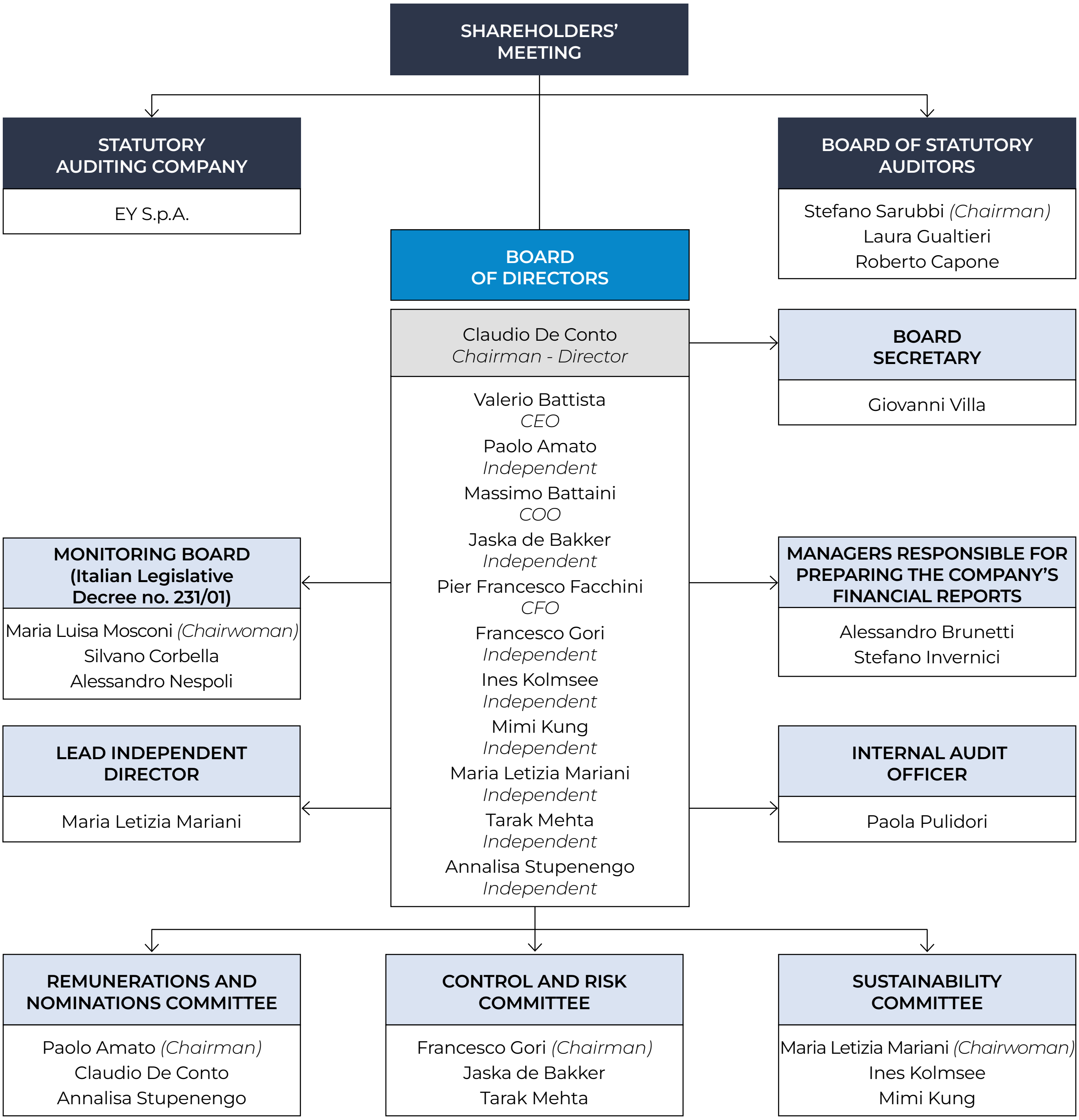
please refer to the "Report on Corporate Governance and Ownership Structure", approved by the Board of Directors and available in the Company/Governance section of the corporate website[2].

2 https://www.prysmian.com/en/company/governance

Structure of Corporate Governance

The model of governance and control adopted by Prysmian is the traditional one, involving the presence of a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors. Prysmian's structure of corporate governance is based on the central importance of the Board of Directors (as the most senior body responsible for managing the Company in the interests of shareholders) in providing strategic guidance, in ensuring the transparency of the decision-making process and in establishing an effective system of internal control and risk management, including decision-making processes for both internal and external matters. Completing the Prysmian corporate governance structure is a Control and Risks Committee, a Remuneration and Nominations Committee, a Sustainability Committee and a Monitoring Board instituted under Legislative Decree 231/2001.

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", prepared in accordance with art. 123-bis of the Consolidated Law on Finance and available in the Company/Governance1 section of the corporate website. An overview of the Company's corporate governance structure as at 31 December 2023 now follows.



Board of Directors

In compliance with the provisions of art. 14 of its By-laws, the Company is managed by a Board of Directors currently consisting of twelve members - who will remain in office until the date of the shareholders' meeting called to approve 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, para. 3 of Italian Legislative Decree 58 dated 24 February 1998 (known as the Consolidated Law on Finance) and of art. 2 recommendation no. 7 of Italy's Corporate Governance Code, while one non-executive director is independent within the meaning of art. 148, para. 3 of the Consolidated Law on Finance. The non-executive directors are sufficiently numerous and have enough authority to ensure that their judgement carries significant weight in Board decision-making.
At 31 December 2023, seven of the directors are men and five are women, in compliance with rules on the gender balance of corporate boards; in addition, seven members are in the 50-60 age bracket, while five are over 60. Two directors were elected to the Board 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 (12.3%), while the other ten directors were elected from the slate of candidates presented by the outgoing Board of Directors and voted by the majority of those entitled to attend the Shareholders' Meeting (85.5%).
The Board of Directors exercises the widest powers of ordinary and extraordinary administration, except for those that by law are reserved solely for the Shareholders' Meeting. The Board of Directors has identified a Chief Executive Officer from among its members and granted him all the authority and powers of ordinary management of the company necessary or useful for conducting its business. Management of the business is the responsibility of the directors, who carry out those activities necessary to implement the corporate purpose. The Board of Directors is also responsible for the Group's internal control and risk management system and is therefore required to verify its adequacy and to adopt specific guidelines for this system, with the support of the other parties involved in managing internal controls and risks, namely the Control and Risks Committee, the Director in charge of the internal control and risk management system, the Head of Audit, the Board of Statutory Auditors and the Managers responsible for preparing company financial reports.
For further information on the composition, appointment and operation of the Board of Directors, please refer to the Corporate Bodies section of the corporate website and to the "Report on Corporate Governance and Ownership Structure"[3].

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

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

3 https://www.prysmian.com/en/company/governance/corporate-bodies
https://www.prysmian.com/en/company/governance

Following best practices in the Anglo-Saxon world, and subject to compliance with any regulations in force from time to time, the Board of Directors has decided to adopt a Board Skills Matrix through which it identifies the skills existing in the Board itself as well as any gaps, thus providing guidance on useful skills when drawing up slates of candidates for appointment as directors[4].

In anticipation of the renewal of the Board of Directors due in 2024, the Board of Directors has updated the Board Skills Matrix that will be applied when selecting the next Board member candidates and, subsequently, for those who will actually be appointed. The updated Board Skills Matrix is as follows:

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

Experience in senior roles as CEO/Chairman/Senior Executive in large and complex listed companies, directing strategy, development/transformation of a business or strategic function, preferably with specific experience in M&A and post-merger integration.

- **SIMILAR INDUSTRIAL SECTORS**

Skill 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, Industrial Solutions.

- **GEOGRAPHY & INTERNATIONAL EXPERIENCE**

Skill and experience in the key countries where the Group operates.

- **TECHNOLOGY, R&D, ENGINEERING & ICT, DIGITALISATION, CYBERSECURITY**

Skill and experience in technology, R&D particularly in material sciences and smart grid development; skill and experience in innovation, digitalisation, information & communication technology with particular reference to cybersecurity.

- **FINANCE & RISK MANAGEMENT**

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

- **GOVERNANCE**

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

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

Skill and experience in integrating sustainability/ESG issues into the business vision and in managing human capital.

Board of Statutory Auditors

The Board of Statutory Auditors is required to monitor observance of the law and the by-laws, as well as compliance with the principles of good business practices in running the Company, and to review the adequacy of its organisational 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 members, including a Chairman, and two alternate members, 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, para. 3 of Italian Legislative Decree 58 dated 24 February 1998 (known as the Consolidated Law on Finance), and by 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 rules on the gender balance of corporate boards.

One standing auditor, appointed as Chairman, 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 other two 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%).

4 Further information about the Board Skills Matrix 2023 can be found in the "Report on Corporate Governance and Ownership Structure" available in the Governance section of the corporate website https://www.prysmian.com/en/company/governance

For further information on the composition, appointment and operation of the Board of Statutory Auditors, please refer to the Corporate Bodies section of the corporate website and to the "Report on Corporate Governance and Ownership Structure[5].

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

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

Board committees

The Board of Directors has established three internal committees with investigative, proactive and advisory functions, and appointed their members, including the chairman.

The composition, duties and operation of the Committees are governed by the Corporate Governance Regulation adopted by the Board of Directors[6].

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

For further information on the composition, appointment and operation of the Board committees, please refer to the Committees section of the corporate website and to the "Report on Corporate Governance and Ownership Structure"[7].

Governance of sustainability

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

1. **The Chief Sustainability Officer** 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 goals;
   - managing sustainability Indicators;
   - guaranteeing the execution of Stakeholder Engagement activities;
   - leading the internal Sustainability Committee and the Local Sustainability Ambassadors Network;
   - acting as Secretary of the Board Sustainability Committee;
   - supporting the Administration, Finance and Control Department in preparing the Integrated Annual Report;
   - supervising definition of the contents of the Sustainability Report.

5 https://www.prysmian.com/en/company/governance/corporate-bodies
https://www.prysmian.com/en/company/governance
6 https://www.prysmian.com/sites/default/files/atoms/files/Prysmian-Corporate-Governance-Regulation-(2021-02-03)_Final.pdf
7 https://www.prysmian.com/en/company/governance/committees
https://www.prysmian.com/it/la-societa/governance

2. **The Group Planning and Control and Group Administration functions**, which report to the managers responsible for preparing company financial reports, are responsible for:
   - monitoring the performance of ESG KPIs;
   - coordinating the collection of non-financial data;
   - drawing up the Integrated Annual Report;
   - verifying the accuracy and quality of data.

3. **The Communication and Public Affairs Division**, is responsible for:
   - developing communication campaigns;
   - working with the Chief Sustainability Officer on the organisation of Stakeholder Engagement events.

4. **The Sustainability Committee**[8], set up by the Board of Directors, consists of three non-executive independent directors. In general, the Sustainability Committee has been tasked with overseeing sustainability issues related to the business's operations and related interplay with all stakeholders.

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 creating the Materiality Matrix;
   - proposing actions to be implemented at Region, Business Unit and function level;
   - monitoring and following up sustainability-related KPIs and outcomes.

6. **Regional and Business Unit Leadership Teams** play a key role in the Group's sustainability commitments.

7. **The Local Sustainability Ambassadors Network** set up to promote sustainability culture, local and global ESG initiatives and actions at regional level.

Digital governance of ESG factors

The activities of controlling and certifying Prysmian's Non-Financial Statement for 2023 have been conducted using the Group's unified digital data management platform. This platform is audited and certified according to the main relevant standards.

The process of digitising sustainability KPIs, initiated by Prysmian in 2020, allows the Group to centralise reporting and link these variables to financial ones in a truly integrated vision. The tool used has functions that allow reporting to be managed in a collaborative, structured manner with the aid of a workflow process whose steps include editing, uploading, validation and approval, thus guaranteeing accurate and traceable data.

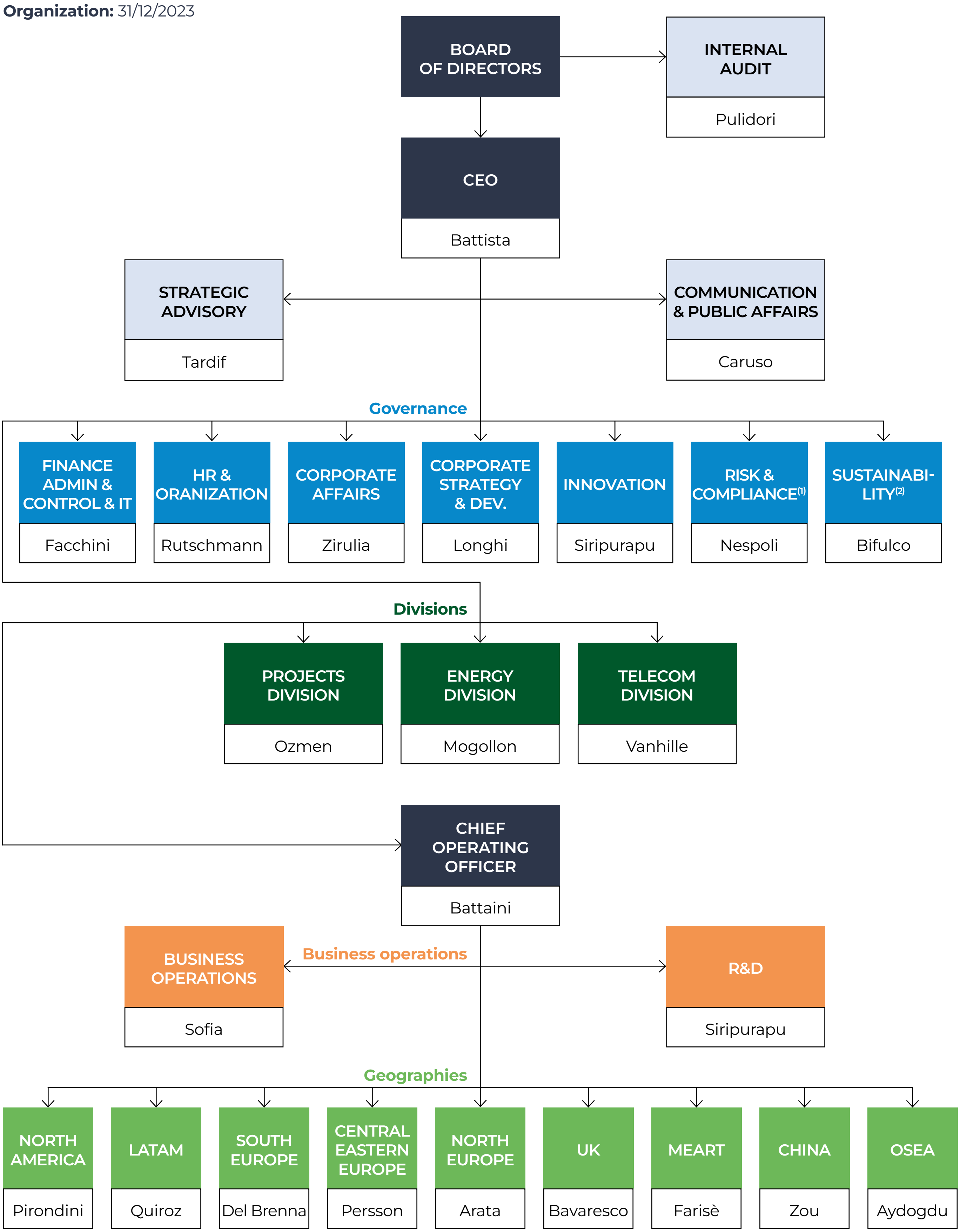
The digital governance of ESG factors will be progressively extended to other indicators as well, in order to allow the Group to build, over time, an increasingly broad database that shows ESG impacts by activities, geographical areas, projects, organisational units and management lines.

The virtuous path of analysing and actively managing these variables adopted by Prysmian combines 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. In order to manage the complexity of data collection at a global level, intermediate local and regional controls are in place, with a system for approving KPIs prior to their consolidation at group level.

8 https://www.prysmian.com/en/company/governance/committees
https://www.prysmian.com/it/la-societa/governance

Organization chart

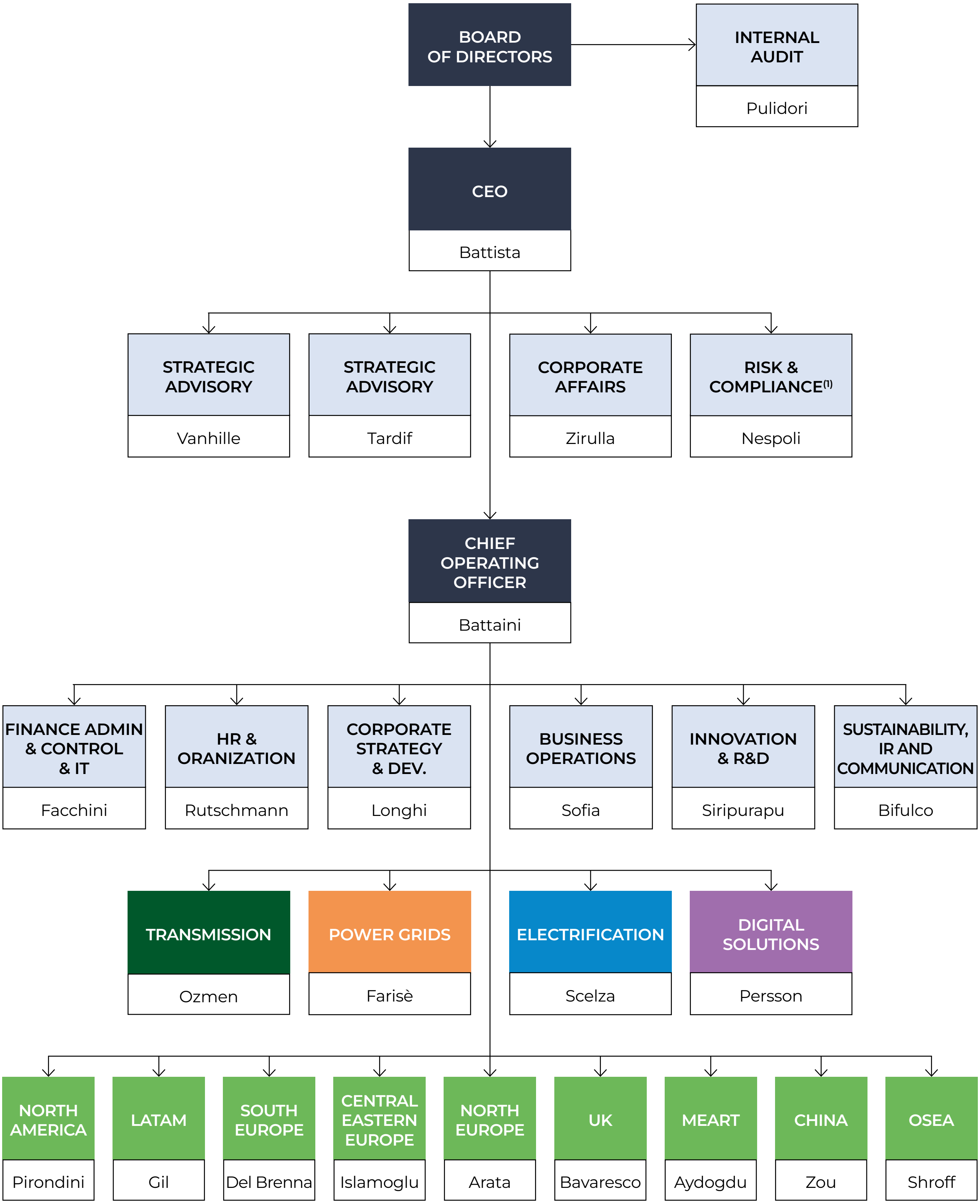
Organization: 31/12/2023



(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.

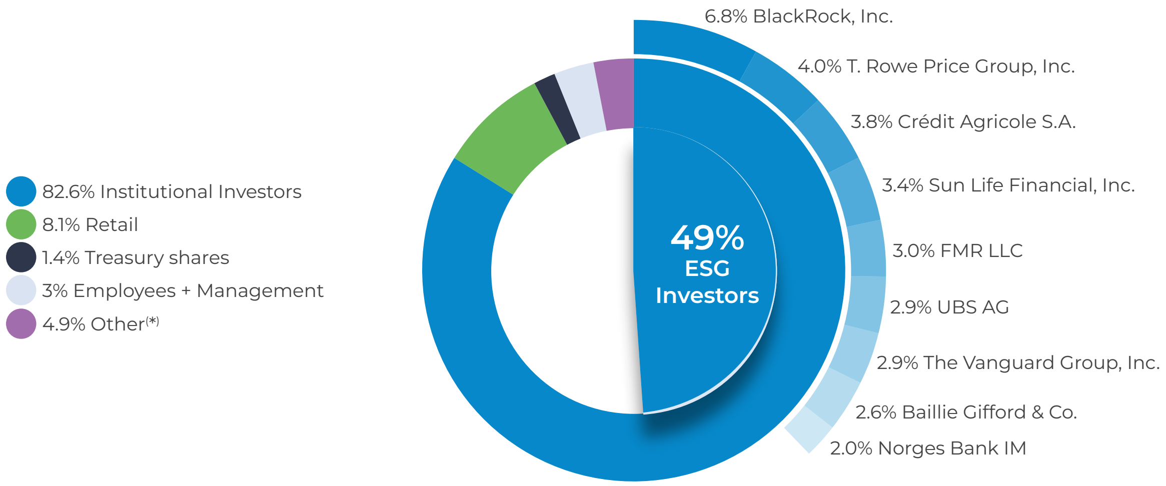
- As of January 2024, the Investor Relations, Sustainability and Communication function was created and assigned to Maria Cristina Bifulco (who also maintains the role of secretary of the Sustainability Committee).
- As of 2024, Risk management remains structurally independent of business lines (divisions)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

Ownership structure

Composition of the ownership structure

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

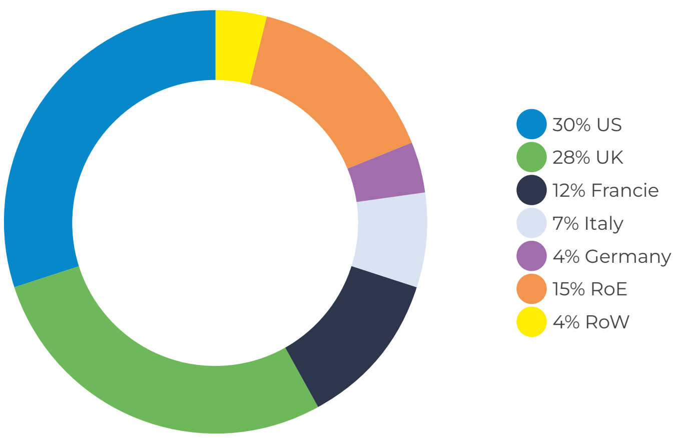
Share ownership by type and significant shareholders



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

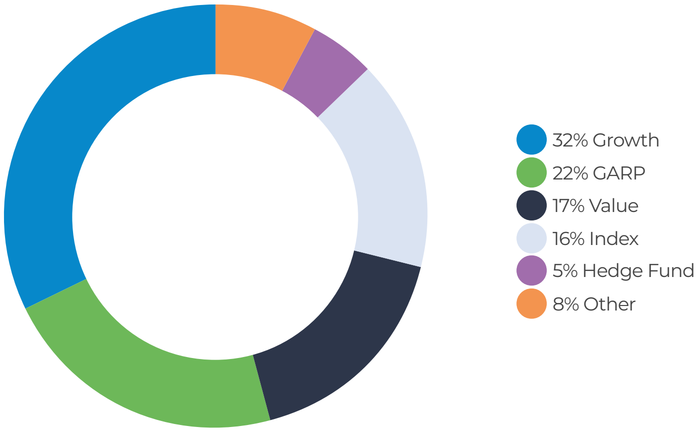


Source: elaboration on Nasdaq data

Growth and values 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.

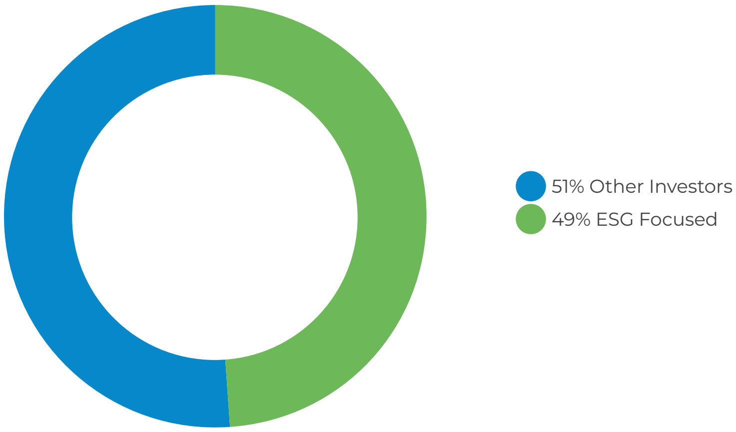
Institutional investors by investment style



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

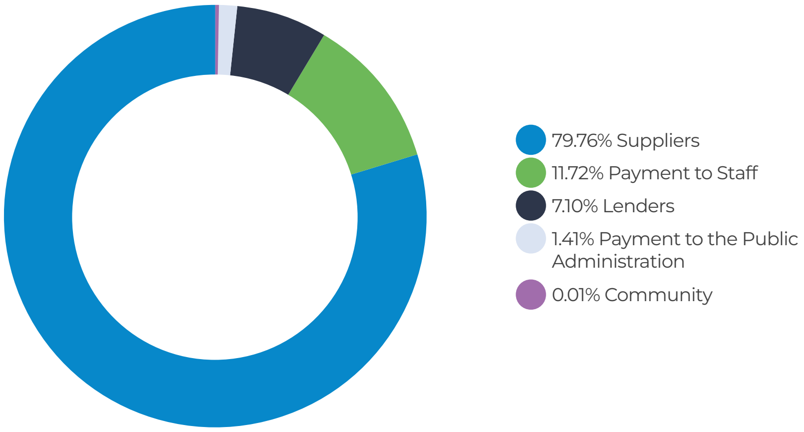


Furthermore, out of a total of 30,000 employees, one-third is company's stable shareholders. Together with management, these employees own more than 3% of the share capital, investing directly in the Company and demonstrating their confidence in us.

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

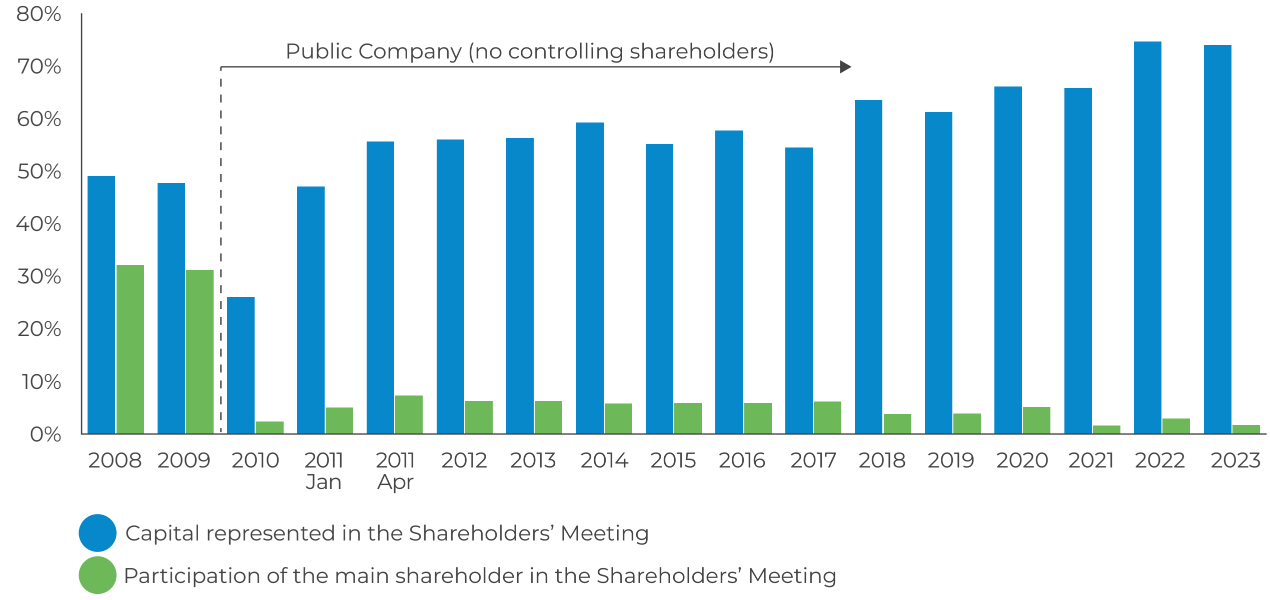


Shareholders' meeting

74% of share capital participated in the last annual general meeting, with 2,708 shareholders present by proxy.

The annual general meeting of the shareholders of Prysmian S.p.A. was held on 19 April 2023 in single call to adopt resolutions on a number of items, including: approval of the 2022 financial statements, allocation of the profit for the year and distribution of dividends, authorisation to buy and use treasury shares, approval of the remuneration policy report, consultation on the report on compensation paid, approval of a new incentive plan for Prysmian employees with related authorisation to increase share capital by issuing new shares. The meeting participants, including 2,708 shareholders represented by proxy, accounted for 74% of share capital and approved every item on the agenda by a wide majority.
The annual general meeting also approved the declaration of a dividend of Euro 0.60 per share. The dividend was paid on 26 April 2023, involving a total pay-out of approximately Euro 158 million.

Shareholders' meeting: represented capital



Shareholders' meeting: number of participants present or represented

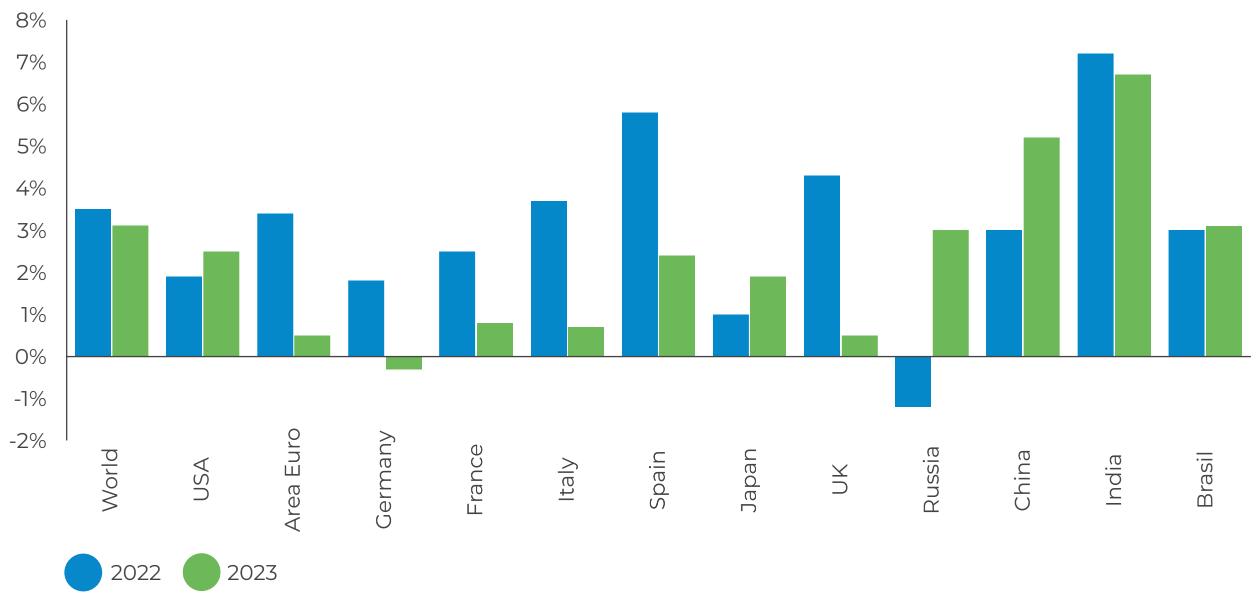
Financial Time-Table		
2023 Integrated Annual Report (consolidated and draft financial statements)	Board Of Directors Meeting	28 February 2024
	Press release and conference call	29 February 2024
Shareholders' meeting to approve the Annual Financial Statements at 31 December 2023	-	18 April 2024
First Quarter 2024 Results	Board Of Directors Meeting	8 May 2024
	Press release and conference call	9 May 2024
Half-year financial report at 30 June 2024	Board Of Directors Meeting	31 July 2024
	Press release and conference call	1 August 2024
Third Quarter 2024 Results	Board Of Directors Meeting	30 October 2024
	Press release and conference call	31 October 2024

9. Business environment and financial markets

Macroeconomic environment

The global macroeconomic environment gradually improved over the course of 2023, mainly thanks to stronger-than-expected resilience of the US economy and various emerging markets. Inflation continued to decline as a result of the more restrictive monetary policy stance adopted by the major central banks and the decline in energy commodity prices from the previous year's peaks. The post-Covid global economic recovery has proved surprisingly resilient to the ongoing wars in Ukraine and Israel and the effects of high inflation. The International Monetary Fund's latest estimates published in January 2024 put global economic growth in 2023 at 3.1%, slightly down from 3.5% in 2022. This forecast was revised up by 0.2% from the October 2023 estimate, reflecting not only the stronger-than-expected resilience demonstrated by the US economy and some large emerging markets, but also fiscal measures enacted in China. This level of growth nonetheless remains below the historical average (2000-19) of 3.8%, reflecting restrictive monetary policies and the withdrawal of fiscal support, as well as low underlying productivity growth. Geographically, US growth has been revised upwards, reflecting expectations of a softer landing and a more orderly disinflation process. The US economy is expected to have grown by 2.5% in 2023, up from 1.9% in the previous year, thanks in part to sturdy domestic demand and a buoyant labour market that have produced a robust expansion despite considerably tighter monetary policy. The situation in Europe is the opposite, posting a significant deceleration from the previous year. After expanding 3.4% in 2022, eurozone growth in 2023 is estimated at 0.5%, penalised by the effects of high inflation and the monetary tightening required to contain it, as well as weak global demand. Almost all European countries have experienced this deceleration, and some of them could end up in recession, such as Germany, whose 2023 GDP is expected to be 0.3% below that of 1.8% in 2022. Among the countries with the highest growth are Spain and France with estimated growth of 2.4% and 0.8% respectively, but still significantly down from 2022 when they grew by 5.8% and 2.5%. With regard to emerging economies, the IMF forecasts show substantial stability, with growth unchanged in 2023 at 4.1%. Within this mixed group of economies, China is forecast to report a significant recovery in 2023, with growth estimated at 5.2%, up from 3.0% in the previous year. The lifting of pandemic-related containment measures and a broader recovery in consumption have offset weakness in the residential construction sector. With 5.2% growth, the Chinese economy remains the world's second fastest growing economy after India, which is expected to have grown by +6.7% in 2023, down from +7.2% in the previous year. Although expectations for the future are positive, there are still a number of uncertainties that could weigh on short-term growth prospects, including the escalation of geopolitical tensions in Ukraine and the Middle East and a possible slowdown in the downward path of inflation with consequent continuation of restrictive monetary policies, involving less favourable financial conditions.

Change in GDP 2021-2022 by country



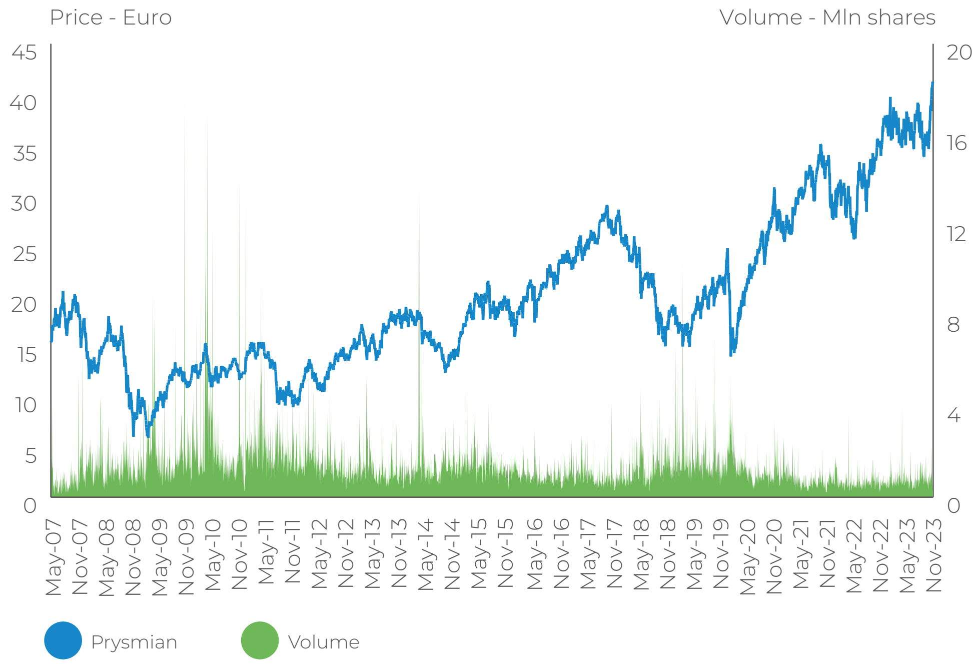
Source: IMF, World Economic Outlook Update, January 2024

Financial market performance

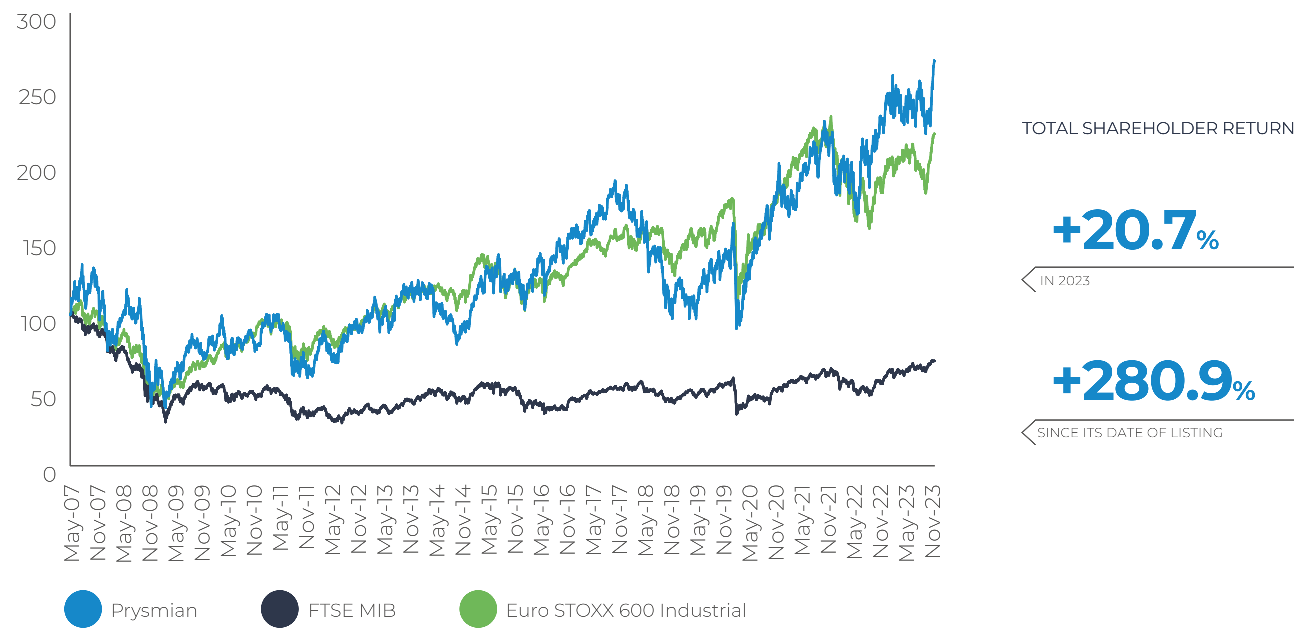
Prysmian S.p.A. was floated on the Italian Stock Exchange on 3 May 2007 and since September 2007 has been included in the FTSE MIB index, comprising the top 40 Italian companies by capitalisation and stock liquidity. The Prysmian stock has since entered the principal world and sector indexes, including the Stoxx Europe 600 Industrial Goods & Services, made up of the largest European industrial companies by capitalisation, the Dow Jones Sustainability World index and MIB ESG, both composed of a selected basket of listed companies that demonstrate excellent Environmental, Social and Governance (ESG) practice. The major global equity indexes turned in a positive performance in 2023, recovering most of the losses incurred in the previous year mainly caused by high inflation and the start of the war in Ukraine. Performance was particularly positive in the last months of the year, also supported by prospects that the main central banks might bring forward the cycle of interest rate cuts following more reassuring data on the normalisation of inflation. Europe's best performer was Italy's main index (FTSE MIB), which gained +28.0% and surpassed the 30,000 mark for the first time since 2008, thanks in part to the strong presence in the index of banking stocks, which benefited from the rate hike. The UK index (FTSE 100) saw the smallest gains at +3.8%, while the German index (DAX) and the Spanish index (IBEX 35) had fairly similar performances of +20.3% and +22.8% respectively. Overall, the Stoxx Europe 600 gained 12.7%, with retail, technology and construction among the best performers. On the flip side, the worst performers included Basic Resources and Food & Beverage, which were also the only sectors to end the year in negative territory. US equity markets also performed well in 2023, with all three major indexes reporting substantial gains: S&P 500 +24.2%; Dow Jones Industrial +13.7% and in particular Nasdaq 100 with +53.8% thanks to the strong presence of technology stocks, which benefited from the boost provided by artificial intelligence. Chinese equity markets on the other hand posted a negative performance for the second consecutive year, burdened by the prolonged real estate crisis and a lacklustre post-covid economic recovery. The Shanghai Composite index closed 3.7% down, while DJ Shenzen lost 9.2%. Hong Kong's Hang Seng index recorded one of the worst performances among the major world stock indexes, at -13.8%.

The Prysmian stock gained 18.8% in 2023, closing the year at Euro 41.17 per share versus Euro 34.66 at the end of 2022. The excellent performance of Prysmian's stock continued the positive trend seen in recent years, in which it had climbed by 27.4% in 2019, 35.3% in 2020, 13.9% in 2021 and 4.7% in 2022, bringing its overall gain in the last five years to 144.0%. Its performance was well above both the FTSE MIB index, which climbed by +65.5%, and the STOXX Europe 600/Ind Goods & Services index, which grew by +70.0% over the same five-year period.
The average share price during 2023 was Euro 36.69, up from Euro 30.69 in 2022. Including dividend pay-outs, the Total Shareholder Return (TSR) offered by the Prysmian stock was +20.7% in 2023 and +280.9% since its original listing on 3 May 2007. Excluding the contribution of dividends and so just considering price changes, the performance was +18.8% in 2023 and +168.0% since the listing date. The Group's solidity and expectations of growth in its key markets, also thanks to Energy Transition, Electrification and Digitalisation megatrends, have enabled the Prysmian stock to retain its strong market appeal, as confirmed by financial analyst recommendations, of which at the close of the year, 76% were "Buy" and 18% "Hold".

Performance of Prysmian stock since IPO



Performance of Prysmian stock



During 2023, the stock's liquidity recorded average daily trading volumes of approximately 0.8 million shares, with an average daily turnover of Euro 28 million.

Prysmian key data

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Price at 31 December (Euro)	**41.17**	34.66	33.11	29.08	21.49	16.87	27.19	24.40	20.26	15.15
Change in year	**18.8%**	4.7%	13.9%	35.3%	27.4%	-38.0%	11.4%	20.4%	33.7%	-19.0%
Average price (Euro)	**36.69**	30.69	29.87	21.81	18.55	22.17	26.31	20.93	19.10	16.38
Maximum price (Euro)	**41.24**	35.60	35.05	29.08	22.06	28.54	30.00	24.42	22.23	19.54
Minimum price (Euro)	**33.78**	25.59	25.34	13.96	14.93	14.97	23.34	16.45	14.43	12.78
Capitalisation at year end (millions of Euro)	**11.385**	9.294	8.878	7.798	5.762	4.523	5.913	5.288	4.319	3.283
Average capitalisation in year (millions of Euro)	**9.864**	8.229	8.009	5.849	4.975	5.361	5.701	4.536	4.140	3.521
Ave no. of shares traded (millions)	**0.8**	0.7	0.9	1.3	1.7	1.3	1.0	1.0	1.4	1.4
Average amount traded (millions of Euro)	**28**	22	25	27	31	28	26	20	27	23
No. of shares at 31 December	**276,534,448**	268,144,246	268,144,246	268,144,246	268,144,246	268,144,246	217,482,754	216,720,922	216,720,922	216,712,397

10. Significant events during the year

Finance activities

CDP lends Euro 120 million for innovation and digitalisation
On 6 March 2023, Prysmian announced that it had obtained a new loan of Euro 120 million from Cassa Depositi e Prestiti (CDP) to support R&D focused on deploying innovative technologies and to help consolidate the business's digitalisation processes, while cutting emissions to facilitate the energy transition.
Prysmian's R&D programs are also in step with the Paris Agreements, the European Green Deal and Horizon Europe directives for the promotion of clean, renewable energy by developing cable systems that ensure the interconnection of integrated renewable energy systems.

S&P Global Ratings awards Prysmian S.p.A. an investment grade rating
On 6 June 2023, the Group announced that it had been awarded an investment grade rating by S&P Global Ratings. Prysmian S.p.A. has received a BBB- long-term issuer credit rating with a stable outlook.

Revolving Credit Facility 2023
On 20 June 2023, Prysmian renewed a Euro 1,000 million long-term sustainability-linked revolving credit facility with a syndicate of leading Italian and international banks.
This important five-year credit facility, with a 6 and 7 year extension option, will help further improve the Group's financial structure by lengthening the average maturity of its debt, while retaining the flexibility offered by such an instrument. The credit facility carries optimum terms, also in light of the investment-grade credit rating recently awarded to Prysmian by Standard & Poor's.

In addition, with the aim of deepening the embedding of ESG factors into the Group's strategy, Prysmian has chosen to include important environmental and social KPIs among the parameters determining the terms of credit. The renewed revolving credit facility is in fact Sustainability-Linked, being tied to the decarbonisation targets already set by the Group (annual GHG emissions from 2023 to 2030), to the ratio of female white-collar and executive hires to total Group hires, and to the number of sustainability audits performed within the supply chain.

New contracts and other contract-related information

Prysmian successfully completes laying of the Ibiza-Formentera submarine cable interconnection
On 31 January 2023, the Group announced that it had successfully completed laying and burial of the cables for the submarine power interconnection between Ibiza and Formentera.

Prysmian partners with National Grid to upgrade UK electricity grid
On 6 February 2023, the Group announced that National Grid Electricity Distribution had awarded the Group's UK subsidiary a minimum three-year framework agreement for the supply of medium voltage cables.

Prysmian launches Prysolar, its most innovative cable solution for solar power generation
On 20 February 2023, the Group announced that it would showcase its full range of technologies at Genera 2023, the International Energy and Environment Fair held in Madrid from 21-23 February 2023. With the release of Prysmian Prysolar, the Group now has the most comprehensive and geographically wide product capability to serve every customer in every continent.

TenneT awards Prysmian offshore wind farm connection projects in the Netherlands worth Euro 1.8 billion
On 3 March 2023, the Group was awarded two contracts worth a total of approximately Euro 1.8 billion by Dutch transmission system operator TenneT for two power grid connection projects (Ijmuiden Ver Alpha and Nederwiek 1), which will connect two future offshore wind farms located in the Dutch North Sea to the province of Zeeland, in the south west of the Netherlands.

The first connection is scheduled to be delivered in 2029 and the second in 2030. Each cable system consists of two single-core 525 kV HVDC cables (with XLPE insulation for the submarine section and P-Laser insulation for the onshore section), a single-core metallic return cable and a single-core optical cable.

The submarine cables will be manufactured at Prysmian's centres of excellence in Pikkala (Finland) and Arco Felice (Italy), while the onshore cables will be produced in Gron (France).

Inelfe awards Prysmian a contract worth more than Euro 800 million for a new power interconnection between France and Spain

On 5 May 2023, the Group was awarded a contract worth more than Euro 800 million for a new power transmission interconnection between France and Spain. The connection will be built for INELFE, a 50:50 joint venture between Spanish grid operator Red Eléctrica and French grid operator Réseau de Transport d'Électricité (RTE).

The project is one of the European Commission's Projects of Common Interest as it boosts the reliability of power supply, enables renewable energy to be an ever-growing integral part of electricity grids and helps create a more efficient system. The EPCI contract for Cable Link 2 of the Biscay Gulf Project involves a total of about 400 km of submarine and land cables with an overall capacity of 1 GW. The submarine section will link the Basque coast (Spain) to the Médoc coast (France).

HVDC cable connections in UK: Eastern Green Link 2 (EGL2) and Eastern Green Link 1 (EGL1)

On 23 May 2023, the Group received notification from SSEN Transmission and National Grid Electricity Transmission plc that it had been selected as the sole preferred bidder for the Eastern Green Link 2 (EGL2) cable connection.

Eastern Green Link 2 is an HVDC submarine and land cable link of approximately 500 km, planned to run from Peterhead in Scotland to Drax in the north of England. With 2 GW power transmission capacity, this link will be one of the first cable systems in the UK to use 525 kV technology with extruded XLPE insulation.

On 29 June 2023, the Group announced that it had reached another important milestone with Eastern Green Link 2 Limited, under which an agreement was made to pay Euro 180 million to reserve Prysmian's capacity for the construction of EGL2 during the remaining period of negotiations aimed at finalising the contract in a timely manner.

On 25 May 2023, the Group received notification from SSEN Transmission and National Grid Electricity Transmission plc that it had been selected as the sole preferred bidder for the Eastern Green Link 1 (EGL1) cable connection. Eastern Green Link 1 is an HVDC submarine and land cable link of approximately 200 km (requiring about 400 km of cable), planned to run from Torness in Scotland to Hawthorn Pit in the north of England.

With 2GW power transmission capacity, this link will be the first cable system in the UK to use 525 kV technology with extruded XLPE insulation. In addition, a 5 km long 400 kV HVAC cable system (requiring approximately 30 km of cable) will connect the converter station and grid substation at the end of the Scottish section.

On 5 July 2023, the Group announced that it had reached another important milestone with SP Transmission plc and National Grid Electricity Transmission plc, two of the British electricity grid's owners, under which an agreement was made to make an initial payment of Euro 85 million.

On 30 November 2023, the Group was awarded the contract worth some Euro 850 million by Eastern Green Link 1 Limited, a joint venture between UK transmission grid owners SP Transmission plc and National Grid Electricity Transmission plc.

The award of EGL1, which now joins the Group's order backlog, follows Prysmian's selection earlier this year as the exclusive preferred bidder and the Group's subsequent commitment to reserve its production capacity.

The cables will be manufactured at Prysmian's centres of excellence in Pikkala (Finland) in the case of the submarine cables and in Gron and Montereau (both in France) in the case of the onshore cables. A Prysmian cable-laying vessel of the same class as the Leonardo da Vinci will be used for offshore installation activities. The project is scheduled to be commissioned in 2028.

EGL2 and EGL1 are part of a series of system upgrades needed to increase the capacity of the UK's existing transmission grid and support the growth of renewable energy flows generated in the north of the country to centres that require it in the south. These links will therefore support the goal of having 50 GW of offshore wind power by 2030 and achieving a Net Zero economy by 2050.

Prysmian to develop a new submarine power cable link for the Hornsea 3 offshore wind farm in the UK
On 3 July 2023, Prysmian was awarded a new contract by Ørsted Wind Power A/S to supply inter-array submarine cables for the Hornsea 3 offshore wind farm, located 160 km off the Yorkshire coast in the UK. Once completed, the wind farm will be able to supply clean, renewable electricity to over 3 million homes.
Cable delivery is scheduled in 2026.

Major Service Level Agreement signed with TenneT for the maintenance of submarine cables to help ensure stable supply of clean energy to German and Dutch households
On 12 July 2023, the Group signed a Service Level Agreement (SLA) with German-Dutch transmission system operator (TSO) TenneT. The agreement provides for the provision of nearshore and offshore inspection, maintenance and repair services for TenneT's HVAC and HVDC submarine power cables in the North Sea.

The services under the agreement will be provided in partnership with N-Sea, a Dutch integrated subsea solutions provider specialised in survey, IMR & construction, subsea cable repair & installation, and UXO identification & disposal.

This new agreement, which will apply to all cable links already in operation, will last for three years and has the option of being extended. It will cover approximately 4,000 km of TenneT's submarine cable systems located in the German and Dutch North Sea.

Prysmian selected as preferred bidder for the BalWin1, BalWin2 and DC34 projects in Germany
On 22 August 2023, the Group announced that it had been selected by Amprion, one of Europe's leading transmission system operators, as preferred bidder for the two offshore grid connection systems BalWin1 and BalWin2 and the underground cable project DC34. Prysmian has committed to reserve the required production and installation capacity until that date. The contracts are valued in aggregate at around Euro 4.5 billion.

These three projects are part of Germany's overall plan to install 70 GW of offshore wind power by 2045 and will allow energy generated in the North Sea to be transmitted to consumers in the country's western and southern regions.

Prysmian successfully completes Viking Link, the record-breaking interconnector between the UK and Denmark
On 4 September 2023, the Group announced that it had successfully completed the installation and HV testing of its 1,400 km of submarine and onshore power cables for the Viking Link Interconnector, the world's longest onshore and offshore HVDC interconnector linking the UK and Denmark. Viking Link is a joint venture between National Grid and Energinet.
The interconnector, expected to be operational by the end of 2023, will enable clean energy to be exchanged between the two countries, supporting their journey to net zero. Prysmian's contract, worth around Euro 700 million, was awarded in August 2019 by National Grid and Energinet and included the end-to-end design, manufacture and installation of the world's longest interconnector, covering all 1,250 km of cables for the submarine section and around 135 km of land cables on the UK side, for the 4 Lots awarded to Prysmian out of a total of 5.

Prysmian signs a Capacity Reservation Agreement with Marinus Link Pty Ltd in Australia
On 5 September 2023, the Group announced that it had signed a Capacity Reservation Agreement for a fee of up to Euro 90 million with Marinus Link Pty Ltd, a subsidiary of Australian TSO TasNetworks, for a new electricity interconnector between Tasmania and the state of Victoria (Australia). The agreement requires the Commonwealth Government to pay a fee of up to Euro 90 million in consideration for Prysmian's reservation of capacity until the final contract is signed, expected by July 2024.

With a total capacity of 750 MW, the link will facilitate the flow of electricity between the two states, enabling efficient transfer of renewable energy from where it is generated to where it is needed, while also helping Australia meet its emission reduction targets by saving up to 70 million tonnes of CO_2 equivalent by 2050. Further to negotiations, the contract is expected to be finalised during 2024.

Prysmian awarded Euro 630 million Adriatic Link project by Terna
On 7 September 2023, the Group was awarded a new contract worth around Euro 630 million by Terna Rete Italia S.p.A., a wholly-owned subsidiary of Terna S.p.A., operator of the Italian HV and EHV power grid.
The Adriatic Link project includes the design, supply, installation and commissioning of an HVDC submarine interconnector, which will contribute to decarbonisation of the Italian energy system, thereby strengthening Italy's role as a Mediterranean energy hub.

Prysmian signs an agreement worth around Euro 1.1 billion with 50Hertz for the NOR-11-1 submarine cable and DC31 underground cable projects in Germany
On 29 September 2023, the Group was awarded new contracts worth a total of around Euro 1.1 billion by 50Hertz, a transmission grid operator in Germany.

As part of 50Hertz's tender for "long-term EPCI contracts for HVDC cables", Prysmian has been awarded contracts for Lot 2, which includes EPCI contracts for the NOR-11-1 submarine and DC31 underground cable projects, and for Lot 7.

These projects are part of Germany's plan to achieve cumulative installed offshore wind power capacity of 70 GW by 2045 and to transfer energy generated in the North Sea to consumers in the eastern and southern regions of Germany.

Under Lot 2, Prysmian will be responsible for the design, manufacture, supply, laying, testing and commissioning of the two turnkey projects NOR-11-1 and DC31, involving an overall cable length of around 1,000 km.

With power transmission capacity of 2 GW, NOR-11-1 is a 525 kV HVDC submarine cable project that will also use an underground cable along the route that will connect the N-11-1 offshore wind farm to the German grid in the Heide-West area. DC31, the second project in Lot 2, is a 525 kV HVDC underground cable project that will transmit electricity from the Heide-West area to Klein Rogahn.

Both the ±525 kV HVDC submarine and underground cable systems will consist of two single-core XLPE-insulated copper cables plus a dedicated XLPE metallic return cable and a fibre optic cable.
The submarine power cables will be produced at the Group's centres of excellence in Pikkala (Finland) and Arco Felice (Italy), while the submarine fibre cables will be manufactured in Nordenham (Germany).
The underground power cables for both the DC31 project and the underground section of the NOR-11-1 project will be manufactured in France.

Lot 7, awarded to Prysmian as the primary supplier, consists of a framework provision allowing 50Hertz to contract with Prysmian within an agreed period for future 525 kV offshore and/or onshore projects with a cable core volume of up to 2,700 km.

Prysmian will use its fleet of state-of-the-art cable-laying vessels for offshore installation activities, including cable laying and burial.

Prysmian successfully completes cabling operations for Vineyard Wind 1, the US's first utility-scale offshore wind farm
On 23 October 2023, the Group announced that it had successfully completed the installation and HV testing of Vineyard Wind 1, the first utility-scale offshore wind farm in the United States.

Located more than 15 miles off the Massachusetts coast, Vineyard Wind consists of an array of 62 wind turbines that will generate 800 MW of electricity powering more than 400,000 homes.

The project was awarded to Prysmian by Vineyard Wind, LLC in May 2019. The contract included the design, manufacture, installation and commissioning of an HVAC cable system consisting of two 220 kV three-core XLPE-extruded cables that will deliver clean energy to the mainland US power grid and help reduce CO_2 emissions by more than 1.6 million tonnes per year.

The 134 km of submarine power cables were manufactured at Prysmian's centres of excellence in Pikkala (Finland) and Arco Felice (Italy), while marine installation was carried out using Prysmian's Cable Enterprise and Ulisse cable-laying vessels.

Prysmian signs an agreement worth around Euro 900 million for the Clean Path New York energy project in the US
On 30 October 2023, the Group announced that it had signed an agreement worth approximately Euro 900 million with Clean Path New York to supply submarine and land cable systems for one of the largest transmission infrastructure projects in the United States.

Clean Path New York is a $11 billion renewable energy project comprising more than 20 new wind and solar generation projects totalling 3,800 MW and a new 280 km underground and submarine power transmission line.

Together, these assets will provide more than 7.5 million megawatt hours of emission-free energy to more than 1.5 million New Yorkers every year. Clean Path New York is a public-private partnership between Invenergy, energyRe and the New York Power Authority.

Under the terms of the agreement, Prysmian will be responsible for the design, construction, installation and commissioning of a 400 kV HVDC single-core XLPE-insulated cable system, subject to Clean Path New York issuing its notice to proceed in spring 2024.

Prysmian wins contract worth over Euro 100 million signed with Petrobras to supply steel tube and thermoplastic electro-hydraulic umbilicals

On 7 December 2023, further to a competitive tender, the Group signed a contract worth over Euro 100 million with Petrobras for the supply of 170 km of deepwater electro-hydraulic umbilicals and related specialised offshore and logistics services.

The state-of-the-art deepwater steel tube and thermoplastic umbilicals will be engineered, manufactured, tested and delivered in the period 2024-2027 by Prysmian's centre of excellence for Offshore Specialties and dynamic subsea technologies in Vila Velha (Brazil).

In recent years, the Group has in fact invested in further expanding its industrial assets at the Vila Velha plant and its delivery logistic options, as well as its entire end-to-end value generation process, from R&D modelling to offshore services, in order to better meet customers' needs with technologically advanced cable solutions.

Prysmian further expands its cable-laying fleet in support of the global power grid for energy transition with two new cable-laying vessels to create the industry's largest fleet

On 21 December 2023, the Group announced an investment of some Euro 350 million for two new state-of-the-art cable-laying vessels to boost Prysmian's submarine project execution capabilities. This investment is already included in the medium-term outlook announced by the Group on 5 October during the Capital Markets Day.

The first cable-laying vessel will be an evolution of the Monna Lisa. Measuring about 185 m long and some 34 m wide, the new vessel will be equipped with advanced cable-laying solutions, such as three carousels with a total 19,000 tonne capacity, making it one of the cable-layers with the highest load capacity on the market and reducing factory-to-site transport time, thus improving overall project efficiency.
A bollard pull in excess of 180 tonnes will allow the vessel to perform complex installation operations of simultaneously laying and burying (up to 4) cables using several ploughs, for unparalleled optimisation of offshore operations.

The vessel will be equipped with state-of-the-art DP3 dynamic positioning and seakeeping systems and will be operational by early 2027. Like the Leonardo da Vinci and the Monna Lisa, the new vessel will be built by the VARD Group (a subsidiary of the Fincantieri Group), one of the world's leading designers and builders of specialised vessels for the offshore market.

The other cable-laying vessel will be an evolution of the Ulisse, measuring about 167 m long and some 40 m wide. It will be equipped with two carousels (one of which split in two concentric sections) with a total load capacity of 10,000 tonnes. State-of-the-art DP2 dynamic positioning and seakeeping systems and an eight-point mooring system will enable the vessel to meet the specific operational requirements for shallow-water cable laying and burial, even in harsh environmental conditions. The vessel is due to enter service during the first half of 2025.

Both vessels will have green credentials: they will be equipped with high-voltage shore connection systems to power them with clean energy during loading operations, diesel generators suitable for biodiesel blends and hybrid batteries just for the vessel that installs in very deep water (due to its specific activities).

Prysmian's current fleet of six state-of-the-art cable-laying vessels comprises: Giulio Verne, its former flagship with about 35 years of service in cable installation projects; Cable Enterprise, a very versatile DP2 vessel, mainly used for installation of offshore wind farm export cables; Ulisse, an efficient shallow-water installation vessel; Barbarossa, a small barge, recently added to the fleet and specifically designed for operations in very shallow water and intertidal zones; Leonardo da Vinci and Monna Lisa, the world's most advanced cable-laying vessels, the latter still under construction, both unrivalled in the installation of long HVDC interconnections in particularly deep waters.

Prysmian also has the widest range of high-tech burial equipment, including Hydroplows, HD3 Ploughs and Post Lay Burial machines (Sea Mole, SeaRex and Otter).

Prysmian successfully completes the Fécamp offshore wind farm cable project in France

On 27 December 2023, the Group announced that it had successfully commissioned the inter-array cable system for the Fécamp offshore wind farm, located in the English Channel, some 24 km off the French coast in Normandy (Seine Maritime department).

The Fécamp offshore wind farm consists of 71 wind turbines with a total capacity of almost 500 MW, capable of generating clean electricity equivalent to the power needs of over 770,000 people.

Prysmian was awarded this project in 2020 under a contract from EDF Renewables and its partners.

The complex offshore installation operations were carried out applying Prysmian's specific end-to-end approach to project management.

This contract confirms the deep trust that EDF Renewables and its partners have in Prysmian, after previously awarding the Group other projects such as those for the St. Nazaire and Calvados offshore wind farms.

Other significant events

Prysmian launches the Global Sustainability Academy

On 10 January 2023, the Group announced the launch of the Global Sustainability Academy. The initiative aims to spread the culture of sustainability within the entire corporate population worldwide and further strengthen the Group's commitment to implementing its Climate & Social Ambitions, with reference to employee engagement and up-skilling parameters.

Prysmian unveils the cable industry's first eco-certified optical cables

On 17 March 2023, the Group announced the launch of the first green-certified optical cables under its ECO CABLE label, the first patented label of its kind in the cable industry. The Group presented its ECO CABLE labelled product range at the FTTH Conference 2023 in Madrid. All of the Group's telecom cables have been graded, with around 30% of them now rated as ECO CABLE compliant. Distribution of ECO CABLE certified Telecom products began in Europe in May, with the rest to follow later in the year. The Group aims with this initiative to strengthen its sustainability strategy and active role as a promoter of sustainable development, as well as to accelerate its race towards net-zero CO_2 emissions.

Approval of financial statements at 31 December 2022 and dividend distribution

On 19 April 2023, the shareholders' meeting of Prysmian S.p.A. approved the 2022 financial statements and the distribution of a gross dividend of Euro 0.60 per share, for a total of some Euro 158 million. The dividend was paid out from 26 April 2023, with record date 25 April 2023 and ex-div date 24 April 2023.

Authorisation to buy and dispose of treasury shares

On 19 April 2023, the shareholders' meeting of Prysmian S.p.A. granted the Board of Directors authorisation to buy back and dispose of treasury shares, concurrently revoking the previous authorisation under the shareholder resolution dated 12 April 2022. Under this authorisation it is possible to make one or more share buybacks such that, at any one time, the total holding of treasury shares does not exceed 10% of share capital.

New long-term incentive plan (2023-2025)

On 19 April 2023, the shareholders' meeting of Prysmian S.p.A. approved a long-term incentive plan (2023-2025) that will involve approximately 1,100 beneficiaries among management and other key Prysmian resources, including Prysmian S.p.A.'s Executive Directors and Key Management Personnel.

The Plan involves the grant of new-issue ordinary shares obtained from a bonus issue funded by profits or retained earnings in accordance with art. 2349 of the Italian Civil Code, or a combination of new-issue shares and treasury shares. By means of this plan, Prysmian intends to strengthen the Company's and management's commitment to creating sustainable value over time for all stakeholders, including by involving a wide range of key people in over 40 countries who play an important role in the Group's sustainable success.

The plan spans a three-year period and provides for the award of shares upon achievement of economic and financial performance conditions, Total Shareholders Return and ESG targets. The plan also allows 50% of the annual bonus, where due, for the years 2023, 2024, 2025 to be deferred in the form of shares. The annual bonus is also linked to the achievement of ESG targets, as well as to economic-financial targets. The deferral of the annual bonus also entails an additional award of "matching" shares which, in the case of the Group's some 50 top managers, is also dependent on the achievement of ESG targets by 2025. The plan has the following objectives:

- to motivate participants to achieve long-term results geared towards sustainable value creation over time;
- to align the interests of management with those of shareholders through the use of share-based incentive instruments;
- to foster stable management ownership of the Company's share capital;
- to ensure the long-term sustainability of the Group's annual performance, strengthening staff engagement and retention, including through the mechanism of deferring part of the annual bonus in shares.

The shareholders of Prysmian S.p.A. also authorised a bonus share capital increase to be reserved for Prysmian Group employees in execution of the plan.

This capital increase may reach a maximum nominal amount of Euro 950,000 through apportionment, pursuant to art. 2349 of the Italian Civil Code, of a corresponding amount from profits or retained earnings, with the issue of no more than 9,500,000 ordinary shares of nominal value Euro 0.10 each.

Prysmian launches ECOSLIM™, the small-diameter optical fibre system using up to 90% recycled plastic
On 25 May 2023, the Group announced the global launch of its Ecoslim™ sustainable telecommunications system, which uses Sirocco HD and Sirocco Extreme optical cables, available with up to 864 optical fibres. Sirocco HD cables are made with 50% less plastic and are up to 25% smaller in diameter, in line with the Group's commitment to increase the recycled content of its cables.

Massimo Battaini designated as new Group CEO with effect from the 2024 AGM
On 26 May 2023, the Board of Directors of Prysmian S.p.A. designated Massimo Battaini - a current Director and Group Chief Operating Officer ("COO") - as the candidate for the position of Chief Executive Officer ("CEO") of Prysmian, in line with the Group Succession Plan, having been informed by current CEO Valerio Battista of his decision not to carry on as CEO for the next three-year mandate (2024-2027).

Massimo Battaini will be presented as CEO designate on the slate submitted by the outgoing Board of Directors for its upcoming renewal at the 2024 Annual General Meeting, when Valerio Battista will step down.

Prysmian to create a power transmission cable technology hub in Finland to support grid upgrades for global energy transition
On 1 June 2023, the Group announced the commencement of a new investment of approximately Euro 120 million in its strategic plant in Pikkala, Finland. The investment, which comes on top of the Euro 100 million already earmarked in 2022, aims to increase production capacity for 525 kV HVDC submarine cables, thus supporting growing market demand driven by the need to develop and upgrade power transmission grids for the energy transition.

The new vertical continuous vulcanisation (VCV) lines will more than double Pikkala's current production capacity for 525 kV extruded submarine cables and 400 kV AC cables by 2026.

Prysmian's leadership team invests in the Company's shares, to hold more than 2% of share capital
On 6 June 2023, the Group announced that, as of 5 June 2023, Prysmian S.p.A.'s CEO Valerio Battista, as well as other top managers and beneficiaries of the three-year incentive plan "LTI Grow 2020-2022" approved by the AGM on 28 April 2020, had started to sell part of the Prysmian ordinary shares granted to them under the Grow Plan.

These sales took place in accordance with the sell-to-cover mechanism - and, therefore, through transactions on the market - for the sole purpose of meeting the tax liabilities arising from their award, as provided for under the Grow Plan. In particular as regards the CEO, the sale concerned part of the 325,743 shares awarded to him.

Prysmian's leadership team, consisting of CEO Valerio Battista, COO Massimo Battaini, CFO Pier Francesco Facchini and other senior managers, informed the Company that they had agreed to the CEO's proposal to invest in the Company's shares a minimum of 30% of their net incentive, calculated on the portion paid in cash, based on the achievement of the MBO plan's performance targets for the year 2022.

At the end of the sell-to-cover period envisaged in the Grow Plan, the leadership team will own more than 2% of Prysmian's share capital.

Variation in share capital
On 6 June 2023, the Group announced that Prysmian S.p.A.'s share capital had a new composition as a result of implementing the resolutions for a bonus issue adopted by the Company's Extraordinary General Meeting on 12 April 2022 to service the stock grant plans approved by the shareholders' meetings of 28 April 2020 and 12 April 2022, reserved for employees and executive directors of the Company and of Prysmian companies.

More specifically, the following shares were issued:

- on 29 May 2023, 292,511 ordinary shares,
- on 5 June 2023, 8,000,000 ordinary shares.

Science Based Target initiative approves the Group's new Near-Term and Net-Zero GHG emission reduction targets

On the occasion of its Sustainability Week 2023, the Group announced that its ambitious new emission reduction targets had been approved by the Science Based Target initiative (SBTi). Among the highlights, a revision of the near-term targets and approval of the net-zero targets:

- -47% Scope 1 and 2 emissions (upgrade from the previous 2021 target of -46%) and -28% Scope 3 emissions (upgrade from the previous 2021 target of -21%), by 2030;
- -90% (Scope 1 and 2) by 2035 and -90% (Scope 3) by 2050 throughout the value chain.

The Sustainability Week 2023 was an opportunity to underscore how the Group views sustainability as a driver of its business, by pursuing a strategic vision based on the highest standards of environmental responsibility in its production processes, and strengthening its commitment not only to safeguarding the environment and managing relations with the local communities in which it operates but also to the inclusion and development of its people.

Plan to close Berlin- Köpenick plant in Germany

On 10 July 2023, German company Draka Comteq Berlin GmbH & CO.KG announced its intention to initiate a process of informing and consulting employees about a collective redundancy procedure for the entire workforce of the Köpenick plant in Germany, affecting 82 employees.

The Köpenick plant manufactures signalling cables for the railway industry, an activity which could be transferred to the Neustadt plant.

Industrial activities are due to cease by the end of the year, resulting in the plant's closure. Discussions between the local works council and trade union will seek to agree balance of interests and a plan to minimise the social impact, for example by offering employees the possibility of transfer to other German plants or a redundancy incentive for those who decide to leave the Group.

The parties conducted and concluded the negotiations in September, signing an overall agreement and defining a solid social plan that also includes the possibility of relocating the voluntary workers to the Neustadt site.

The process described was carried out in the name of the great professionalism of Köpenick's workforce, which is continuing to work in the factory, with no (negative) impact on the production that will end in December, as well as collaborating in order to carry out the project of transferring production to the Neustadt site.

Telecom footprint rationalization

Following the reduction in demand that occurred from the second half of 2023 in the Telecom business, which has consolidated a structural overcapacity of production with respect to the now definitive level of market absorption in the various segments of the sector, the Group has implemented various initiatives, including the announcement of the closure of the French factory in Calais (optical cables) and the English one in Washington (multimedia solution), in the last quarter 2023.

In this context, the local management, negotiated according to local regulations, in accordance with the local laws and the respective consultation and negotiation procedures with the PAs has entered into negotiations with the social partners in order to reach an agreement that implements and supports a social plan consisting of various measures, including job relocations to other Group sites and redundancy incentives, in order to allow each employee to find the solution that best suits their personal needs.

In Italy, since the beginning of 2024, management has also started discussions, both at trade union and government level - on its disengagement from the production of optical fibre in Italy with the consequent declaration of its intention to initiate a procedure for termination or sale of the fiber optic production plant in Battipaglia.

Prysmian supports parenthood: new Global Parental Policy launched

On 7 August 2023, the Group announced the global introduction of a new Parental Policy, consisting of a series of concrete measures to support new parents in best managing their work-life balance in this new chapter of their lives.

The main features of the new global Parental Policy include the raising of the minimum parental leave for mothers or primary caregivers from 12 to 16 weeks on full pay, and the introduction of a two-week minimum standard parental leave on full pay for fathers or secondary caregivers.

To support parenthood, Prysmian is committed, in all countries in which it operates, to providing a "New Child Benefit" (also called "Baby Bonus") as an income support measure granted and paid for each new child to new parents, whether biological or adoptive and members of a couple or single.

Moreover, Prysmian will reinforce the "Leave and Back to Work" programme that supports all new mothers or primary caregivers from the beginning of their compulsory leave until their first few months back at work, so as to guarantee a gradual and successful return.

Each new mother will be supported with a dedicated training, mentoring or counselling programme. Through this new Parental Policy, Prysmian aims to set a minimum global standard, focusing on aspects such as wellbeing and inclusion in all the countries where it operates, thus allowing its employees to enjoy the same opportunities and minimum benefits.

Capital Markets Day 2023 - Prysmian announces its strategy to lead energy transition and digital transformation

On 5 October 2023, the Group announced its new strategy, including the future reshaping of its business into four new segments, and presented its financial and non-financial targets through until 2027.

As part of the newly presented strategy, the Group also announced its main priorities in terms of capital allocation, based on robust cash generation expected in the period 2023-2027.

In fact, the Group expects to generate Euro 3.2 billion in cumulative free cash flow over the period 2023-2027 and has identified three main priorities in executing its capital allocation strategy:

- M&A and share buyback programme: Up to 55-60% of the cash flow generated is expected to be used to execute the Share Buyback Programme and M&A transactions. Timing and allocation between the two options will depend on the opportunities that arise over the period.
- Increased dividend: The dividend is another important pillar of the Group's Capital Allocation Strategy, with the Company intending to progressively increase the total dividend distributed to shareholders by approximately 10% year-on-year, starting in 2024. A maximum of 30-35% of the flows generated in the period 2023-2027 will be allocated to the dividend increase.
- Deleveraging: The third strategic pillar of capital allocation is reduction in debt. Prysmian plans to continue deleveraging while remaining in the range of 0.5x-1x over the period. The remaining 10% of the flows generated during the period 2023-2027 will be used to further reduce debt.

Variation in share capital and new by-laws

On 29 November 2023, the Group announced that the share capital of Prysmian S.p.A. (the "Company") had a new composition as a result of implementing the resolution for a bonus issue adopted by the Company's Extraordinary General Meeting on 12 April 2022 to service stock grant plans reserved for employees of the Company and Prysmian Group companies. More specifically, the Company issued 97,691 ordinary shares on 21 November 2023.

The notice of change in share capital has been filed with competent Companies' Register. The updated Company's by-laws is available on the Company's website at www.prysmian.com and in the mechanism for the central storage of regulated information at www.emarketstorage.com.

Prysmian confirmed as a Leader in S&P Global's Dow Jones Sustainability World Index 2023

On 9 December 2023, the Group announced that it had once again been confirmed as a sustainability leader in the prestigious Dow Jones Sustainability World Index (DJSI World) following S&P Global's annual Corporate Sustainability Assessment of companies' sustainability practices.

In the 2023 edition Prysmian, which is included in the ELQ Electrical Components & Equipment sector, achieved top scores (100 points) in the environmental areas of Emissions, Resource Efficiency and Circularity, Waste and Water, confirming the Group's focus on and attention to these issues.

For Prysmian, sustainability is the main driver to create value: it is fully integrated into the Group's long-term vision and strategy defined on the basis of the measurable KPIs that constitute its Climate Change and Social Ambitions.

In October, on the occasion of its first Capital Markets Day, Prysmian updated its sustainability KPIs for 2025-2027, confirming the Scope 1 and 2 Net Zero targets for 2035 and the Scope 3 Net Zero target for 2050.

The Group intends to continue to lead innovation in the cable industry by developing finer, lighter, faster and greener products, while creating tangible value for customers and the communities and territories in which it operates.

In fact, the Group achieves its sustainability goals through constantly working with its partners. Stakeholder engagement is also a core component of Prysmian's sustainability strategy, enabling it to better understand and anticipate their needs and expectations.

Prysmian renews partnership with Andretti Formula E for a second consecutive season
On 13 December 2023, the Group announced the renewal of its official partnership with the Andretti Formula E team for the 2023/2024 ABB FIA Formula E World Championship, following the sensational Season 9 culminating with Jake Dennis winning the Formula E Drivers' World Championship.

Prysmian will continue to support Andretti Formula E by providing the Team with power transmission and information solutions across all areas of its sustainable electrification. One of the main innovations supplied during Season 9 was the PRY-CAM monitoring system, making it possible to gather valuable data and information on the energy efficiency of the team's pits.

The partnership between Andretti Formula E and Prysmian is based on the core values of innovation, sustainability, challenge and performance, values that will continue to represent a solid basis for collaboration in this second season. With this initiative, Prysmian aims to strengthen its "Sustain to Lead" strategy and the Group's value proposition by promoting innovation and sustainable development even in the strategic sectors of e-mobility, renewable power transmission and distribution and digital solutions.

Andretti is a pillar of Formula E, having been involved since the inaugural race back in 2014, and heads into the eagerly awaited Season 10 with a track record of 10 wins, 12 pole positions and a Drivers' World Championship to its credit. The team kicked off Season 10 of the Formula E championship at the opening race in Mexico City on 13 January 2024. Created in 2011, the ABB FIA Formula E World Championship is a single-seater motorsport championship for electric cars. Since the 2020–21 season, Formula E is a FIA World Championship, making it the first single-seater racing series outside of Formula One to be given world championship status.

11. Group performance and results

Financial performance

(Euro/million)	2023	2022	% Change	2021
Sales	15,354	16,067	-4.4%	12,736
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**1,595**	**1,442**	**10.6%**	**958**
% of sales	10.4%	9.0%		7.5%
Adjusted EBITDA	**1,628**	**1,488**	**9.4%**	**976**
% of sales	10.6%	9.3%		7.7%
EBITDA	**1,485**	**1,387**	**7.1%**	**927**
% of sales	9.7%	8.6%		7.3%
Fair value change in derivatives on commodities	6	(31)		13
Fair value share-based payment	(57)	(104)		(33)
Amortisation, depreciation, impairment and impairment reversal	(574)	(403)		(335)
Operating income	**860**	**849**	**1.3%**	**572**
% of sales	5.6%	5.3%		4.5%
Net finance income/(costs)	(96)	(110)		(96)
Profit/(loss) before taxes	**764**	**739**	**3.4%**	**476**
% of sales	5.0%	4.6%		3.7%
Taxes	(217)	(230)		(166)
Net profit/(loss)	**547**	**509**	**7.5%**	**310**
% of sales	3.6%	3.2%		2.4%
Attributable to:				
Owners of the parent	529	504		308
Non-controlling interests	18	5		2
Reconciliation of Operating Income/EBITDA to Adjusted Operating Income/Adjusted EBITDA				
Operating income (A)	**860**	**849**	**1.3%**	**572**
EBITDA (B)	**1,485**	**1,387**	**7.1%**	**927**
Adjustments:				
Business reorganisation	48	11		21
Non-recurring expenses/(income)	9	47		2
Other non-operating expenses/(income)	86	43		26
Total adjustments (C)	**143**	**101**		**49**
Fair value change in derivatives on commodities (D)	(6)	31		(13)
Fair value share-based payment (E)	57	104		33
Asset impairment and impairment reversal (F)	216	34		6
Adjusted operating income (A+C+D+E+F)	**1,270**	**1,119**	**13.5%**	**647**
Adjusted EBITDA (B+C)	**1,628**	**1,488**	**9.4%**	**976**

The Group's sales in 2023 came to Euro 15,354 million, compared with Euro 16,067 million in 2022, posting a negative change of Euro 713 million (-4.4%).

The variation in sales can be broken down into the following main factors:

- organic sales downturn, accounting for a decrease of Euro 184 million (-1.1%);
- exchange rate and other effects, generating a decrease of Euro 264 million (-1.6%);
- fluctuation in the price of metals (copper, aluminium and lead), depressing sales prices by Euro 265 million (-1.7%).

Organic sales growth by the three operating segments was as follows

- **Projects**: +15.3%
- **Energy**: -1.3%
- **Telecom**: -18.9%

Group sales amounted to Euro 15,354 million, reflecting mildly negative organic growth of -1.1% on 2022. The Projects segment recorded double-digit organic growth (+15.3%) thanks to consistent execution of its interconnection and offshore wind farm projects. Sales in the Energy business continued to benefit from the growth drivers of energy transition and decarbonisation, namely expansion and upgrading of electricity grids, power generation from renewable sources, and development of electric mobility and clouding.

Although the Energy segment recorded overall organic growth of -1.3%, the Industrial & Network Components business posted positive organic growth of +1.7%. The Telecom segment saw a second-half downturn in volumes, resulting in organic growth of -18.9% for the year, mainly due to slowdown in the US market.

Adjusted EBITDA increased by 9.4% to Euro 1,628 million, with margins improving significantly to 10.6% from 9.3% in 2022. This performance was the result of an improvement in the Projects segment, whose Adjusted EBITDA climbed by 23.5%, or Euro 300 million, thanks to efficient project execution.

Margins in the Energy segment also posted a significant improvement (10.5% versus 8.1% in 2022), thanks to demand for cables for power distribution networks and to development of renewable energy production and distribution systems. The improvement was particularly pronounced in the Industrial & Network Components business, which posted Adjusted EBITDA of Euro 361 million (+43.2% on 2022). As already mentioned, the Telecom segment suffered from declining volumes, especially in the United States, and reported Adjusted EBITDA of Euro 140 million, down from the previous year's Euro 271 million.

EBITDA is stated after net expenses for business reorganisation, net non-recurring expenses and other net non-operating expenses, totalling Euro 143 million (Euro 101 million in 2022).

Amortisation, depreciation and impairment amounted to Euro 574 million in 2023, up from Euro 403 million in the previous year. The fair value change in derivatives on commodities was a positive Euro 6 million compared with a negative Euro 31 million in the previous year.

A total of Euro 57 million in costs were recognised in 2023 to account for the effects of share-based payment plans for employees (Euro 104 million in 2022).

Reflecting the effects described above, the Group's operating income came to Euro 860 million, compared with Euro 849 million in 2022, thus reporting a year-on-year increase of Euro 11 million.

Net finance costs amounted to Euro 96 million, down from Euro 110 million in the previous year. Taxes of Euro 217 million represented an effective tax rate of 28.4% (31.1% in 2022).

Net profit for 2023 was Euro 547 million (of which Euro 529 million attributable to the Group), compared with Euro 509 million in 2022 (of which Euro 504 million attributable to the Group).

Net financial debt stood at Euro 1,188 million at 31 December 2023, down Euro 229 million from Euro 1,417 million at the end of 2022. This reduction was made possible by strong cash generation of Euro 724 million, not including disbursements for antitrust issues, marking an increase on the previous year when cash generation amounted to Euro 559 million.

Review of Projects operating segment

(Euro/million)	2023	2022	% Change	2021
Sales	2,508	2,161	16.1%	1,594
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**300**	**243**	**23.6%**	**210**
% of sales	12.0%	11.2%		13.2%
Adjusted EBITDA	**300**	**243**	**23.5%**	**210**
% of sales	12.0%	11.2%		13.2%
Adjustments	(18)	(41)		(8)
EBITDA	**282**	**202**	**40.1%**	**202**
% of sales	11.2%	9.3%		12.7%
Amortisation and depreciation	(80)	(86)		(69)
Adjusted operating income	**220**	**157**	**40.1%**	**141**
% of sales	8.8%	7.3%		8.8%

The Projects Operating Segment encompasses underground and submarine high-voltage power cables, submarine telecommunication cables, and offshore specialty cables, as better described in the “Prysmian Business Model” chapter of this report.

Some of the businesses within this segment fall under the economic activities eligible for the purposes of the European Taxonomy and, more specifically, activity 3.1 “Manufacture of renewable energy technologies”, activity 3.6 “Manufacture of other low carbon technologies”, activity 3.20 “Manufacture, installation and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution” and activity 4.9 “Transmission and distribution of electricity”, as explained in greater detail in the “European Taxonomy” chapter of this report.

Financial performance

Projects segment sales reached Euro 2,508 million in 2023, versus Euro 2,161 million in 2022, recording a positive change of Euro 347 million (+16.1%).

The factors behind this change were:

- organic sales growth, accounting for an increase of Euro 330 million (+15.3%);
- metal price fluctuations, producing an increase of Euro 17 million (+0.8%).

The Projects segment’s organic growth is mainly attributable to the Submarine Power and Offshore Specialties businesses.

The main Submarine Power projects on which work was performed during the period were:

- the NeuConnect interconnector, the Thyrrenian Link, the ADNOC interconnector, the Egypt KSZ interconnector and the now completed Viking Link between Great Britain and Denmark;
- offshore wind projects in the United States, namely Dominion and the now completed Vineyard Wind project;
- inter-array projects in France and Germany.

Sales in the period were generated by cable manufacturing activities at the Group’s industrial facilities (Pikkala in Finland, Arco Felice in Italy and Nordenham in Germany) and installation activities forming part of project execution, carried out using both its own assets and third-party equipment.

The High Voltage Underground business was in slight retreat, mainly due to the HV business not related to the German Corridors.

Adjusted EBITDA for 2023 came to Euro 300 million, up from Euro 243 million in 2022.
The Projects segment recorded a double-digit margin of 12.0% in 2023, exceeding the prior year figure of 11.2%. These results were mainly due to consistent execution and better mix of projects.

The Projects segment is key for energy transition processes, since, as a solution provider, it offers its customers a whole range of solutions for the implementation of renewable energy production and distribution projects.

As evidence of this megatrend, the value of the Group's Submarine Power order backlog has reached a record level of Euro 8.3 billion, mainly consisting of:

- the Dominion contracts in North America, the DolWin4 and BorWin4 contracts for two systems that connect the electricity grid to offshore wind farms in the German North Sea and the recently awarded Ijmuiden Ver contract;
- the Biscay Bay connection, lots of the new Thyrrenian Link and Saudi-Egypt contracts, the NeuConnect contract for a submarine and land interconnector between the German and UK electricity grids, the Adriatic Link and the recently awarded EGL1 contract.

The Group's High Voltage order backlog is worth around Euro 2.5 billion, mostly consisting of the German Corridors contracts.
Including the Submarine Telecom and Offshore Specialties businesses, the total order backlog of the Projects segment is worth approximately Euro 11.1 billion

Review of Energy operating segment

(Euro/million)	2023	2022	% Change	2021
Sales	11,357	12,033	-5.6%	9,557
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**1,182**	**968**	**22.1%**	**542**
% of sales	10.4%	8.0%		5.7%
Adjusted EBITDA	**1,188**	**974**	**22.0%**	**546**
% of sales	10.5%	8.1%		5.7%
Adjustments	(97)	(52)		(46)
EBITDA	**1,091**	**922**	**18.2%**	**500**
% of sales	9.6%	7.7%		5.2%
Amortisation and depreciation	(208)	(203)		(184)
Adjusted operating income	**980**	**771**	**27.2%**	**362**
% of sales	8.6%	6.4%		3.8%

The Energy segment encompasses the Energy & Infrastructure and Industrial & Network Components businesses, as better explained in the "Prysmian Business Model" chapter of this report.

Some of the businesses within this segment fall under the economic activities eligible for the purposes of the European Taxonomy and, more specifically, activity 3.1 "Manufacture of renewable energy technologies", activity 3.6 "Manufacture of other low carbon technologies", activity 3.18 "Manufacture of automotive and mobility components" and activity 3.20 "Manufacture, installation and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution", as explained in greater detail in the "European Taxonomy" chapter of this report.

Financial performance

Energy segment sales came to Euro 11,357 million, versus Euro 12,033 million in 2022, posting a negative change of Euro 676 million (-5.6%), the main components of which were as follows:

- negative organic sales growth of Euro 159 million (-1.3%);
- negative change of Euro 239 million (-2.0%) for exchange rate fluctuations;
- sales price decrease of Euro 278 million (-2.3%) for metal price fluctuations.

Adjusted EBITDA came to Euro 1,188 million, up from Euro 974 million in 2022, representing an increase of Euro 214 million (+22.0%), despite a negative exchange rate impact of Euro 29 million.

The marked increase on the previous year was mainly due to improved profitability in the Power Distribution and Overhead Lines businesses, as well as better performance by all the applications in the Industrial & Network Components division.
The Energy segment reported a margin of 10.5%, compared with 8.1% in the previous year.

The following paragraphs describe market trends and financial performance in each of the Energy operating segment's business areas.

Energy & infrastructure

(Euro/million)	2023	2022	% Change	2021
Sales	7,620	8,196	-7.0%	6,361
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**838**	**731**	**14.7%**	**353**
% of sales	11.0%	8.9%		5.5%
Adjusted EBITDA	**843**	**736**	**14.6%**	**356**
% of sales	11.1%	9.0%		5.6%
Adjusted operating income	**704**	**603**	**16.7%**	**233**
% of sales	9.2%	7.4%		3.7%

As better explained in the "Prysmian Business Model" chapter of this report, the Energy & Infrastructure business incorporates:

1. **Trade & Installers**: the low-voltage product portfolio includes rigid and flexible cables for distributing power to and within residential, commercial and industrial buildings;
2. **Power Distribution**: the product portfolio includes medium-voltage cable systems for both overhead and underground installations (and all types of accessories and network components) for connecting industrial and/or residential buildings to the primary distribution network, as well as low-voltage cable systems for power distribution. The solutions are primarily designed to support power transmission and distribution by utilities and grid operators.

Financial performance

Energy & Infrastructure sales came to Euro 7,620 million in 2023, compared with Euro 8,196 million in 2022, posting a negative change of Euro 576 million (-7.0%), the main components of which were as follows:

- negative organic sales growth of Euro 218 million (-2.7%);
- negative change of Euro 159 million (-1.9%) for exchange rate fluctuations;
- sales price decrease of Euro 199 million (-2.4%) for metal price fluctuations.

Energy & Infrastructure recorded negative organic sales growth of -2.7% in 2023. Despite the volume-related decline in sales, the Power Distribution and Overhead Lines businesses performed strongly thanks to the megatrends involving expansion of electricity transmission grids and development of renewable energy. Trade & Installers experienced a slight downturn in volumes and price normalisation mainly in the North American market.

Given the factors described above, Adjusted EBITDA for 2023 came to Euro 843 million, versus Euro 736 million in the previous year, representing an increase of Euro 107 million (+14.6%), despite a negative exchange rate impact of Euro 21 million. The Energy & Infrastructure business reported a margin of 11.1%, compared with 9.0% in the previous year.

Industrial & network components

(Euro/million)	2023	2022	% Change	2021
Sales	3,358	3,442	-2.5%	2,838
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**360**	**251**	**43.1%**	**195**
% of sales	10.7%	7.3%		6.9%
Adjusted EBITDA	**361**	**252**	**43.2%**	**196**
% of sales	10.8%	7.3%		6.9%
Adjusted operating income	**296**	**186**	**59.6%**	**139**
% of sales	8.8%	5.4%		4.9%

The Industrial & Network Components business incorporates products and cables for Specialties, Renewable & OEMs, Elevators & Escalators, Automotive and Network Components, Oil & Gas and EOSS-Electronics and Optical Sensing Solutions. For a better understanding of the business, please refer to the " Prysmian Business Model" chapter of this report.

Financial performance

Industrial & Network Components sales came to Euro 3,358 million in 2023, compared with Euro 3,442 million in 2022, recording a negative change of Euro 84 million (-2.5%), the main components of which were as follows:

- positive organic sales growth of Euro 59 million (+1.7%);
- negative change of Euro 73 million (-2.2%) for exchange rate fluctuations;
- sales price decrease of Euro 70 million (-2.0%) for metal price fluctuations.

Industrial & Network Components turned in a positive performance in 2023 thanks to overall improvement by all its businesses, especially Renewables and OEM.

Given the factors described above, Adjusted EBITDA in 2023 came to Euro 361 million, up from Euro 252 million in 2022, representing an increase of Euro 109 million (+43.2%), after a negative exchange rate impact of Euro 8 million. The Industrial & Network Components business reported a margin of 10.8%, having improved from 7.3% in the previous year.

Other

(Euro/million)	2023	2022	2021
Sales	379	395	358
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**(16)**	**(14)**	**(6)**
Adjusted EBITDA	**(16)**	**(14)**	**(6)**
Adjusted operating income	**(20)**	**(18)**	**(10)**

This business area encompasses occasional sales by Prysmian operating units of intermediate goods, raw materials or other products forming part of the production process. These sales are normally linked to local business situations, do not generate high margins and can vary in size and from period to period.

Review of Telecom operating segment

(Euro/million)	2023	2022	% Change	2021
Sales	1,489	1,873	-20.5%	1,585
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**113**	**231**	**-51.0%**	**206**
% of sales	7.6%	12.3%		13.0%
Adjusted EBITDA	**140**	**271**	**-48.4%**	**220**
% of sales	9.4%	14.5%		13.9%
Adjustments	(28)	(8)		9
EBITDA	**112**	**263**	**-57.4%**	**229**
% of sales	7.5%	14.0%		14.4%
Amortisation and depreciation	(70)	(80)		(76)
Adjusted operating income	**70**	**191**	**-63.5%**	**144**
% of sales	4.7%	10.2%		9.1%

The Telecom segment encompasses the manufacture and development of a wide range of cable systems and connectivity products used in telecommunication networks.

This segment consists of the following businesses: Fibre Optics, MMS Multimedia Specials and Telecom Solutions, as better described in the “Prysmian Business Model” chapter of this report. Some of the businesses within this segment qualify for classification in the economic activities eligible for the purposes of the European taxonomy, specifically, in activity 3.6 “Manufacture of other low carbon technologies”, as explained in more detail in the “European Taxonomy” chapter of this report.

Financial performance

Telecom segment sales came to Euro 1,489 million at the end of 2023, compared with Euro 1,873 million in 2022.

The negative change of Euro 384 million (-20.5%) is explained by:

- negative organic sales growth of Euro 355 million (-18.9%);
- sales price decrease of Euro 3 million (-0.2%) for metal price fluctuations;
- negative change of Euro 26 million (-1.4%) for exchange rate fluctuations.

The 2023 slowdown in organic sales growth reflects a temporary downturn in the multimedia solutions business and a decline in the copper and optical cables business mainly in the North American market.

Both the multimedia solutions business and the optical and copper cable business are suffering a slowdown due to overstocking in our customers’ warehouses, the former in both Europe and America, the latter mainly in North America.

Adjusted EBITDA for 2023 came to Euro 140 million, reporting a decrease of Euro 131 million (-48.4%) from Euro 271 million in 2022, especially due to lower volumes in the second half of the year mainly in the North American market and to the recognition of one-off expenses in the fourth quarter.

Results by geographical area

(Euro/million)	Sales		Adjusted EBITDA	
	2023	2022	2023	2022
EMEA(*)	6,043	6,381	433	311
North America	4,557	5,132	675	722
Latin America	1,236	1,275	137	120
Asia Pacific	1,010	1,118	83	92
Total (excluding Projects)	**12,846**	**13,906**	**1,328**	**1,245**
Projects	2,508	2,161	300	243
Total	**15,354**	**16,067**	**1,628**	**1,488**

(*) EMEA = Europe, Middle East and Africa

As stated in the Explanatory Notes to the current Integrated Annual Report, the Group's operating segments are: *Energy, Projects* and *Telecom*, reflecting the structure used in the periodic reports prepared to review business performance. The primary performance indicator used in these reports, presented by macro type of business (Energy, Projects and Telecom), is Adjusted EBITDA, defined as earnings (loss) for the period before non-recurring items, the fair value change in derivatives on commodities and in other fair value items, amortisation, depreciation and impairment, finance costs and income and taxes.

Although the primary operating segments remain those by business, in order to provide users of the financial statements with information that is also more consistent with the Group's geographical diversification, Sales and Adjusted EBITDA have been reported above by geographical area, excluding the Projects business whose geographical breakdown is unrepresentative. For this purpose, sales of goods and services are analysed geographically on the basis of the location of the registered office of the company that issues the invoices, regardless of the geographic destination of the products sold.

EMEA

EMEA region sales amounted to Euro 6,043 million in 2023, reflecting year-on-year negative organic growth of -1.7%. Adjusted EBITDA came to Euro 433 million (Euro 311 million in 2022), reporting a margin on sales of 7.2% (4.9% in the previous year). The improvement in Adjusted EBITDA and margins was mainly thanks to the positive performance of Power Distribution, OEM and Renewables, as partially offset by a slowdown in Telecom.

Nord America

North America region sales amounted to Euro 4,557 million in 2023, reflecting year-on-year negative organic growth of -5.9%. Adjusted EBITDA came to Euro 675 million (Euro 722 million in 2022), reporting a margin on sales of 14.8% (14.1% in the previous year). The results were negatively impacted by Euro 22 million in exchange rate effects. North America reported a major improvement in Power Distribution and Overhead Lines, which offset the slowdown in the Telecom business and the price normalisation affecting Trade & Installers.

LATAM

LATAM region sales amounted to Euro 1,236 million in 2023, reflecting year-on-year negative organic growth of -6.0%. Adjusted EBITDA came to Euro 137 million (Euro 120 million in 2022), reporting a margin on sales of 11.0% (9.4% in the previous year). The improvement in margins was achieved thanks to good performance by Trade & Installers.

APAC

APAC region sales amounted to Euro 1,010 million in 2023, reflecting year-on-year negative organic growth of -2.3%. Adjusted EBITDA came to Euro 83 million (Euro 92 million in 2022), reporting a margin on sales of 8.2%, in line with 2022. The overall results in APAC were stable despite Euro 7 million in negative exchange rate effects. In addition, the contribution to profits by the associate Yangtze Optical Fibre and Cable was Euro 13 million less than in 2022.

Group statement of financial position

Reclassified statement of financial position

(Euro/million)	31.12.2023	31.12.2022	Change	31.12.2021(*)
Net fixed assets	5,709	5,583	126	5,307
Net working capital	518	614	(96)	650
Provisions and net deferred taxes	(734)	(680)	(54)	(662)
Net invested capital	**5,493**	**5,517**	**(24)**	**5,295**
Employee benefit obligations	333	329	4	446
Total equity	3,972	3,771	201	3,089
of which attributable to non-controlling interests	191	186	5	174
Net financial debt	1,188	1,417	(229)	1,760
Total equity and sources of funds	**5,493**	**5,517**	**(24)**	**5,295**

(*) The previously published comparative figures have been after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o

Net fixed assets

(Euro/million)	31.12.2023	31.12.2022	Change	31.12.2021(*)
Property, plant and equipment	3,401	3,020	381	2,794
Intangible assets	2,071	2,164	(93)	2,140
Equity-accounted investments	218	387	(169)	360
Other investments at fair value through other comprehensive income	10	12	(2)	13
Assets and liabilities held for sale	9	-	9	-
Net fixed assets	**5,709**	**5,583**	**126**	**5,307**

(*) The previously published comparative figures were revised after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o.

At 31 December 2023, net fixed assets amounted to Euro 5,709 million, compared with Euro 5,583 million at 31 December 2022, posting an increase of Euro 126 million mainly due to the combined effect of the following factors:

- Euro 624 million in net capital expenditure on property, plant and equipment and intangible assets;
- Euro 406 million in amortisation, depreciation and impairment for the period;
- Euro 153 million in increases for property, plant and equipment accounted for in accordance with IFRS 16;
- Euro 98 million in negative currency translation differences affecting the value of property, plant and equipment and intangible assets;
- Euro 169 million in net decrease in the value of equity-accounted investments;
- Euro 15 million for monetary revaluations due to hyperinflation.

Net working capital
The following table analyses the main components of net working capital:

(Euro/million)	31.12.2023	31.12.2022	Change	31.12.2021
Inventories	2,264	2,241	23	2,054
Trade receivables	1,987	1,942	45	1,622
Trade payables	(2,199)	(2,718)	519	(2,592)
Other receivables/(payables)	(1,527)	(856)	(671)	(608)
Net operating working capital	**525**	**609**	**(84)**	**476**
Derivatives	(7)	5	(12)	174
Net working capital	**518**	**614**	**(96)**	**650**

Net working capital of Euro 518 million at 31 December 2023 was Euro 96 million lower than the corresponding figure of Euro 614 million at 31 December 2022. Net operating working capital, which excludes the value of derivatives, amounted to Euro 525 million at 31 December 2023, remaining proportionately in line with the figure reported a year earlier. In fact, as a percentage of annualised last-quarter sales, net working capital was 3.7%, in line with the prior year figure of 3.8%.

Equity
The following table reconciles the Group's equity and net profit/(loss) for 2023 with the corresponding figures reported by Prysmian S.p.A., the Parent Company.

(Euro/million)	Equity at 31.12.2023	Net profit/(loss) 2023	Equity at 31.12.2022	Net profit/(loss) 2022
Parent Company Financial Statements	**2,587**	**264**	**2,461**	**144**
Share of equity and net profit of consolidated subsidiaries, net of carrying amount of the related investments	1,542	674	1,416	638
Reversal of dividends distributed to the Parent Company by consolidated subsidiaries	-	(340)	-	(243)
Deferred taxes on earnings/reserves distributable by subsidiaries	(115)	(55)	(60)	(30)
Elimination of intercompany profits and losses included in fixed assets	(27)	4	(31)	3
Elimination of intercompany profits and losses included in inventories	(15)	-	(15)	(3)
Non-controlling interests	(191)	(18)	(186)	(5)
Consolidated Financial Statements	**3,781**	**529**	**3,585**	**504**

Net financial debt
The following table provides a detailed breakdown of net financial debt:

(Euro/million)	31.12.2023	31.12.2022	Change	31.12.2021
Long-term financial payables				
CDP Loans	194	175	19	175
EIB Loans	135	245	(110)	110
Convertible Bond 2021	728	718	10	707
Sustainability-Linked Term Loan 2022	1,193	1,191	2	-
Term Loan	-	-	-	998
Unicredit Loan	-	-	-	200
Mediobanca Loan	-	100	(100)	100
Intesa Loan	-	150	(150)	150
Lease liabilities	234	156	78	158
Interest rate derivatives	-	-	-	3
Other financial payables	4	9	(5)	8
Total long-term financial payables	**2,488**	**2,744**	**(256)**	**2,609**
Short-term financial payables				
CDP Loans	103	1	102	-
EIB Loans	113	1	112	-
Non-convertible bond	-	-	-	763
Convertible Bond 2017	-	-	-	250
Sustainability-Linked Term Loan 2022	25	6	19	-
Term Loan	-	-	-	1
Unicredit Loan	-	200	(200)	-
Mediobanca Loan	100	-	100	-
Intesa Loan	151	1	150	-
Lease liabilities	70	58	12	53
Interest rate derivatives	-	-	-	6
Forex derivatives on financial transactions	9	7	2	3
Other financial payables	46	56	(10)	56
Total short-term financial payables	**617**	**330**	**287**	**1,132**
Total financial liabilities	**3,105**	**3,074**	**31**	**3,741**
Long-term financial receivables	3	3	-	3
Long-term bank fees	4	-	4	1
Financial assets at amortised cost	3	3	-	3
Non-current interest rate derivatives	11	59	(48)	-
Current interest rate derivatives	20	13	7	-
Current forex derivatives on financial transactions	2	3	(1)	3
Short-term financial receivables	22	8	14	12
Short-term bank fees	2	2	-	2
Financial assets at fair value through profit or loss	85	270	(185)	244
Financial assets at fair value through other comprehensive income	24	11	13	11
Cash and cash equivalents	1,741	1,285	456	1,702
Total financial assets	**1,917**	**1,657**	**260**	**1,981**
Net financial debt	**1,188**	**1,417**	**(229)**	**1,760**

Net financial debt of Euro 1,188 million at 31 December 2023 has decreased by Euro 229 million from Euro 1,417 million at 31 December 2022. As regards the principal factors behind the change in net financial debt, reference should be made to the next section containing the "Statement of cash flows".

Statement of cash flows

(Euro/million)	2023	2022	Change	2021
EBITDA	**1,485**	**1,387**	**98**	**927**
Changes in provisions (including employee benefit obligations)	82	15	67	19
Net gains on disposal of fixed assets	-	(1)	1	(2)
Share of net profit/(loss) of equity-accounted companies	(33)	(47)	14	(27)
Net cash flow from operating activities (before changes in net working capital)	**1,534**	**1,354**	**180**	**917**
Changes in net working capital	197	(105)	302	(28)
Taxes paid	(328)	(221)	(107)	(120)
Dividends from equity-accounted companies	13	10	3	8
Net cash flow from operating activities	**1,416**	**1,038**	**378**	**777**
Cash flow from acquisitions and/or disposals	-	(7)	7	(93)
Net cash flow used in operating investing activities	(624)	(452)	(172)	(275)
Free cash flow (unlevered)	**792**	**579**	**213**	**409**
Net finance costs	(72)	(71)	(1)	(79)
Free cash flow (levered)	**720**	**508**	**212**	**330**
Dividend distribution	(165)	(148)	(17)	(134)
Capital contributions and other changes in equity	(4)	-	(4)	1
Net cash flow provided/(used) in the year	**551**	**360**	**191**	**197**
Opening net financial debt	**(1,417)**	**(1,760)**	**343**	**(1,986)**
Net cash flow provided/(used) in the year	551	360	191	197
Equity component of Convertible Bond 2021	-	-	-	49
Partial redemption of Convertible Bond 2017	-	-	-	(13)
Increase in net financial debt for IFRS 16	(153)	(58)	(95)	(63)
Net financial debt from acquisitions and divestments	-	-	-	8
Other changes	(169)	41	(210)	48
Closing net financial debt	**(1,188)**	**(1,417)**	**229**	**(1,760)**

Net financial debt of Euro 1,188 million at the end of 2023 is Euro 229 million lower than at the end of 2022 (Euro 1,417 million). This reduction was enabled by the free cash flow generated by the Group of Euro 724 million, excluding Euro 4 million in outflows for antitrust matters.
The net cash inflow of Euro 724 million was generated by:

a. Euro 1,538 million in net cash flow provided by operating activities before changes in net working capital;
b. Euro 197 million in cash inflows from the change in net working capital;
c. Euro 624 million in cash outflows for net capital expenditure;
d. Euro 328 million in tax payments;
e. Euro 72 million in payments of net finance costs;
f. Euro 13 million in dividends received from associates.

Alternative performance indicators

In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified statements and alternative performance indicators.
The purpose is to help users better evaluate the Group's economic and financial performance.

Such reclassified statements and performance indicators should not however be treated as substitutes for the accepted ones required by IFRS.

In this regard, on 3 December 2015, Consob adopted the ESMA guidelines in Italy with publication of "ESMA Guidelines/2015/1415" which supersede the "CESR Recommendation 2005 (CESR/05-178b)". The alternative performance measures have therefore been revised in light of these guidelines.

The alternative indicators used for reviewing the income statement include:

- **Adjusted operating income**: operating income before income and expense for business reorganisation[9], before non-recurring items[10], as presented in the consolidated income statement, before other non-operating income and expense[11] d before the fair value change in derivatives on commodities and in other fair value items. The purpose of this indicator is to present the Group's operating profitability without the effects of events considered to be outside its recurring operations;

- **EBITDA**: operating income before the fair value change in derivatives on commodities and in other fair value items and before amortisation, depreciation and impairment. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items;

- **Adjusted EBITDA**: EBITDA as defined above calculated before income and expense for business reorganisation, before non-recurring items, as presented in the consolidated income statement, and before other non-operating income and expense. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items, without the effects of events considered to be outside the Group's recurring operations;

- **Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies**: Adjusted EBITDA as defined above calculated before the share of net profit/(loss) of equity-accounted companies;

- **Organic growth**: growth in sales calculated net of changes in the scope of consolidation, changes in metal prices and exchange rate effects.

The alternative indicators used for reviewing the reclassified statement of financial position include:

- **Net fixed assets:** sum of the following items contained in the statement of financial position:
  - Intangible assets
  - Property, plant and equipment
  - Equity-accounted investments
  - Other investments at fair value through other comprehensive income
  - Assets held for sale involving Land and Buildings (excluding financial assets and liabilities held for sale)

9 Income and expense for business reorganisation: these refer to income and expense that arise as a result of the closure of production facilities and/or as a result of projects to optimise organisational structure;
10 Non-recurring income and expense: these refer to income and expense related to unusual events that have not affected profit or loss in past periods and are not likely to affect the results in future periods;
11 Other non-operating income and expense: these refer to income and expense that management considers should not be taken into account when measuring business performance.

- **Net working capital:** sum of the following items contained in the statement of financial position:
  - Inventories
  - Trade receivables
  - Trade payables
  - Other non-current receivables and payables, net of long-term financial receivables classified in net financial debt
  - Other current receivables and payables, net of short-term financial receivables classified in net financial debt
  - Derivatives, net of interest rate and forex risk hedges of financial transactions classified in net financial debt
  - Current tax payables
  - Current assets and current liabilities held for sale

- **Net operating working capital:** net working capital, as defined above, net of derivatives not classified in net financial debt.

- **Provisions and net deferred taxes:** sum of the following items contained in the statement of financial position:
  - Provisions for risks and charges – current portion
  - Provisions for risks and charges – non-current portion
  - Provisions for deferred tax liabilities
  - Deferred tax assets

- **Net invested capital:** sum of Net fixed assets, Net working capital and Provisions.

- **Employee benefit obligations and Total equity:** these indicators correspond to Employee benefit obligations and Total equity reported in the statement of financial position.

- **Net financial debt:** sum of the following items:
  - Borrowings from banks and other lenders – non-current portion
  - Borrowings from banks and other lenders – current portion
  - Derivatives on financial transactions recorded as Non-current derivatives and classified under Long-term financial receivables
  - Derivatives on financial transactions recorded as Current derivatives and classified under Short-term financial receivables
  - Derivatives on financial transactions recorded as Non-current derivatives and classified under Long-term financial payables
  - Derivatives on financial transactions recorded as Current derivatives and classified under Short-term financial payables
  - Medium/long-term financial receivables recorded in Other non-current receivables
  - Loan arrangement fees recorded in Other non-current receivables
  - Short-term financial receivables recorded in Other current receivables
  - Loan arrangement fees recorded in Other current receivables
  - Financial assets at amortised cost
  - Financial assets at fair value through profit or loss
  - Financial assets at fair value through other comprehensive income
  - Cash and cash equivalents

Reconciliation between the Reclassified Statement of Financial Position presented in the Directors' Report and the Statement of Financial Position contained in the Consolidated Financial Statements and Explanatory Notes at 31 December 2023

(Euro/million)			31.12.2023	31.12.2022
		Note	As per financial statements	As per financial statements
Total net fixed assets	**A**		**5,709**	**5,583**
Inventories		6	2,264	2,241
Trade receivables		5	1,987	1,942
Trade payables		13	(2,199)	(2,718)
Other receivables		5	1,090	1,012
Other payables		13	(2,522)	(1,722)
Current tax payables			(64)	(133)
Derivatives		8	17	73
Items not included in net working capital:				
Financial receivables		5	25	11
Prepaid finance costs		5	6	2
Interest rate derivatives		8	31	72
Forex derivatives on financial transactions		8	(7)	(4)
Total net working capital	**B**		**518**	**614**
Provisions for risks and charges		14	(811)	(696)
Deferred tax assets		16	299	203
Deferred tax liabilities		16	(222)	(187)
Total provisions	**C**		**(734)**	**(680)**
Net invested capital	**D=A+B+C**		**5,493**	**5,517**
Employee benefit obligations	**E**	**15**	**333**	**329**
Total equity	**F**	**11**	**3,972**	**3,771**
Borrowings from banks and other lenders		12	3,096	3,067
Financial assets at amortised cost			(3)	(3)
Financial assets at fair value through profit or loss		4	(85)	(270)
Financial assets at fair value through other comprehensive income		7	(24)	(11)
Cash and cash equivalents		9	(1,741)	(1,285)
Financial receivables		5	(25)	(11)
Prepaid finance costs		5	(6)	(2)
Interest rate derivatives		8	(31)	(72)
Forex derivatives on financial transactions		8	7	4
Net financial debt	**G**		**1,188**	**1,417**
Total equity and sources of funds	**H=E+F+G**		**5,493**	**5,517**

Reconciliation between the principal income statement indicators and the Income Statement contained in the Consolidated Financial Statements and Explanatory Notes for 2023

(Euro/million)		2023 As per income statement	2022 As per income statement
Sales	A	15,354	16,067
Change in inventories of finished goods and work in progress		52	(30)
Other income		70	70
Raw materials, consumables and supplies		(9,705)	(10,588)
Personnel costs		(1,804)	(1,758)
Other expenses		(2,572)	(2,525)
Operating costs	**B**	**(13,959)**	**(14,831)**
Share of net profit/(loss) of equity-accounted companies	C	33	47
Fair value share-based payment	D	57	104
EBITDA	**E = A+B+C+D**	**1,485**	**1,387**
Other non-recurring expenses and revenues	F	(9)	(47)
Personnel costs for business reorganisations	G	(11)	(6)
Other expenses and revenues for business reorganisations	H	(37)	(5)
Other non-operating expenses	I	(86)	(43)
Total adjustments to EBITDA	L = F+G+H+I	(143)	(101)
Adjusted EBITDA	**M = E-L**	**1,628**	**1,488**
Share of net profit/(loss) of equity-accounted companies	N	33	46
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**O = M-N**	**1,595**	**1,442**

(Euro/million)		2023 As per income statement	2022 As per income statement
Operating income	**A**	**860**	**849**
Other non-recurring expenses and revenues		(9)	(47)
Personnel costs for business reorganisations		(11)	(6)
Other expenses and revenues for business reorganisations		(37)	(5)
Other non-operating expenses		(86)	(43)
Total adjustments to EBITDA	**B**	**(143)**	**(101)**
Fair value change in derivatives on commodities	C	6	(31)
Fair value share-based payment	D	(57)	(104)
Non-recurring impairment and releases	E	(216)	(34)
Adjusted operating income	**F=A-B-C-D-E**	**1,270**	**1,119**

12. Risk factors

Prysmian Risk Model

Prysmian's value creation policy has always been based on effective management of risks and opportunities. Since 2012, by adopting the provisions on risk management introduced by the "Italian Stock Exchange Corporate Governance Code for Listed Companies" (Corporate Governance Code), Prysmian has taken the opportunity to strengthen its governance model and implement an evolving system of Risk Management that promotes proactive management of risks and opportunities using a structured and systematic tool to support the main business decision-making processes.

In fact, this Enterprise Risk Management (ERM) model, developed in line with internationally recognised models and best practices, such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and ISO 31000, enables the Board of Directors and management to make informed assessments of risk scenarios that could jeopardise the achievement of strategic objectives, and to adopt additional tools able to anticipate, mitigate or manage significant exposures and to pursue opportunities, in line with the Group's Risk Appetite, defined as the type and extent of risk that Prysmian is able and willing to assume.
The Group Chief Risk Officer (CRO), designated to manage the ERM process, is responsible for ensuring, together with management, that the main risks/opportunities facing Prysmian and its subsidiaries are promptly identified, assessed, managed and monitored over time.

During periodic meetings with the Control and Risks Committee, consisting of non-executive members of the Board of Directors, the CRO updates the Committee on the findings of the analyses and actions taken, as well as about any developments in the Group's ERM programme. Prior to doing so the CRO will report to an internal risk management committee consisting of the Group's senior management.

The Control and Risks Committee is also updated, at least once a year, on any new issues for which more in-depth training or education is needed, including new tools and methods for risk management and monitoring.

Reference should be made to the "Corporate Governance" section of this report for a discussion of the governance structure adopted and the responsibilities designated to the bodies involved.

Reference should be made to the "Corporate Governance" section of this report for a discussion of the governance structure adopted and the responsibilities designated to the bodies involved.

The ERM model adopted (and formalised within the Group ERM Policy which incorporates the guidelines for the Internal Control and Risk Management System approved by the Board of Directors back in 2014) follows a top-down approach, meaning it is directed by Senior Management and medium/long-term business objectives and strategies.

It extends to all the types of potentially significant risks/opportunities for the Group, represented in the Risk Model - shown in the figure below - that uses five categories to classify the risks of an internal or external nature characterising the Prysmian business model:

- **Strategic Risks:** risks arising from external or internal factors such as changes in the market environment, from bad and/or improperly implemented corporate decisions and from failure to react to changes in the competitive environment, which could therefore threaten the Group's competitive position and achievement of its strategic objectives;

- **Financial Risks:** risks associated with the quantity of financial resources available and with the ability to manage currency and interest rate volatility efficiently;

- **Operational Risks:** risks arising from the occurrence of events or situations that, by limiting the effectiveness and efficiency of key processes, affect the Group's ability to create value;

- **Legal and Compliance Risks:** risks related to violations of national, international and industry-specific legal and regulatory requirements, and to unprofessional conduct in conflict with company ethics, exposing the Group to possible penalties and undermining its reputation in the marketplace;

- **Planning and Reporting Risks:** risks related to the adverse effects of disclosing incomplete, incorrect and/or untimely information with possible impacts on the Group's strategic, operational and financial decisions.

Strategic

Macroeconomic and demand trends & Competitive environment

Stakeholder expectations and Corporate Social Responsibility

Key customers & business partners

Emerging country risk

Law & regulation evolution

Research & Development

M&A/JVs and integration process

Operating CAPEX

Strategy implementation

Organisational framework & governance

Financial

Commodity price volatility

Exchange rate volatility

Commodity interest rate volatility

Financial instruments

Credit risk

Liquidy risk / Working Capital risk

Capital availability / cost risk

Financial counterparties

Operational

Sales & Tendering

Production Capaccity/Efficiency

Supply Chain Capacity/Efficiency

Business interruption/ Catastrophic events

Contract execution/Liabilities

Product quality/Liabilities

Environmental

Information Technology

Human Resources

Outsourcing

Legal & Compliance

Intellectual Property rights

Compliance with laws and regulations

Compliance with Code of Ethics, Policies & Procedures

Planning & Reporting

Budgeting & Strategic planning

Tax & Financial planning

Management reporting - Financial reporting

Members of management involved in the ERM process are required to use a clearly defined common method to measure and assess specific risk events in terms of Impact, Probability of occurrence and adequacy of the existing Level of Risk Management, meaning:

- **economic-financial impact** on expected EBITDA or cash flow, net of any insurance coverage and countermeasures in place, and/or qualitative impact on **reputation** and/or **operational efficiency/continuity** and **sustainability**, measured on a scale that goes from minor (1) to very high (4);
- **probability** that a particular event may occur, measured on a scale going from remote (1) to probable (4);
- **level of control**, meaning the maturity and efficiency of existing risk management systems and processes, measured on a scale that goes from adequate (green) to inadequate/non-existent (red).

The overall assessment must also take into account the future outlook for risk, i.e. the possibility that the exposure is increasing, constant or decreasing over the period considered.

The results of measuring exposure to the risks analysed are then represented on a 4x4 heat map, which, by combining the variables in question, provides an immediate picture of the most significant risk events.

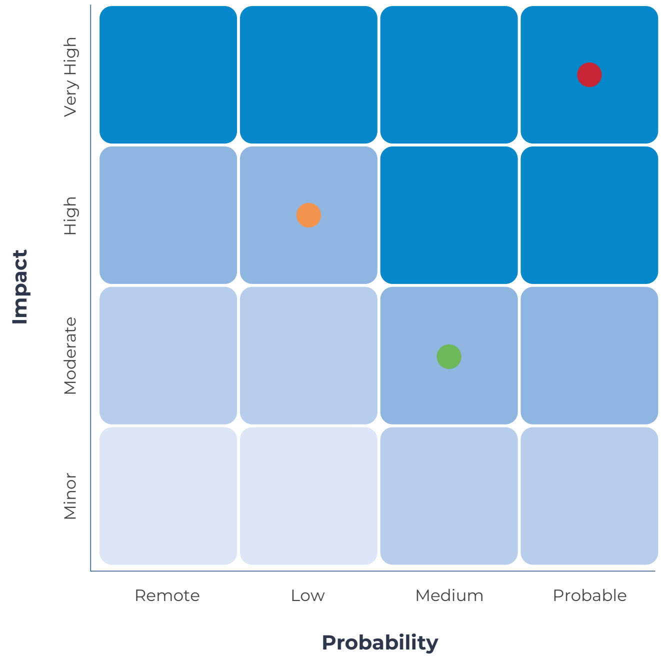
Risk assessment criteria

Risk assessment criteria

Assessment criteria
Impact
Probability
Level of Control

Level of Risk Management

- Risk NOT ADEQUATELY understood and/or managed
- Risk understood and/or managed with ROOM FOR IMPROVEMENT
- Risk ADEQUATELY understood and/or managed



This overall picture of the Group's risks allows the Board of Directors and Management to reflect upon the level of the Group's risk appetite, and so identify the risk management strategies to adopt, by assessing which risks and with what priority it is thought necessary to implement, improve and optimise mitigation actions or simply to monitor the exposure over time. The adoption of a particular risk management strategy, however, depends on the nature of the risk event identified, so in the case of:

- *external risks outside* the Group's control, it will be possible to implement tools that support the assessment of scenarios should the risk materialise, by defining the possible action plans to mitigate impacts (e.g. continuous monitoring activities, stress testing of the business plan, taking out of insurance coverage, disaster recovery plans, and so on);
- *risks partially manageable* by the Group, it will be possible to intervene through systems of risk transfer, monitoring of specific indicators of risk, hedging activities, and so on;
- *internal risks manageable* by the Group, it will be possible, as risks inherent in the business, to take targeted actions to prevent risk and minimise impacts by implementing an adequate system of internal controls and related monitoring and auditing.

ERM is a continuous process that forms part of the Group's strategic planning process through identifying potential events that could affect its sustainability, and which is updated annually with the involvement of key members of management.

In 2023, this process involved the Group's key business/function managers, allowing the most significant risk factors to be identified, assessed and managed, including sustainability and climate change issues, aimed at ensuring lasting value creation for shareholders and stakeholders.

In particular, as early as 2021, the Group, with the extensive involvement of its management, had embarked upon a detailed analysis of the topic of climate change and energy transition.

This work, developed in accordance with the requirements of the framework of the Task Force on Climate-related Financial Disclosures (TCFD) and updated annually, has made it possible to identify and assess the risks to monitor and opportunities to pursue in the short, medium and long term, arising from the transition being driven by increasingly stringent decarbonisation policies. Further information on the analysis, assessment and management of climate change risks and opportunities can be found in the specific and separately published TCFD Report 2023.

Last but not least, special attention is also being given to the issue of artificial intelligence, a technology that can offer significant opportunities in various fields of application. Harnessing its potential would result in the achievement of a major competitive advantage.

On the other hand, the increasingly widespread use of this technology is one of the emerging risks to be faced in the coming years, partly due to algorithmic bias, faulty data, lack of sources and evidence of the data used.

Developing an AI adoption strategy, establishing corporate policies and guidelines for use, along with training and education, are the pillars of an effective plan to manage the risks and opportunities.
The main risk factors to which the Group's particular type of business model is exposed will now be presented according to the five-category classification (strategic, financial, operational, legal and compliance and planning and reporting) used in the Risk Model described earlier, along with an outline of the strategies adopted to mitigate these risks.

Among the main risk factors, those related to ESG (Environment, Social, Governance) issues have also been assessed and reported, taking into account the Group's latest update of its materiality matrix for the purposes of the Non-Financial Statement. More details can be found in the specific section of the Non-Financial Statement.

With regard to financial risks, these are discussed in more detail in the Explanatory Notes to the Consolidated Financial Statements (Financial Risk Management). As stated in the Explanatory Notes to the Consolidated Financial Statements (Basis of preparation), the Directors have assessed that there are no financial, operating or other kind of indicators that might provide evidence of the Group's inability to meet its obligations in the foreseeable future and particularly in the next 12 months.

In particular, based on its financial performance and cash generation in recent years, as well as its available financial resources at 31 December 2023, the Directors believe that, barring any unforeseeable extraordinary events, there are no material uncertainties that could cast significant doubts upon the business's ability to continue as a going concern.

Strategic risks

Risks associated with the competitive environment

Many of the products offered by Prysmian, primarily in the Trade & Installers and Power Distribution businesses, are made in conformity with specific industrial standards and so are interchangeable with those offered by major competitors. Price is therefore a key factor in customer choice of supplier. The entry into mature markets (e.g. Europe) of non-traditional competitors, meaning small to medium manufacturing companies with low production costs, and the need to saturate production capacity, together with the possible occurrence of a contraction in market demand, translate into strong competitive pressure on prices, with possible consequences for the Group's expected margins.

Moreover, despite the existence of certain barriers to entry (such as those related to ownership of technology and know-how), high value-added businesses like high voltage underground and submarine cables and optical cables are seeing an escalation in competition both from existing operators and from new players, not necessarily from the industry but with leaner more flexible organisational models, and/or significant financial resources, with a potentially negative impact on both the Group's sales volumes and prices.

Prysmian may be unable either to reduce its costs sufficiently to offset the reduction in demand and the increased pressure on prices, or to effectively limit the greater competition from both new entrants and existing players, which could have a material adverse effect on its economic and financial condition and/or results of operations.

In addition, the acceleration of technological innovation observed in recent years, with an increasingly widespread use of renewable energy and a shift towards digitalisation, also fostered by the Covid-19 pandemic, represents another area of competition in the medium and long term.

The strategy of rationalising manufacturing footprint currently in progress, the consequent optimisation of cost structure, the policy of geographical diversification and, last but not least, the ongoing pursuit of innovative technological solutions, all help the Group to address the potential effects arising from the competitive environment.

Risks associated with changes in macroeconomic conditions and demand

Factors such as trends in GDP and interest rates, the ease of borrowing, the cost of raw materials, and the general level of energy costs, significantly influence market demand. In such circumstances, government incentives for alternative energy sources and to develop telecommunication networks could diminish.

Shortages of equipment, materials and labour in some sectors could hamper the production of goods, causing delays in contract execution and holding back economic recovery. Economic downturns could have negative impacts on the financial condition and results of operations of Prysmian.
To counter this risk, the Group pursues a policy of geographical diversification on the one hand and a strategy of cost reduction on the other.

In addition, the Group constantly monitors developments on the global geopolitical stage which, as a result - for example - of the introduction of specific industrial policies by individual countries, could require it to revise existing business strategies and/or adopt mechanisms to safeguard its competitive position.

Key customer dependence riskse

The many and diverse types of customers (power transmission and telecom systems operators, distributors, installers, etc.) and their distribution across an equally wide number of different countries mitigate customer dependence risk at a group level.

Risk of instability in the Group's countries of operation

Prysmian operates and has production facilities and/or companies in Asia, Latin America, the Middle East, Africa and Eastern Europe. The Group's operations in these countries are exposed to different risks linked to local regulatory and legal systems, the imposition of tariffs or taxes, exchange rate volatility, and political and economic instability affecting the ability of business and financial partners to meet their obligations.

Some of the Group's facilities, particularly in certain locations, are at greater risk of experiencing economic and political destabilisation, international conflicts, restrictive actions by foreign governments, nationalisation or expropriation, and changes in regulatory requirements. Other difficulties could arise from having to contend with terrorist activities, natural disasters, the introduction of adverse tax laws as well as the development of potential pandemics in countries that do not have the resources to deal with such outbreaks.

Significant changes in the macroeconomic, political (for instance, the current geopolitical crises, like the one between Russia and Ukraine and that in the Middle East), fiscal or legislative environment in such countries could have an adverse impact on the Group's business, results of operations, assets and financial condition. Consequently, as mentioned in the preceding paragraphs, the Group constantly monitors developments on the global geopolitical stage that could require it to revise existing business strategies and/or to adopt mechanisms to safeguard its competitive position and performance.

Risks related to acquisitions and disposals

The Group reviews potential acquisition targets on an ongoing basis and whenever it acquires new companies, their integration may pose challenges, particularly if management information and accounting systems are substantially different from those used elsewhere in the Group. It is also possible that unforeseen problems may be encountered in one or more of the acquired entities.
In addition, the Group may have to incur additional debt to finance acquisitions.

Prysmian may also dispose of some of its businesses through M&A transactions, themselves subject to uncertainty. Agreements entered into as part of disposal transactions typically provide for mutual obligations as well as representations and warranties and seller obligations to indemnify the buyer for any liabilities arising from the breach of such representations and warranties. In addition, such agreements typically contain conditions precedent that must be satisfied prior to completion, otherwise triggering the buyer's termination rights, meaning that there is no guarantee that outstanding transactions not yet completed will actually be concluded within the specified timeframe.

Financial risks

Risks associated with availability of financial resources and their cost

The volatility of the international banking and financial system could be a potential risk factor in terms of obtaining finance and its associated cost. In addition, failure to comply with the financial and non-financial covenants contained in the Group's credit agreements could limit its ability to increase its net indebtedness, other factors remaining equal. In fact, should it fail to satisfy one of these covenants, this would trigger a default event which, unless resolved under the terms of the respective agreements, could lead to their termination and/or early repayment of any credit drawn down. In such a situation, the Group might be unable to repay the amounts demanded early, in turn giving rise to a liquidity risk.

Given the current amount of cash and cash equivalents and undrawn committed credit lines, totalling about Euro 2,8 million at 31 December 2023, and six-monthly monitoring[12] of financial covenant compliance (fully satisfied at 31 December 2023), the Group is of the opinion that it has significantly mitigated this risk and that it is capable of raising sufficient financial resources at a competitive cost. A more detailed analysis of the risk in question, including a description of the Group's principal sources of finance, can be found in the Explanatory Notes to the Consolidated Financial Statements.

Exchange rate volatility

Prysmian operates internationally and is therefore exposed to exchange rate risk on the currencies of the different countries in which it operates. Exchange rate risk occurs when future transactions or assets and liabilities recognised in the statement of financial position are denominated in a currency other than the functional currency of the company which undertakes the transaction.

To manage exchange rate risk arising from future trade transactions and from the recognition of foreign currency assets and liabilities, most Prysmian companies use forward contracts arranged by Group Treasury, which manages the various positions in each currency.

However, since Prysmian prepares its consolidated financial statements in Euro, fluctuations in the exchange rates used to translate the financial statements of subsidiaries, originally expressed in a foreign currency, could affect the Group's results of operations and financial condition. Exchange rate volatility is monitored both locally and centrally, by the Group Finance department, also using specific indicators designed to intercept potential risk situations which, when deemed to exceed the defined tolerance limits, will trigger immediate mitigating actions.

A more detailed analysis of the risk in question can be found in the "Financial Risk Management" section of the Explanatory Notes to the Consolidated Financial Statements.

Interest rate volatility

Changes in interest rates affect the market value of Prysmian's financial assets and liabilities as well as its net finance costs. The interest rate risk to which the Group is exposed is mainly on long-term financial liabilities, carrying both fixed and variable rates. Fixed rate debt exposes the Group to a fair value risk. The Group does not operate any particular hedging policies in relation to the risk arising from such contracts since it considers this risk to be immaterial. Variable rate debt exposes the Group to a rate volatility risk (cash flow risk).

In order to hedge this risk, the Group uses Interest Rate Swaps (IRS), which transform the variable rate into a fixed rate, thus reducing the risk caused by interest rate volatility. IRS contracts make it possible to exchange on specified dates the difference between the fixed rates contracted and the variable rate calculated with reference to the loan's notional value. A potential rise in interest rates, from the record lows reached in recent years, could represent a risk factor in coming quarters.

A more detailed analysis of the risk in question can be found in the "Financial Risk Management" section of the Explanatory Notes to the Consolidated Financial Statements.

Credit risk

Credit risk is represented by Prysmian's exposure to potential losses arising from the failure of business or financial partners to discharge their obligations. This risk is monitored centrally by the Group Finance department, while customer-related credit risk is managed operationally by the individual subsidiaries.

The Group does not have any excessive concentrations of credit risk but given the economic and social difficulties faced by some countries in which it operates, the exposure could undergo a deterioration that would require closer monitoring. Accordingly, the Group has procedures in place to ensure that its business partners are of proven reliability and that its financial partners have high credit ratings. In addition, in mitigation of credit risk, the Group has a global trade credit insurance program covering almost all its operating companies; this is managed centrally by the Risk Management function, which monitors, with the assistance of the Group's Credit Management function, the level of exposure to risk and intervenes when tolerance limits are exceeded due to difficulty in finding coverage on the market.

12 The financial covenants are measured at the half-year reporting date of 30 June and at the full-year reporting date of 31 December.

It should be noted that credit risk was not particularly impacted during 2023 by the ongoing conflicts in Europe and the Middle East.

A more detailed analysis of the risk in question can be found in the “Financial Risk Management” section of the Explanatory Notes to the Consolidated Financial Statements.

Liquidity risk

Liquidity risk indicates the sufficiency of an entity’s financial resources to meet its obligations to business or financial partners on the agreed due dates.

With regard to Prysmian’s working capital cash requirements, these increase significantly during the first half of the year when it commences production in anticipation of order intake, with a consequent temporary increase in net financial debt.

Prudent management of liquidity risk involves the maintenance of adequate levels of cash, cash equivalents and short-term securities, the availability of sufficient committed credit lines, and timely renegotiation of loans before their maturity. Given the dynamic nature of the business in which Prysmian operates, the Group Finance department prefers flexible forms of funding in the form of committed credit lines.

At 31 December 2023, the Group’s cash and cash equivalents and undrawn committed credit lines totalled about Euro 3 billion.
A more detailed analysis of the risk in question can be found in the “Financial Risk Management” section of the Explanatory Notes to the Consolidated Financial Statements.

Commodity price volatility risk

The Group’s operating results could be affected by changes in the prices of commodities and strategic materials (such as copper, aluminium, lead, resins and polyethylene compounds as well as fuels and energy), which are subject to market volatility.

The main commodities purchased by the Group are copper, aluminium and lead, accounting for more than 50% of the total raw materials used to manufacture its products. The Group neutralises the impact of possible variations in the price of copper, aluminium and, although less significant, lead through hedging activities and automatic sales price adjustment mechanisms. Hedging activities are based on sales contracts or sales forecasts, which if not met, could expose the Group to the risk of price volatility in the underlying assets.

A dedicated team within the Group Purchasing department monitors and coordinates centrally those sales transactions requiring the purchase of metals and the related hedging activities carried out by each subsidiary, ensuring that the level of exposure to risk is kept within defined tolerance limits.
A more detailed analysis of the risk in question can be found in the “Financial Risk Management” section of the Explanatory Notes to the Consolidated Financial Statements.

Risks associated with meeting pension plan obligations

Group companies have defined benefit pension plans in place throughout the world, into which they are required to pay specific contributions. Under these plans, the Group is obliged to provide a defined level of benefits to plan participants, and is therefore subject to the risk that the related assets are insufficient to cover the benefits.

If a fund is in deficit, its managing trustee it will require Prysmian to fund the plan. In addition, the Group may be called upon to advance substantial contributions or provide further financial support to certain plans if their creditworthiness declines or if beneficiaries withdraw en masse from the plans and require immediate coverage of their deficits.

The Group has taken measures to mitigate its exposure to these risks, including by preventing new participants from joining funded plans and requiring ongoing contributions from the original beneficiaries, but there can be no assurance that these measures will be sufficient to mitigate the relevant risks. The costs of defined benefit pension plans are determined on the basis of a number of actuarial assumptions, including an expected long-term rate of return on assets and a discount rate. The use of these assumptions makes pension expense and cash contributions subject to volatility from year to year.

A more detailed analysis of this risk can be found in the note on “Employee benefit obligations” within the Explanatory Notes to the Consolidated Financial Statements.

Operational risks

Liability for product quality/defects

Possible defects in the design and manufacture of Prysmian's products could give rise to civil or criminal liability towards its customers or third parties.

Therefore, the Group, like other companies in the industry, is exposed to the risk of product liability legal actions in its countries of operation. In line with the practice followed by many industry operators, the Group has taken out insurance which it considers provides adequate protection against the risks arising from such liability. Should such insurance coverage prove insufficient, the Group's results of operations and financial condition could be adversely affected.

In addition, the Group's involvement in this kind of legal action and any negative outcome could expose it to reputational damage, with potentially further adverse consequences for its results of operations and financial condition.

Risks associated with failure to meet contractual conditions in turnkey projects

Turnkey projects involve operational and management complexities that can affect delivery times, the quality of the cables produced, the costs estimated at the contractual stage and, consequently, the agreed consideration and any costs of warranties.

The Group uses the percentage of completion method to account for such projects, whereby the margins recognised in its financial statements depend on a project's progress and its estimated margins at completion. Consequently, work in progress and margins on incomplete projects may not be recognised correctly if the revenues and costs of completion, including any contractual variations and cost overruns and penalties that might reduce expected margins, have not been estimated correctly.

The percentage of completion method requires the Group to estimate the costs of project completion and involves making estimates based on factors that could change over time and therefore have a significant impact on the recognition of revenues and margins.

Although the Group has policies and procedures designed to manage and monitor the implementation of each project, there can be no assurance that such problems will not arise. This could have a material adverse effect on the Group's business, financial condition and/or results of operations.

Specifically, projects for high/medium voltage submarine or underground power cables are characterised by types of contract entailing "turnkey" or end-to-end project management that therefore demands compliance with deadlines and quality standards, guaranteed by penalties calculated as an agreed percentage of the contract value and that can even result in contract termination if the Group (or its subcontractors and/or other third parties used by the Group in the execution of these projects) fails to comply with specific deadlines and quality standards.

The application of such penalties, the obligation to pay damages, as well as indirect effects on the supply chain in the event of late delivery or manufacturing problems, could significantly affect project performance and hence the Group's margins. Possible damage to market reputation cannot be ruled out.

Given the complexity of turnkey projects, Prysmian has implemented a quality management process involving an extensive series of tests on cables and accessories before delivery and installation, as well as specific insurance coverage, often through insurance syndicates, to mitigate exposure to risks starting from the manufacturing stage through to delivery.

In addition, the ERM assessments for this particular risk have led the Risk Management function, with the support of the Sales department, to implement a systematic process of Project Risk Assessment for all turnkey projects, involving the assignment of a Project Risk Manager, right from the bidding stage, with the aim of identifying, assessing and monitoring over time the Group's exposure to specific risks and of foreseeing the necessary mitigation actions. The decision to present a bid proposal to a customer will therefore also depend on the results of risk assessment.

Management periodically assesses completed and ongoing contracts, analysing the risks involved, including a potential domino effect on the order backlog.

In particular, a scenario/sensitivity analysis is carried out, which also examines the unavailability of strategic assets (vessels and manufacturing facilities), in order to analyse their potential impact on the entire project portfolio and implement appropriate mitigation actions.

The Group has set aside specific provisions for such risks that represent the best estimate of the related liabilities based on available information.

Business interruption risk due to dependence on key assets

The submarine cables business is heavily dependent on certain key assets, particularly the plants in Pikkala (Finland) and Arco Felice (Italy) for the production of a particular type of cable, and the cable-laying vessels owned by the Group (the "Giulio Verne" and the "Leonardo da Vinci"), some of whose technical capabilities are hard to find on the market. The loss, if only partial, of one of these assets due to unforeseen natural events (e.g. earthquakes, storms, etc.) or other incidents (e.g. fire, terrorist attacks, etc.) and the consequent prolonged business interruption could have a critical economic impact on the Group's performance.

Such assessment is conducted through scenario/sensitivity analysis, as also described in the previous section.

Prysmian addresses asset dependency risk by having:

- a systematic Loss Prevention program, managed centrally by the Risk Management function, which, through periodic on-site inspections, makes it possible to assess the adequacy of existing systems of protection and to decide any necessary remedial actions to mitigate the estimated residual risk. As at 31 December 2023, the Group's operating plants were sufficiently protected and there were no significant risk exposures. Almost all the plants have been classified as "Excellent Highly Protected Rated (HPR)", "Good HPR" or "Good not HPR", in accordance with the methodology defined by internationally recognised best practices in the field of Risk Engineering & Loss Prevention; limited exceptions, in a defined geographical area, have been classified as "Fair", for which a plan for improvement and progress monitoring has therefore been initiated and is still ongoing;

- specific disaster recovery & business continuity plans that make it possible to activate, as quickly as possible, the countermeasures required to contain the impact following a catastrophic event and manage any resulting crisis;

- specific insurance schemes covering damage to assets and loss of associated contribution margin due to business interruption, so as to minimise the financial impact of this risk on cash flow.

Construction of a new vessel named "Monna Lisa", a sister to the "Leonardo da Vinci", was announced in 2022 and is currently in progress with the new vessel due to enter service in 2025.

Key supplier dependence risks

In carrying out its operations, Prysmian uses numerous suppliers of goods and services, some of which are important suppliers of raw materials like, for example, certain metals (copper, aluminium and lead) and some polymer compounds, especially in the high voltage and submarine cables business.

Dependence on key suppliers obviously constitutes a risk in the event of delivery problems, quality issues or price rises, especially in a context like present, where the pandemic, recent geopolitical crises and even localised events have clearly demonstrated the vulnerability of a complex and now globalised supply chain. In particular, for certain raw material suppliers, Prysmian is potentially exposed to their industrial risk (fire, explosion, flood, etc.).

The risk is also assessed through scenario/sensitivity analyses, which look at the unavailability of a given raw material and its impact on the Group's business.

With the objective of preventing and mitigating these risks, the Group has a well-established qualification system to select and work with reliable suppliers of goods and services and, where possible, identify possible alternatives, thus avoiding single-source situations.

The mitigation strategy is therefore based on partnerships with a number of key suppliers aimed at reducing the Group's exposure to supply shortages, on close monitoring of their performance and on projects and investments in R&D to develop alternative technical solutions.

Risks of dependence on key distributors and resellers for the non-exclusive sale of the Group's products

Distributors and resellers account for a significant portion of the Group's sales. These distributors and resellers are not contractually obliged to purchase the Group's products on an exclusive basis. Therefore, they may purchase competitor products or cease to purchase the Group's products at any time. The loss of one or more major distributors could have a material adverse effect on the Group's business, financial condition and/or results of operations.

ESG-related risks are discussed in the Non-Financial Statement and the TCFD Report 2023.

Legal and compliance risks

Risks related to changes in industry standards and legal requirements

Group companies are required to comply with specific federal, state, local and foreign legal and regulatory requirements, as well as certain industry standards. Changes in applicable laws and regulations may affect the growth of the markets in which the Group operates. Growth in the cable industry is partly due to legislation on energy and alternative and renewable energy sources, as well as to incentives for investing in utilities and infrastructure. It is not foreseeable whether, in the future, there will be legislative changes and/or industry standards that are detrimental to the Group's business. Although the Group's business is managed to mitigate such risks, there can be no assurance that changes in applicable standards, laws and regulations will not result in significant costs, which could have a material adverse effect on the Group's business, financial condition and/or results of operations.

Planning and reporting risks

Planning and reporting risks are related to the adverse effects that any irrelevant, untimely or incorrect information might have on the Group's strategic, operational and financial and non-financial decisions. At present, in view of the reliability and effectiveness of internal procedures for reporting and planning, the Group does not consider these risks to be material.

13. Other information

Incentive plans
Information about incentive plans can be found in the Explanatory Notes to the Consolidated Financial Statements and in the "People, Prysmian's Human Capital" chapter of the Non-Financial Statement.

Related party transactions
Related party transactions do not qualify as either atypical or unusual but form part of the normal course of business by Group companies. Such transactions take place under market terms and conditions, according to the type of goods and services provided.

The Group has published, including on its website, the procedures adopted to ensure the transparency and substantive and procedural fairness of related party transactions.

Information about related party transactions, including that required by the Consob Communication dated 28 July 2006, is presented in Note 33 to the Consolidated Financial Statements at 31 December 2023.

Atypical and/or unusual transactions
In accordance with the disclosures required by Consob Communication DEM/6064293 dated 28 July 2006, it is reported that no atypical and/or unusual transactions took place during 2023.

Secondary locations and basic corporate information
The list of secondary locations and basic corporate information about the legal entities making up the Group can be found in Appendix A of the Explanatory Notes to the Consolidated Financial Statements.

Financial risk management
The management of financial risks is discussed in the Explanatory Notes to the Consolidated Financial Statements (Financial risk management).

Treasury shares
Information about treasury shares can be found in Note 11 to the Consolidated Financial Statements at 31 December 2023.

14. Business outlook

The cable industry is increasingly strategic due to long-term market trends which require resilient, high-performing, sustainable and innovative cable solutions: increased renewable generation, growing electricity demand, enhanced power grids, massive data growth. In this context, Prysmian is uniquely positioned to seize current market trends which require resilient, high-performing, sustainable and innovative cable solutions.

For FY 2024, Prysmian expects to achieve:

- adjusted EBITDA in the range of Euro 1,575-1,675 million
- cash flow in the range of Euro 675-775 million (FCF before acquisitions and disposals)
- scope 1&2 GHG emission reduction of 36% and Scope 3 reduction of 13% vs 2019

At its Capital Markets Day, held on October 5, 2023, the Group presented its strategy to lead the Energy Transition and Digital Transformation – "Connect, to lead" – thereby outlining 2027 financial targets, consisting of:

- Adj. EBITDA of Euro 2bn (+/- Euro 100m)
- Free Cash Flow to Euro 900m-1bn
- EBITDA conversion in FCF to 47-48%
- ROCE to 25-28%

These goals assume no material changes in both the geopolitical crisis relating to the conflicts in Ukraine and in Israel, in addition to excluding extreme dynamics in the prices of production factors or significant supply chain disruptions. The forecasts are based on the Company's current business perimeter, assuming a EUR/USD exchange rate of 1.08, and do not include impacts on cash flows related to Antitrust issues.

15. Certification pursuant to Art. 2.6.2. of the regulation of markets organized and managed by Borsa italiana S.p.A.

Suitable measures have been taken to ensure compliance with Art. 15 of the Regulations issued by CONSOB under Resolution no. 20249 of 28 December 2017 concerning conditions for the listing of shares of parent companies that control companies incorporated under and regulated by the law of countries other than EU-member states and which are material to the Consolidated Financial Statements, and whose requirements have been met.

Milan, 28 February 2024

ON BEHALF OF THE BOARD OF DIRECTORS
THE CHAIRMAN
Claudio De Conto

16. Consolidated non-financial statement

Introduction

This section represents the Consolidated Non-Financial Statement (hereinafter also referred to as "NFS", "Statement") prepared, pursuant to Arts. 3 and 4 of Italian Legislative Decree 254/16 (hereinafter also the "Decree") as supplemented, by Prysmian S.p.A. The scope of the Non-financial Statement includes the parent company (Prysmian S.p.A.) and the fully consolidated companies (hereinafter also "Prysmian").

This Statement, approved by the Board of Directors on 28 February 2024, has been prepared pursuant to the "GRI Sustainability Reporting Standards 2021" issued by the GRI Global Reporting Initiative, on an "in accordance with" basis. The GRI Standards, currently the most widely adopted and internationally recognized standards for non-financial reporting, have been identified by Prysmian as "reference standards" for compliance with the requirements of Italian Legislative Decree 254/2016.

The main ESG KPIs measured and monitored by the Group are analyzed in the following sections of this document:

- Ethics and Integrity;
- Environmental responsibility;
- People, Prysmian's human capital;
- Sustainable value chain.

Each chapter is organized as follows:

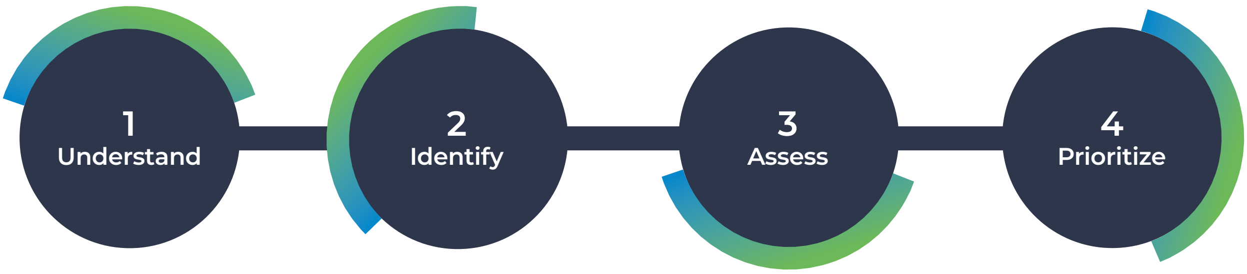
- a section on the risks identified in relation to the material topics addressed therein;
- disclosure of the sustainability performance of the Group in accordance with the GRI Standards 2021;
- background information and comments on the trends in the data presented

More information about how this document was prepared can be found in the later section on "Methodology".

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.

Process Overview



April/September
2023

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

October
2023

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).

November/December
2023

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.

January
2024

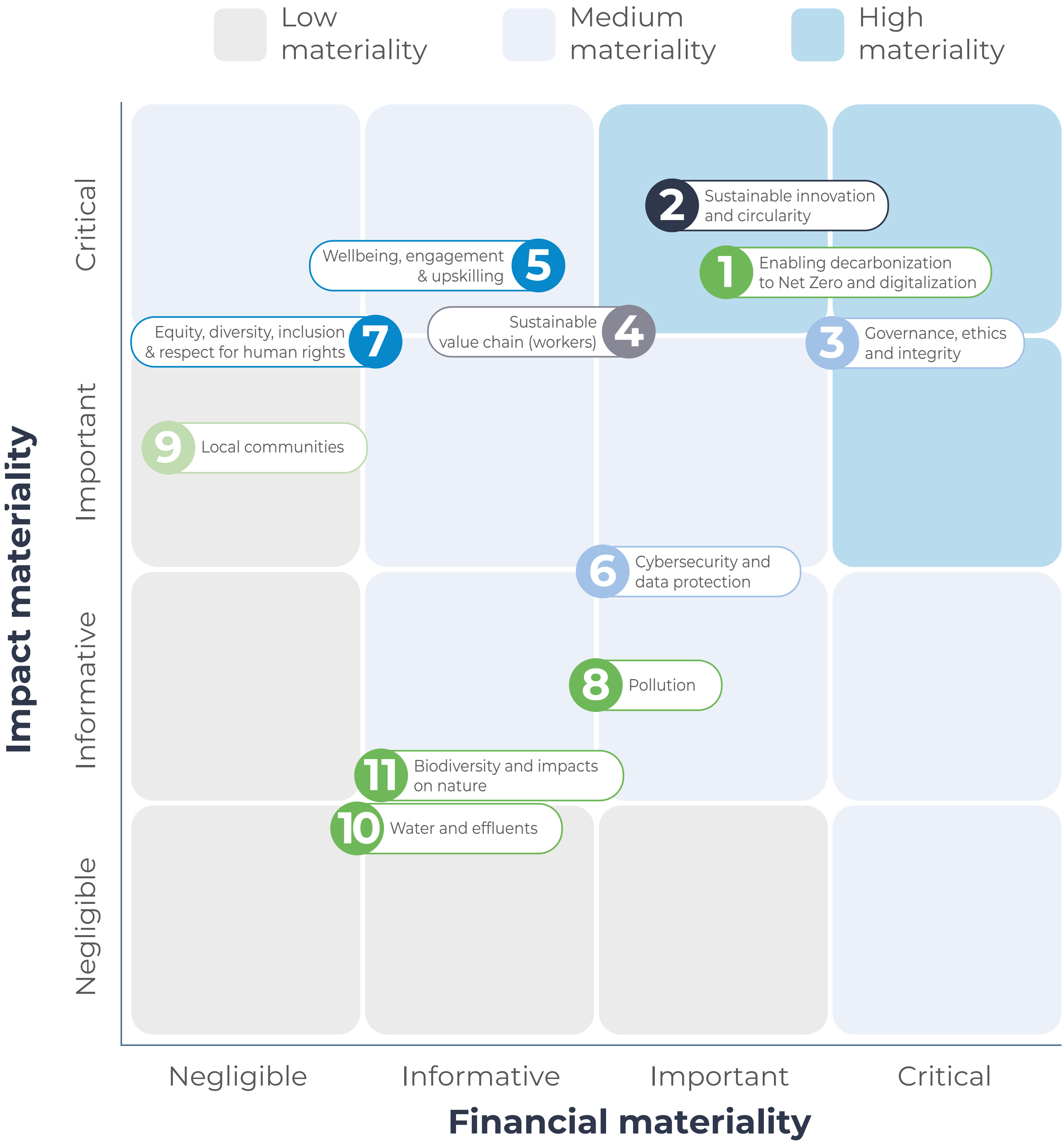
Assign priorities to relevant issues and prepare the dual materiality matrix.

The materiality analysis conducted by the Group led to the preparation of the Materiality Matrix below, which 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.

As can be seen from the latter, the analysis led to the identification of 11 Material Topics, four of which were considered to have “Higher Materiality”: “Facilitating decarbonization to achieve Net-Zero and digitalization”; “Sustainable innovation and circularity”; “Governance, ethics and integrity”; “Sustainable value chain”.

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 REDUCED INEQUALITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Sustainable value chain	11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 3 GOOD HEALTH AND WELL-BEING
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 REDUCED 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 next paragraphs detail the process that led to the production of the Materiality Matrix and the description of the Material Topics.

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 according to the so-called "inside-out" logic, i.e., those effects on the economy, environment, people and human rights that result from the organization's activities or its business relationships.

At the same time, 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. This process made it possible to verify that no relevant topics were left out also from the financial point of view, 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.

In particular, the Group conducted a gap analysis between GRI and ESRS during 2023 in order to be better prepared for the future entry into force of the new standards. Prysmian's financial analysis drew also on the risk assessments already carried out by the Risk Management function and those carried out in an Enterprise Risk Management context, including the 2023 TCFD Report.

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";

Prysmian's stakeholders

Stakeholder value creation

Attori	Mission	Azioni
Customers	Listen and engage with our customers to better serve them and to drive innovation	· Customer satisfaction survey · Cable App & Customer Portal
Shareholders & Investors	Public company with broad shareholders base	· Long-term and sustainable value creation · Shareholders' meetings and participation
Schools, Universities & Research Centers	Invest and promote learning and education as a key driver of improvement and innovation	· Prysmian Academy · Local mentoring programs for 500 students
Local Communities	Promote and contribute to the social and economic development of the communities where we operate	· Construction of nursery/school projects · Donation of cables to improve local development
Employess	Create and nurture a diverse, inclusive, equal opportunities working environment where meritocracy is at the core	· Internal projects of upskilling mobility and workforce development · Health & Safety focusa
Suppliers	Proactively promote the decarbonization of our supply chain incorporating ESG drivers in the suppliers selection	· ESG evaluation of suppliers base · Sustainability audits · CDP partnership (Carbon Disclosure Project)

- 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).

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.

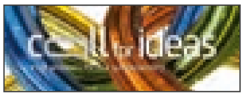
Internal stakeholder engagement activities:
- Top Management Interviews;
- Local events during Sustainability Week;
- Speak up Survey (people engagement survey);
- Call and meeting with Sustainability Ambassadors;
- Sustainability Steering Committee;
- Prysmian Sustainability Academy courses and activities;
- 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 over 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 were mapped in relation to 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)
1 – Negligible	Not significant and transient local impact or minor ecological damage / minor ecological enhancement 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_2 of Scope 1 e 2 emissions and/or less than 29,065,770 kton CO_2 for Scope 3 emissions	Prysmian's internal premises/ operations sites and immediate surrounding areas.	Remediation / restoration time shorther than 6 months
2 - Informative	Contaminated area smaller than 10 ha / enhanced or positively impacted area smaller than 10 ha 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_2 and 250 kton CO_2 for Scope 1 and 2 emissions and/or between 29,065,770 kton CO_2 and 47,086,548 kton CO_2 for Scope 3 emissions	Prysmian's internal premises/ operations sites and surrounding areas.	Remediation/ restoration time between 7 months and 2 years
3 – Important	Contaminated area between 10 ha and 1 square kilometre / enhanced or positively impacted area between 10 ha and 1 square kilometre 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_2 and 488 kton CO_2 for Scope 1 and 2 emissions and/or between 47,086,548 kton CO_2 and 74,117,714 kton CO_2 for Scope 3 emissions	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
4 – Critical	Contaminated area above 1 square kilometre / enhanced or positively impacted area above 1 square kilometre 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 cultura 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_2 for Scope 1 and 2 emissions and/or more than 74,117,714 kton CO_2 for Scope 3 emissions	Major global impact on the ecosystem/local communities/ people.	Remediation/ restoration time above 5 years

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[13].

Material Topic	Impact generated on economic, environment and people	Scope	Category	Type of impact[1]	Scale of impact	Likelihood	Remediability	Time horizon
Pollution (ESRS E2 - 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 Informative	Low	Remediation or restoration time between 7 months and 2 years	Medium term 2-5 years
Pollution (ESRS E2 - 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 Informative	n.a.	Remediation or restoration time longer than 5 years	Short term 1 year
Pollution (ESRS E2 - Pollution)	Pollution of waterways in the proximity of Prysmian manufacturing or installation sites, as a results 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 Important	Low	Remediation or restoration time longer than 5 years	Long term 5+ years
Pollution (ESRS E2 - 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 Informative	Low	Remediation or restoration time between 7 months and 2 years	Medium term 2-5 years
Water and effluents (ESRS E3 - Water and marine resources)	Water treatment and extraction of waste and pollutants from waterways during operations	Prysmian's internal premises/ operations sites and surrounding areas	+	Actual	1 Negligible	n.a.	n.a.	Short term 1 year
Water and effluents (ESRS E3 - Water and marine resources)	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 Negligible	n.a.	Remediation or restoration time between 7 months and 2 years	Short term 1 year
Biodiversity and impacts on nature (ESRS E4 - Biodiversity and ecosystems)	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 Informative	n.a.	n.a.	Short term 1 year

13 Impact on Water and tributaries: for more information on the amount of water consumed, see the chapter of this document "Environmental Responsibility".
Impact on Facilitating decarbonization to achieve Net Zero (Scope 1, 2 and 3) and digitization: see the chapter of this document "Environmental Responsibility" for more information.
Impact on Well-being, engagement and skills improvement of human capital: for more information regarding training hours for employees, please refer to the chapter in this document "People, Prysmian's Human Capital".

Material Topic	Impact generated on economic, environment and people	Scope	Category	Type of impact[1]	Scale of impact	Likelihood	Remediability	Time horizon
Biodiversity and impacts on nature (ESRS E4 - Biodiversity and ecosystems)	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 Important	n.a.	Remediation or restoration time longer than 5 years	Short term 1 year
Enabling the decarbonization to Net-Zero and digitalization (ESRS E1 - Climante Change)	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 Critical	n.a.	n.a.	Short term 1 year
Enabling the decarbonization to Net-Zero and digitalization (ESRS E1 - Climante Change)	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 Informative 3 Important"	n.a.	Remediation or restoration time longer than 5 years	Short term 1 year
Enabling the decarbonization to Net-Zero and digitalization (ESRS E1 - Climante Change)	Contribution to GHG emissions of scope 3 as a result of indirect business activities.	Major global impact on the ecosystem/ local communities	-	Actual	3 Important	n.a.	Remediation or restoration time longer than 5 years	Short term 1 year
Governance, ethics and integrity (ESRS G1 - Business conduct)	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 Important	Low	Remediation or restoration time shorter than 6 months	Medium term 2-5 years
Cyber security and data protection (ESRS S1 - Own workforce)	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 Informative	n.a.	n.a.	Short term 1 year
Cyber security and data protection (ESRS S1 - Own workforce)	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 Informative	Low	Remediation or restoration time between 7 months and 2 years	Medium term 2-5 years
Sustainable value chain (workers) (ESRS S2 - Workers in the value chain)	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 Important	Low	Remediation or restoration time between 2 and 5 years	Medium term 2-5 years
Sustainable value chain (workers) (ESRS S2 - Workers in the value chain)	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 Important	Low	Remediation or restoration time between 7 months and 2 years	Medium term 2-5 years

Material Topic	Impact generated on economic, environment and people	Scope	Category	Type of impact[1]	Scale of impact	Likelihood	Remediability	Time horizon
Sustainable value chain (workers) (ESRS S2 - Workers in the value chain)	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 Important	Low	Remediation or restoration time longer than 5 years	Medium term 2-5 years
Sustainable innovation and circularity (ESRS E5 - Resource use and circular economy)	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 Critical	n.a.	n.a.	Short term 1 year
Sustainable innovation and circularity (ESRS E5 - Resource use and circular economy)	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 Important	n.a.	n.a.	Short term 1 year
Sustainable innovation and circularity (ESRS E5 - Resource use and circular economy)	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 Critical	n.a.	n.a.	Short term - 1 year
Sustainable innovation and circularity (ESRS E5 - Resource use and circular economy)	Negative effects on the environment (water, soil, air) due to the improper management of products' end-of life, such as discharge of waste/scraps 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 Important	Medium	Remediation or restoration time longer than 5 years	Medium term 2-5 years
Local communities (ESRS S3 - Affected 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 Important	n.a.	n.a.	Short term - 1 year
Local communities (ESRS S3 - Affected 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 Informative	Medium	Remediation or restoration time longer than 5 years	Long term - 5+ years
Human capital's well-being, engagement & upskillin (ESRS S1 - Own Workforce)	Human Capital well-being: Promoting work-life balance practices within the organization	Prysmian's internal premises/operations sites	+	Actual	3 Important	n.a.	n.a.	Short term - 1 year
Human capital's well-being, engagement & upskilling (ESRS S1 - Own Workforce)	Upskilling: Strengthening and upskilling the competences of the personnel and develop talent	Prysmian's internal premises/operations sites	+	Actual	3 Important	n.a.	n.a.	Short term - 1 year
Human capital's well-being, engagement & upskilling (ESRS S1 - Own Workforce)	Engagement: Adoption of people oriented policies to safeguard people's needs	Prysmian's internal premises/operations sites	+	Actual	3 Important	n.a.	n.a.	Short term - 1 year

Material Topic	Impact generated on economic, environment and people	Scope	Category	Type of impact[(1)]	Scale of impact	Likelihood	Remediability	Time horizon
Human capital's well-being, engagement & upskilling (ESRS S1 - Own Workforce)	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 Critical	n.a.	Remediation or restoration time between 2 and 5 years	Short term - 1 year
Equity, Diversity, Inclusion & respect for human rights (ESRS G1 - Business conduct)	Promotion of specific programs towards a more inclusive and diverse work environment	Prysmian's internal premises/operations sites and immediate surrounding areas	+	Actual	3 Important	n.a.	n.a.	Short term - 1 year
Equity, Diversity, Inclusion & respect for human rights (ESRS G1 - Business conduct)	Promotion of practices to promote gender balance in Prysmian management and BoD	Prysmian's internal premises/operations sites and immediate surrounding areas	+	Actual	3 Important	n.a.	n.a.	Short term - 1 year
Equity, Diversity, Inclusion & respect for human rights (ESRS G1 - Business conduct)	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 Important	Low	Remediation or restoration time shorter than 6 months	Medium term - 2-5 years

(1) For the "Actual" impacts, the likelihood is not applicable as they are considered certain according to GRIS 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
Pollution (ESRS E2 - Pollution)	• Implementation of technologies, practices and collaborations to reduce the impact of pollutants used along the value chain on the ecosystem and environment.
Water and effluents (ESRS E3 - Water and marine resources)	• Analysis of the consequences of production processes on water resources. • Development of a sustainable water resource treatment management strategy.
Biodiversity and impacts on nature (ESRS E4 - Biodiversity and ecosystems)	Awareness of: • Group's impact on ecosystems; • Consequences of biodiversity loss in areas where Prysmian operates.
Enabling the decarbonization to Net-Zero and digitalization (ESRS E1 - Climate Change)	• Policies and actions to reduce energy consumption and accelerate the path to zero net CO_2 emissions (Science-Based targets); • Supporting the digitalization process.
Governance, ethics and integrity (ESRS G1 - Business conduct)	• Governance structure and mechanisms that ensure fair and transparent management of activities and engagement of employees, management, and shareholders. • Management model based on stringent standards of ethics and professional integrity. • Enforcement of measures to prevent corruption and ensure fair tax practices.

Material Topic	Description
Cybersecurity and data protection (ESRS S1 - Own workforce)	Advanced Cybersecurity measures for: • managing information security risks; • ensuring data protection and privacy.
Sustainable value chain (workers) (ESRS S2 - Workers in the value chain)	Promotion of long-term value creation - over the entire value chain - through sustainable management of: • upstream activities; • downstream activities (customer-centric approach); • working conditions and welfare of workers.
Sustainable innovation and circularity (ESRS E5 - Resource use and circular economy)	• Development of solutions that generate sustainability benefits (e.g., renewable energy solutions, Smart Grid). • Ongoing research to develop products and processes with sustainable environmental and social impacts throughout the life cycle. • Efficient management of business activities with impact on the environment. • Promotion of circularity resulting from recycling processes.
Local communities (ESRS S3 - Affected communities)	• Promoting access to energy and telecommunications for communities. • Sponsorships and donations for local community development.
Human capital's well-being, engagement & upskilling (ESRS S1 - Own Workforce)	Initiatives to promote employee well-being through: • health and safety management systems designed to reduce work-related accidents and illnesses; • actions to attract talent and ensure human resources development (training and mentoring; salary and benefits policies and reward systems; career plans; long-term incentives).
Equity, Diversity, Inclusion and Respect for Human Rights (ESRS G1 - Business conduct)	• Promoting multiculturalism, social, and digital inclusion; • Protection of diversity; • Reducing wage inequality; • Policies and practices to protect human rights throughout the value chain.

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.

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
Water and effluents (ESRS E3 - Water and marine resources)	Water unavailibilty 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 Minor/ Insignificant	Medium	Long term more than 5 years
Enabling the decarbonization to Net-Zero and digitalization (ESRS E1 - Climante Change)	Increased severity of extreme weather events leading to higher frequency of property damages and business interruption and potential increase of insurance premium.	Risk	2 Moderate	Low	Long term more than 5 years
Enabling the decarbonization to Net-Zero and digitalization (ESRS E1 - Climante Change)	Increased production costs due to Carbon Tax or Emission Trading Scheme.	Risk	2 Moderate	Medium	Long term more than 5 years
Enabling the decarbonization to Net-Zero and digitalization (ESRS E1 - Climante Change)	Intercept the expected global cable market growth and access to emerging markets (solar, onshore wind, ...)	Opportunity	4 Very High	High	Long term more than 5 years
Enabling the decarbonizatio to Net-Zero and digitalization (ESRS E1 - Climante Change)	Use of lower-emission sources through installation of renewable energy systems (e.g. photovoltaic) and purchase of renewable energy.	Opportunity	2 Moderate	High	Long term more than 5 years
Enabling the decarbonization to Net-Zero and digitalization (ESRS E1 - Climante Change)	Sea level rise will increase the risk of coastal flood leading to property damage and business interruption.	Risk	1 Minor/ Insignificant	Medium	Long term more than 5 years
Human capital's well-being, engagement & upskilling (ESRS S1 - Own Workforce)	Levereging 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 Moderate	Medium / High	Medium term 2-5 years
Human capital's well-being, engagement & upskilling (ESRS S1 - Own Workforce)	Upskilling: Strenghtening 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 Moderate	High	Medium term 2-5 years

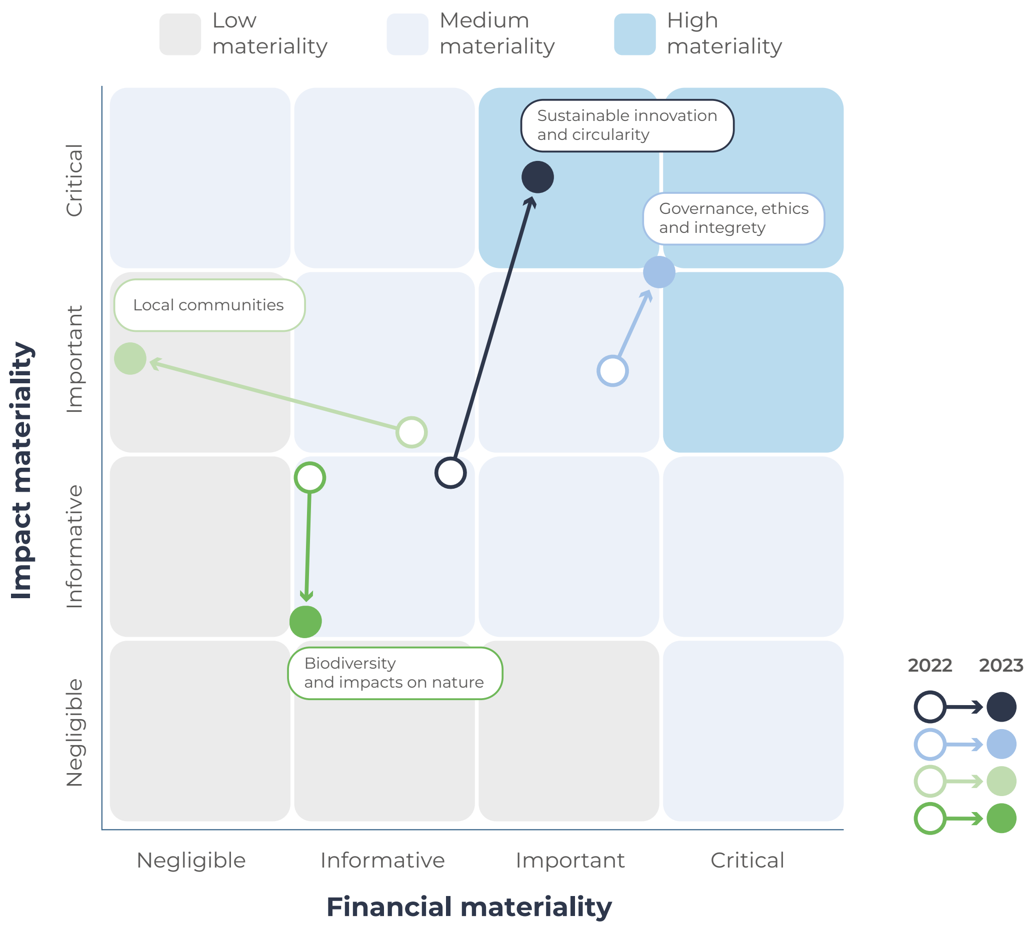
Material Topic	Description	Category	Scale of Impact	Likelihood	Time Horizon
Human capital's well-being, engagement & upskilling (ESRS S1 - Own Workforce)	Future legislative and/or regulatory changes might affect the operations of the Group, its ability to compete n the marketplace and its financial results.	Risk	2 Moderate	Medium	Medium term 2-5 years
Human capital's well-being, engagement & upskilling (ESRS S1 - Own Workforce)	Lack of key people and talent attraction management leading to operational, quality issues or project delays in implementation of business strategies.	Risk	1 Minor/ Insignificant	Medium	Medium term 2-5 years
Human capital's well-being, engagement & upskilling (ESRS S1 - Own Workforce)	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 Minor/ Insignificant	Medium	Medium term 2-5 years
Biodiversity and impacts on nature (ESRS E4 - Biodiversity and ecosystems)	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 Minor/ Insignificant	Low	Long term more than 5 years
Biodiversity and impacts on nature (ESRS E4 - Biodiversity and ecosystems)	"Develop new solution with minimized enviromental impact Increase market share and/or marginality (patentability) Enhancement of biodiversity in installations sites after installation operations leading to reputational advantage".	Opportunity	2 Moderate	Medium	Long term more than 5 years
Sustainable value chain (workers) (ESRS S2 - Workers in the value chain)	Developing of a sustainable value chain that is extremely sensitive to ESG issues: - Reducing operating costs; - Reputational advantage; - Reduction of litigation costs.	Opportunity	2 Moderate	Medium	Long term more than 5 years
Sustainable value chain (workers) (ESRS S2 - Workers in the value chain)	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 Moderate	Medium	Medium term 2-5 years
Cybersecurity and data protection (ESRS S1 - Own workforce)	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 High	Medium	Medium term 2-5 years
Cybersecurity and data protection (ESRS S1 - Own workforce)	Cyber attack causing business interruption and extra costs for cable manufacturing, LD for delays and ransom.	Risk	2 Moderate	High	Long term more than 5 years
Cybersecurity and data protection (ESRS S1 - Own workforce)	Safe and protected data and services for all stakeholders: - Reduction of litigation costs; - Increased resilience of services/ operations; - Reputational advantage.	Opportunity	1 Minor/ Insignificant 2 Moderate	Medium	Long term more than 5 years

Material Topic	Description	Category	Scale of Impact	Likelihood	Time Horizon
Equity, Diversity, Inclusion & respect for human rights (ESRS G1 - Business conduct)	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 Minor/ Insignificant	Medium	Medium term 2-5 years
Governance, ethics and integrity (ESRS G1 - Business conduct)	Potential sanctions and reputational damages from export activities.	Risk	4 Very High	Low	Medium term 2-5 years
Governance, ethics and integrity (ESRS G1 - Business conduct)	Potential sanctions and reputational damages from breach of antitrust legislation.	Risk	4 Very High	Medium	Medium term 2-5 years
Governance, ethics and integrity (ESRS G1 - Business conduct)	Potential sanctions and reputational damages from breach of anticorruption legislation.	Risk	3 High	Low	Medio termine 2-5 anni
Governance, ethics and integrity (ESRS G1 - Business conduct)	Potential sanctions and reputational damages from breach of Code of ethics, policies and procedures.	Risk	2 Moderate	Medium	Medium term 2-5 years
Governance, ethics and integrity (ESRS G1 - Business conduct)	Potential legal proceedings, financial losses including fines/penalties and reputational damages.	Risk	2 Moderate	Medium	Medium term 2-5 years
Sustainable innovation and circularity (ESRS E5 - Resource use and circular economy)	Development and expansion of low emission solutions, in particula in Energy Cable and Fiber markets.	Opportunity	3 High	High	Long term more than 5 years
Sustainable innovation and circularity (ESRS E5 - Resource use and circular economy)	Greening the supply chain by evaluating options to reduce energy use and waste production and increase the use of recycled material.	Opportunity	3 High	High	Long term more than 5 years
Sustainable innovation and circularity (ESRS E5 - Resource use and circular economy)	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 Moderate	High	Long term more than 5 years
Sustainable innovation and circularity (ESRS E5 - Resource use and circular economy)	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 Moderate	Medium	Long term more than 5 years
Sustainable innovation and circularity (ESRS E5 - Resource use and circular economy)	Potential negative impact due to increased litigation costs (e.g. third party patent owners).	Risk	1 Minor/ Insignificant	Low	Long term more than 5 years

Material Topic	Description	Category	Scale of Impact	Likelihood	Time Horizon
Sustainable innovation and circularity (ESRS E5 - Resource use and circular economy)	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 Moderate	Medium	Long term more than 5 years
Pollution (ESRS E2 - Pollution)	Environmental pollution leading to remediation costs, sanctions, fines and reputational damages.	Risk	2 Moderate	Low	Medium term 2-5 years

Evolution of material topics 2023 vs 2022

The shown image illustrates the main evolutions of Prysmian Materiality Matrix from 2022 to 2023[14].



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.

14 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; (3) 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.

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**

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**[15] (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**[16], 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**[17]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**[18] 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

15 Prysmian Code of Ethics is made known to all stakeholders – external and internal – by publication on the corporate website www.prysmian.com, in the Ethics and integrity section, and on the "Prysmian People" intranet https://www.prysmian.com/en/company/ethics-integrity

16 Prysmian's Human Rights Policy is made known to all stakeholders – external and internal – by publication on the corporate website www.prysmian.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

17 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.prysmian.com/en/sustainability/strong-commitment/integrated-sustainability-strategy

18 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.prysmian.com/sites/default/files/atoms/files/anti-corruption-policy.pdf, in the Ethics and Integrity section and on the "Prysmian People" intranet.

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[19] (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 significant 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 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**[20] 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.

19 https://www.prysmian.com/en/company/ethics-integrity/helpline
20 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.prysmian.com/en/company/ethics-integrity and on the "Prysmian People" intranet https://www.prysmian.com/sites/default/files/atoms/files/2-Antitrust-Global-Code-of-Conduct.pdf

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 **Export Control**, the Compliance Function supports the Group by implementing IT applications that check all commercial and procurement transactions, on a daily basis, to avoid matches with the various Economic Sanctions lists (USA, EU, UN etc.). In addition, 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[21] 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.

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 procedure, 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[22]. In this sense, Prysmian has implemented several channels through which a report can be made, including anonymously, which include 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

21 www.prysmian.com/en/company/ethics-integrity
22 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, in the Ethics and Integrity section, and on the "Prysmian People" intranet https://www.prysmian.com/sites/default/files/atoms/files/Code%20of%20Ethics_final_EN.pdf

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.
- 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 training on that topic, it should be noted that during the year, the specific campaign delivered in 2022 was renewed and offered to all newly hired employees (1,003 Desk Workers) and, in addition, to 24 Agents in LATAM.
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 2021-2023, the Group did not receive any significant penalties[23] (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.

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".

23 Significant monetary penalties mean fines above Euro 10,000.

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:

Compliance:
compliance with the law, regulations and circulars issued by the authorities on tax matters.

Legality:
satisfaction by all Group companies of their tax and tax payment obligations.

Sustainability:
efficient, effective and sustainable management of the tax variable, in order to support the Prysmian business and, like all other aspects of our business operations, maximize shareholder value.

Integrity:
diligent exercise of professional judgment in order to ensure that all tax decisions are consistent with domestic and international best practices, following proper analysis and with appropriate documentation.

Trust and transparency:
positive and transparent approach to the Tax Authorities, in order to develop and maintain fair and honest relations.

The 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[24].

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.

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

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[25].
Regarding information about the reporting scope, the name of the entities and the tax jurisdiction in which the entities are resident[26], as well as the respective activity carried out, please refer to the appropriate appendix "Company and branch detail for FY 2023".

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
North America	**1,056**	**4,905**	**5,961**	**612**	**227**	**164**	**7,146**	**1,556**	**548**
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
LATAM	**409**	**1,853**	**2,262**	**125**	**24**	**55**	**3,275**	**509**	**125**
Brazil	140	618	758	22	2	13	1,673	242	55
Other	269	1,235	1,504	103	22	42	1,602	267	70
EMEA	**5,988**	**9,090**	**15,078**	**186**	**67**	**65**	**16,761**	**3,392**	**996**
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
APAC	**365**	**1,097**	**1,462**	**21**	**11**	**15**	**2,903**	**312**	**98**
China	239	411	650	30	5	8	1,608	138	40
Other	126	686	813	(9)	6	7	1,295	174	58
Total	**7,818**	**16,945**	**24,764**	**944**	**329**	**299**	**30,085**	**5,769**	**1,767**

25 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.
26 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").

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
North America	**1,103**	**5,391**	**6,494**	**594**	**137**	**190**	**7,246**	**1,495**	**534**
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
LATAM	**457**	**1,521**	**1,977**	**44**	**20**	**29**	**3,337**	**488**	**103**
Brazil	137	607	744	15	1	15	1,621	204	47
Other	320	914	1,234	29	19	14	1,716	284	56
EMEA	**6,397**	**8,924**	**15,320**	**(151)**	**75**	**61**	**17,044**	**3,071**	**921**
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
APAC	**339**	**1,202**	**1,542**	**3**	**8**	**14**	**2,898**	**328**	**102**
China	221	466	687	15	5	5	1,634	136	43
Other	119	736	854	(12)	4	9	1,264	191	59
Total	**8,296**	**17,038**	**25,333**	**491**	**240**	**294**	**30,525**	**5,381**	**1,660**

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[27]. As mentioned above, the taxes paid comprise both:

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

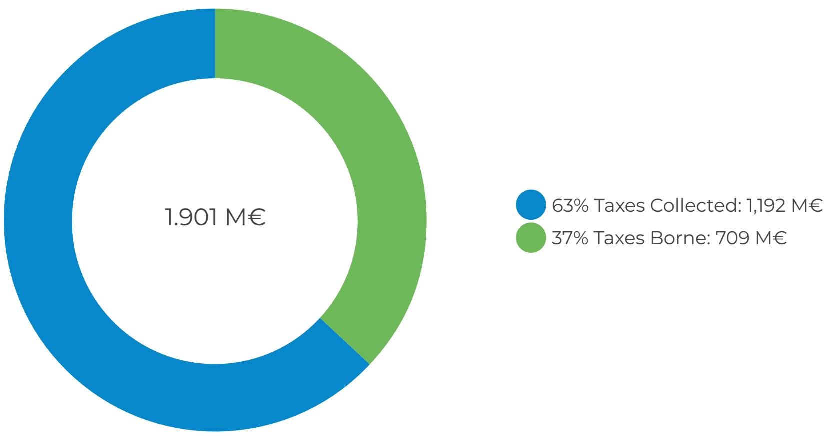
The taxes borne and collected are categorized as follows[29]:

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

27 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").
28 Despite not representing a cost for Prysmian, these taxes are included as part of the TTC because they also derive from the economic activities carried out.
29 The following tax categories are considered:
Profit – income taxes: this category comprises both corporate income taxes borne (e.g. corporate income taxes applied at national or local level, taxes on productive activities, as well as withholding taxes) and collected, if 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.
30 Consistent with the *Total income tax paid (on cash basis)* reported in the table containing the GRI 207-4 data, Profit Tax Borne does not include the taxes on dividends received from other group entities.

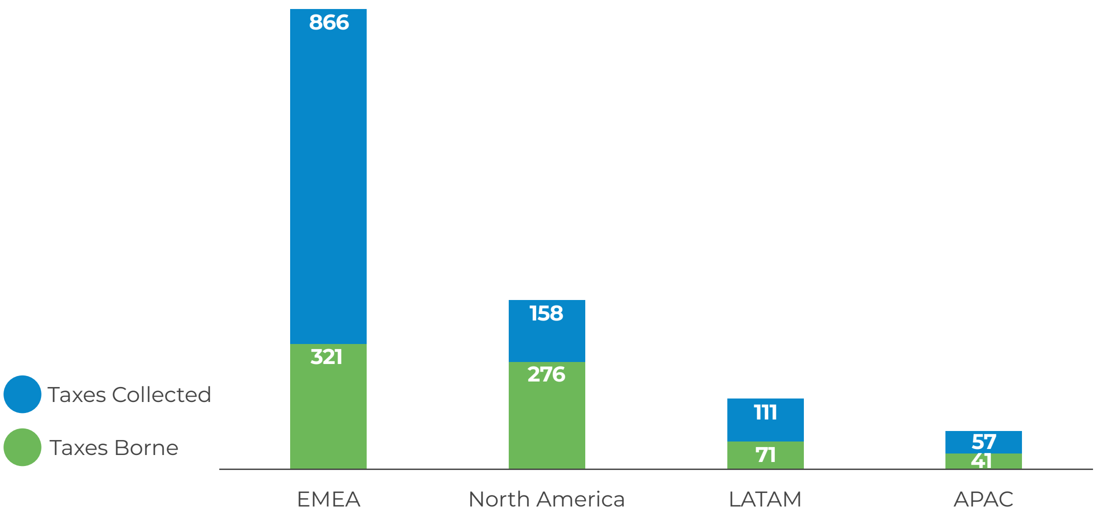
The total tax contribution made by Prysmian in 2023 amounted to Euro 1,901 million: 63% collected and 37% borne.

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, North America 23%, Central and South America 10% and APAC 5%.

2023 Distribution of the total contribution



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

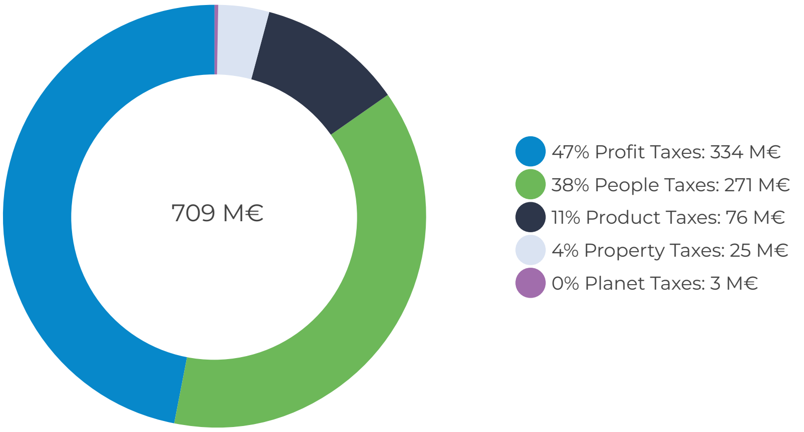
This increase comprises both higher taxes borne and higher taxes collected and mainly involved (i) profit taxes borne of Euro 95 million, (ii) people taxes borne of Euro 26 million and (iii) people taxes collected of Euro 103 million. Geographically, the increase in TTC concerned, albeit with varying 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

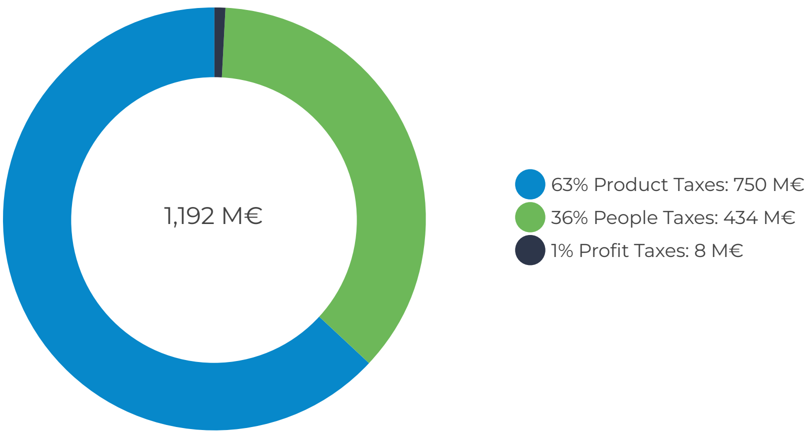


Compared to 2022, taxes borne increased by about Euro 106 million (+18%), mainly due to the increase in profit taxes and people taxes.

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
Tax Borne	**280**	**30**	**250**	**67**	**18**	**49**	**323**	**72**	**21**	**83**	**8**	**24**	**16**	**99**	**39**	**17**	**22**	**709**
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
Tax Collected	**162**	**40**	**122**	**107**	**34**	**73**	**869**	**86**	**92**	**178**	**96**	**111**	**86**	**220**	**55**	**10**	**45**	**1,192**
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Tax contribution	**442**	**70**	**372**	**174**	**52**	**122**	**1,190**	**158**	**113**	**261**	**105**	**135**	**103**	**315**	**95**	**27**	**68**	**1,901**

Total tax contribution in 2022 (figures in millions of Euro)

2022	North America	Canada	United States	LATAM	Brazil	Other	EMEA	France	Germany	Italy	Netherlands	Spain	United Kingdom	Other	APAC	China	Other	Total
Tax Borne	**183**	**18**	**165**	**73**	**15**	**58**	**307**	**63**	**38**	**81**	**7**	**19**	**13**	**86**	**40**	**17**	**23**	**603**
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
Tax Collected	**122**	**25**	**97**	**76**	**27**	**49**	**817**	**95**	**98**	**102**	**85**	**94**	**84**	**259**	**59**	**7**	**52**	**1,074**
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Tax contribution	**305**	**42**	**263**	**149**	**42**	**107**	**1,124**	**159**	**136**	**183**	**92**	**112**	**96**	**346**	**99**	**24**	**75**	**1,677**

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.

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/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.

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 meet fully the expectations of the Company, 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, 25 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

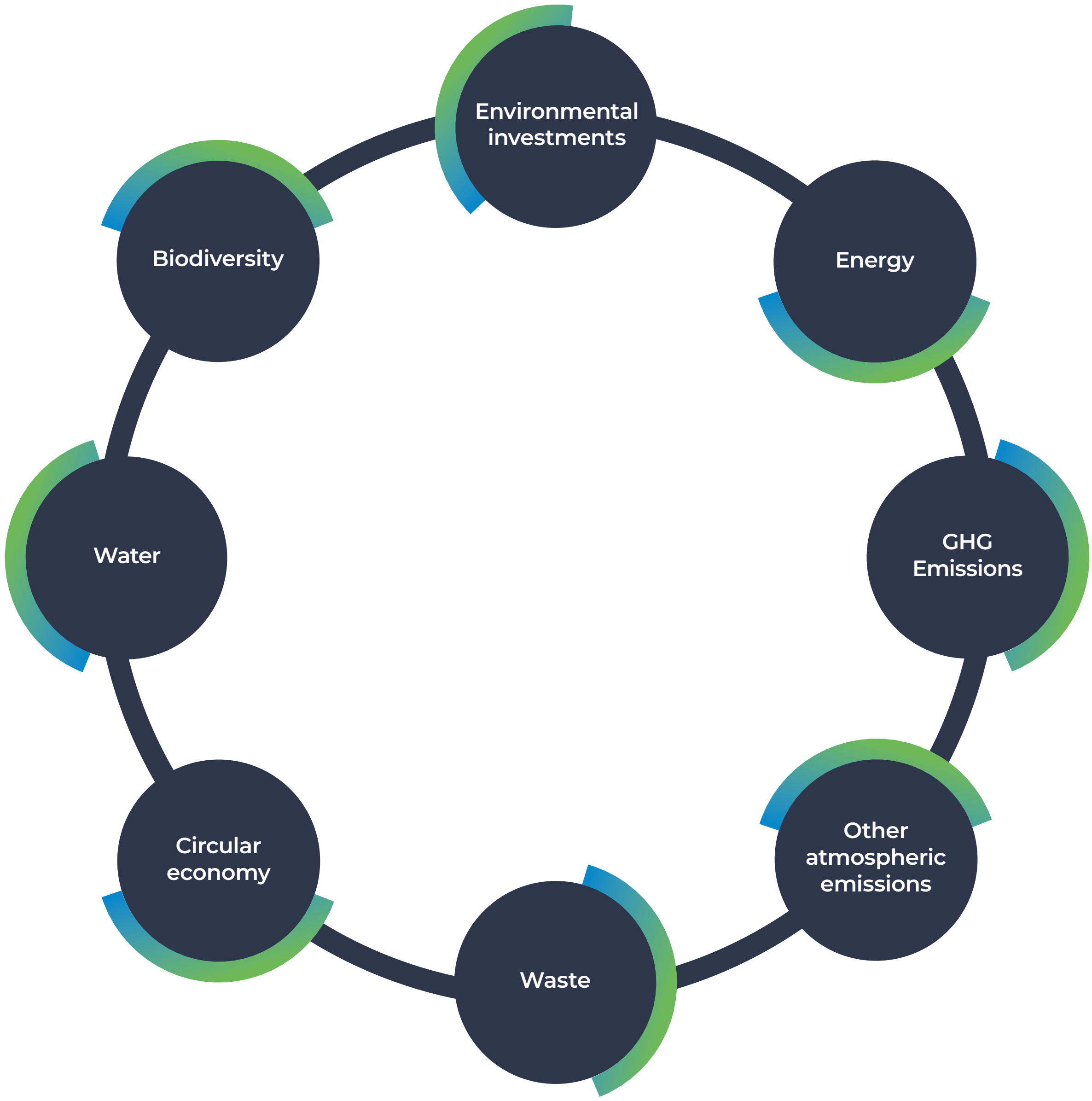
Description	UM	2023	2022	2021
Number of Information Security training courses	Number	**27**	18	13
Avg time for high-risk vulnerability resolution	Weeks	**15**	15	17
Percentage of log sources integrated with SIEM(*) solution	Percentage	**89**	89	83
Number of Security incidents	Number	**1,199**	707	780
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.

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 20233**
- **72% (+1% vs previous year) waste sent for recycling in 2023**
- **WASH PLEDGE signed, in line with Group HSEE policy commitments**



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
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 accordance with best practices, 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 line 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.

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 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**.

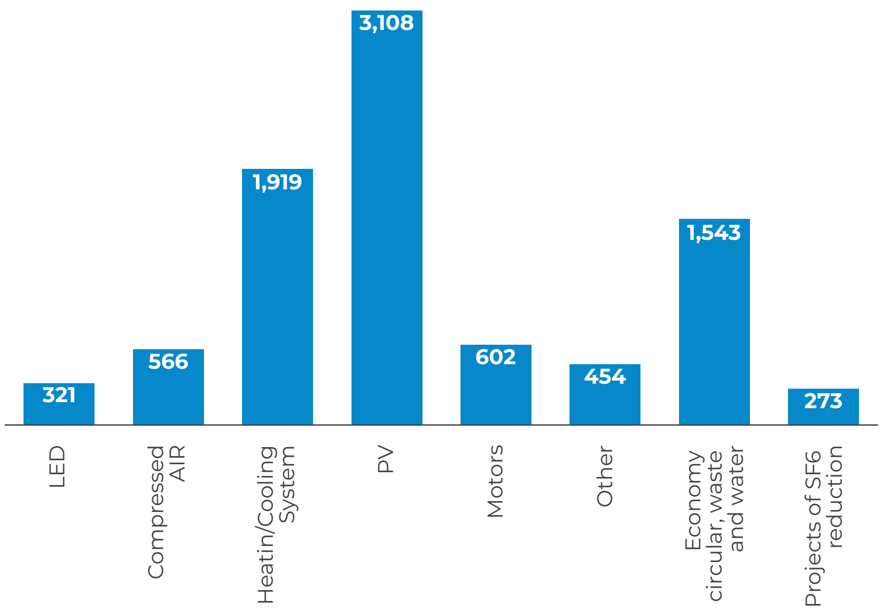
Of these, more than Euro 7 million is related to "GHG Emission Reduction and Energy Efficiency" projects and initiatives, and more than Euro 1.5 million are related to waste management, activities associated with the circular economy and water resource management.

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_2eq 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.

Enviromental 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_2 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_2 emissions scenario (RCP 8.5). The analysis confirmed, over a time horizon extending out to 2080, the absence of direct impacts on the Group's production 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 table below shows the Group's total energy consumption, including that of its fleet.

Energy Consumed (GJ)(*)	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
LPG	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/biofuel/biomass purchased	877	-	-
Total	**9,631,104**	**9,971,915**	**10,020,131**

(*) 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/Ton	Telecom cables GJ/km	Optical Fiber GJ/km	Rod/Ton
Energy consumed per km/Ton of product (2023)	3.65	0.02	0.03	2.02
Energy consumed per km/Ton of product (2022)	3.57	0.01	0.04	2.05
Energy consumed per km/Ton of product (2021)	3.38	0.02	0.04	2.24

GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions, measured in tons of CO_2 equivalent, have been calculated using the methodologies indicated in "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition, 2004)" considering:

- for **Scope 1 emissions** (direct GHG emissions):
  - fuel consumption data;
  - release of refrigerant gases from air conditioning systems;
  - release of SF6 gas, mainly used for testing activities.
- for **Scope 2 emissions** (indirect GHG emissions), the consumption of purchased energy (mostly electricity).
- **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_2eq.

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_2(*)		Total 2023	Total 2022 (**)	Total 2021
Scope 1(1)	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
	Total Scope 1	226,131	297,725	341,107
Scope 2(2)	Location-based	474,715	501,745	512,458
	Market-based	389,928	367,379	365,862
Total	**Scope 1 e Scope 2 (Location-based)**(3)	**700,846**	**799,470**	**853,565**
	Scope 1 e Scope 2 (Market-based)(4)	**616,059**	**665,104**	**706,969**
Scope 3(5)		**267,433,725**	**274,943,685**	**284,562,292**
Total	**Scope 1, Scope 2 e Scope 3**	**268,049,784**	**275,608,789**	**285,269,261**

(*) As in 2020, the GHG emissions of the Chiplun and Sohar sites were estimated in 2021. This was only necessary for the Chiplun site in 2022. The amounts reported in the Group Scorecard do not contain these estimated values.
(**) The Scope 2 tCO_2 data for 2021 include the emissions from the purchase of heat in the form of district heating and steam for 7,468 tCO_2.
(***) 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_2 (about 65% of the Group's Scope 1 emissions of 226.131 tons of CO_2).
(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_2 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_2 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 emissions intensity of each business line is shown below in tons of CO_2eq per ton or kilometer of product.

GHG Emission per km/Ton of product (2023)		Power cables tCO_2 eq/Ton	Telecom cables tCO_2 eq/Km	Optical fibers tCO_2 eq/Km	Rod tCO_2 eq/Ton
Scope 1	Total Scope 1	0.09710	0.00014	0.00024	0.09221
Scope 2	Location based	0.17380	0.00119	0.00184	0.01329
	Market based	0.13082	0.00095	0.00214	0.01558
Total	**Scope 1 e Scope 2 (Location based)**	**0.27090**	**0.00134**	**0.00209**	**0.10551**
	Scope 1 e Scope 2 (Market based)	**0.22792**	**0.00109**	**0.00239**	**0.10780**

GHG Emission per km/Ton of product (2022)					
Scope 1	Total Scope 1	0.10909	0.00014	0.00083	0.09411
Scope 2	Location based	0.18327	0.00113	0.00159	0.01361
	Market based	0.13754	0.00093	0.00086	0.01501
Total	**Scope 1 e Scope 2 (Location based)**	**0.29236**	**0.00127**	**0.00242**	**0.10772**
	Scope 1 e Scope 2 (Market based)	**0.24663**	**0.00108**	**0.00169**	**0.10912**
GHG Emission per km/Ton of product (2021)					
Scope 1	Total Scope 1	0.09378	0.00019	0.00110	0.10271
Scope 2	Location based	0.18755	0.00136	0.00140	0.01529
	Market based	0.12868	0.00116	0.00086	0.02233
Total	**Scope 1 e Scope 2 (Location based)**	**0.28133**	**0.00156**	**0.00250**	**0.11800**
	Scope 1 e Scope 2 (Market based)	**0.22246**	**0.00136**	**0.00195**	**0.12504**

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 approximately 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 NFS), with particular attention to the reporting of all types of production waste;
5. Specific requirements and/or performance indicators applicable to the various types of suppliers, with random HSE audits to verify waste operations, in accordance with contractual agreements and regulatory requirements.

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 on one hand in increased purchases of recycled materials and on the other in the activation of business relationships with waste managers that 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
HAZARDOUS	**12,381,045**	**14,050,194**	**13,924,252**
Ingredients of hazard compunds	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 oil	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 ink	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
NON-HAZARDOUS	**222,782,796**	**220,355,520**	**199,677,575**
Compound scrap	24,669,586	23,682,339	21,956,798
Non-hazardous packaging	25,596,033	25,492,982	26,159,244
Non-hazardous ingredients for compounds	2,317,789	1,875,905	1,156,012
Sludge	23,240,231	22,982,236	1,799,508
Urban waste	21,434,446	23,099,982	23,184,858
Other non hazardous 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
Total	**235,163,841**	**234,405,714**	**213,601,827**

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:

Waste produced by destination (kg)	2023	2023%	2022	2022%	2021	2021%
HAZARDOUS	**12,381,045**		**14,050,194**		**13,924,252**	
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%
NON HAZARDOUS	**222,782,796**		**220,355,520**		**199,677,575**	
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%

Waste produced by destination (kg)	2023	2023%	2022	2022%	2021	2021%
TOTAL	**235,163,841**		**234,405,714**		**213,601,827**	
Landfill	43,534,183	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%
Total	**20.98%**	**31.77%**

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 it products and keeping materials within the production cycle as long as possible

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 PrysmianCEO 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[31] as well as on the corporate intranet.

31 https://www.prysmian.com/sites/default/files/atoms/files/HSEE%20Policy_2020_signed.pdf

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.

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 watera

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 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_2 emissions scenario (indicated by the Intergovernmental Panel on Climate Change – IPCC, RCP 8.5); however, considering the mitigation actions adopted, the financial impact remains low. There are similar conclusions for lower CO_2 emissions scenarios (IPCC, RCP 2.6). The assessment of water availability risks has been extended to the entire supply chain (upstream or downstream activities and customers), considering a selection of strategic suppliers and customers.

Mitigation actions adopted
Prysmian regularly measures the volume of water drawn at its production locations, 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 levels, recorded in the Environmental Management System at corporate level and disclosed in this Non-Financial Statement, 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^3) 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
Total	**1,954,995**	**5,085,084**	**7,040,079**
Water drawn (m^3) 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
Total	**2,179,507**	**5,581,968**	**7,761,474**
Water drawn (m3) 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
Total	**2,408,335**	**6,073,755**	**8,642,130**

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.wbcsd.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. However, 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 soundproofing 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.

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 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**

Prysmian recognizes that its people are and always have been a fundamental asset to the business. The history and the success of the Group derive directly from the know-how and skills of our employees, as well as from their engagement and constant motivation to support our growth towards the future.

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:

- **constant improvement and development of the organizational model**, consistent with our business strategies and priorities and the enhancement of talent;
- **strategic planning of resources** in order to ensure the compatibility of our human capital with the needs of the business in terms of competencies and skills;
- **focus on employer branding and talent attraction**;
- **talent management and widespread career and development opportunities**, with the implementation of the global performance and potential assessment processes and – at the same time – with the strengthening of managerial and technical skills with a view to up-skilling;
- **promotion of diversity and inclusion values**, via practices and policies designed to create an ever more inclusive working environment that encourages diversity.
- **meritocracy as the basic element for people's development**;
- employee **engagement development and sense of belonging** to the company through a structured approach to measuring the internal climate;
- **rewarding and international mobility** as drivers of development, growth and meritocracy;
- **investment in the well-being of its workforce**: bringing direct benefits to employees and the business with a view to long-term sustainable growth.

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.

Composition of human capital

As at 31 December 2023[32] 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. Also included in this calculation is agency staff, amounting to 1,222 FTEs (including 51 desk workers and 1,171 blue collars).

The number of employees is expressed in Headcount and refers to permanent and fixed-term contracts only in the following tables.

The following table shows the number of Group employees as at 31 December 2023[33] broken down by geographical area[34] 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	**29,599**
Number of permanent employees	15,573	2,796	7,198	3,344	**28,911**
Number of temporary employees	624	36	21	7	**688**
Number of full-time employees	15,817	2,831	7,213	3,348	**29,209**
Number of part-time employees	380	1	6	3	**390**

32 This is the total workforce of Prysmian, calculated in FTEs, and represents 100% of the Group's total employees, i.e. all subsidiaries or companies subject to the Group's management.
33 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.
34 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.

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	**29,599**	30,185	29,013
Number of permanent employees	**28,911**	28,901	27,660
Number of temporary employees	**688**	1,284	1,353
Number of full-time employees	**29,209**	29,857	28,695
Number of part-time employees	**390**	328	318

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

Prysmian no. at 31.12.2023	Male	Female	Other	Total
Number of employees	23,529	6,055	15	**29,599**
Number of permanent employees	22,972	5,924	15	**28,911**
Number of temporary employees	557	131	-	**688**
Number of full-time employees	23,297	5,898	14	**29,209**
Number of part-time employees	232	157	1	**390**

Prysmian no. 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 no. as at 31.12.2023	White Collar	Blue Collar	Total
EMEA	4,828	11,369	**16,197**
APAC	855	1,977	**2,832**
North America	1,625	5,594	**7,219**
LATAM	918	2,433	**3,351**
Total	**8,226**	**21,373**	**29,599**

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

Prysmian no. as at 31.12.2023	≤30				30-50				≥50			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
White Collar	52.2%	47.7%	0.1%	100.0%	64.6%	35.3%	0.1%	100.0%	73.9%	26.0%	0.0%	100.0%
Blue Collar	77.7%	22.3%	0.1%	100.0%	84.7%	15.2%	0.0%	100.0%	88.6%	11.3%	0.0%	100.0%
Total	**71.6%**	**28.3%**	**0.1%**	**100.0%**	**79.0%**	**20.9%**	**0.1%**	**100.0%**	**84.5%**	**15.5%**	**0.0%**	**100.0%**

Prysmian no. as at 31.12.2022	≤30			30-50			≥50		
	Male	Female	Total	Male	Female	Total	Male	Female	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%
Total	**74.5%**	**25.5%**	**100.0%**	**80.2%**	**19.8%**	**100.0%**	**85.2%**	**14.8%**	**100.0%**

Prysmian no. as at 31.12.2021	≤30			30-50			≥50		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
White Collar	58.7%	41.3%	100.0%	67.2%	32.8%	100.0%	75.9%	24.1%	100.0%
Blue Collar	81.5%	18.5%	100.0%	86.8%	13.2%	100.0%	90.1%	9.9%	100.0%
Total	**76.7%**	**23.3%**	**100.0%**	**81.2%**	**18.8%**	**100.0%**	**86.0%**	**14.0%**	**100.0%**

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.

Hires 2023	EMEA				APAC				North America				LATAM				Group			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Blue Collar																				
<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**
Total	**898**	**160**	**-**	**1,058**	**230**	**25**	**-**	**255**	**1,511**	**638**	**5**	**2,154**	**271**	**196**	**1**	**468**	**2,910**	**1,019**	**6**	**3,935**
White Collar																				
<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**
Total	**330**	**269**	**-**	**599**	**46**	**55**	**-**	**101**	**121**	**92**	**1**	**214**	**77**	**69**	**-**	**146**	**574**	**485**	**1**	**1,060**
Blue Collar+White Collar																				
<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**
Total	**1,228**	**429**	**-**	**1,657**	**276**	**80**	**-**	**356**	**1,632**	**730**	**6**	**2,368**	**348**	**265**	**1**	**614**	**3,484**	**1,504**	**7**	**4,995**

Departures 2023	EMEA				APAC				North America				LATAM				Group			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Blue Collar																				
<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**
Total	**1,174**	**208**	**-**	**1,382**	**234**	**45**	**-**	**279**	**1,828**	**566**	**3**	**2,397**	**309**	**109**	**-**	**418**	**3,545**	**928**	**3**	**4,476**
White Collar																				
<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**
Total	**387**	**191**	**-**	**578**	**69**	**45**	**-**	**114**	**184**	**66**	**-**	**250**	**110**	**53**	**-**	**163**	**750**	**355**	**-**	**1,105**
Blue Collar+White Collar																				
<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**
Total	**1,561**	**399**	**-**	**1,960**	**303**	**90**	**-**	**393**	**2,012**	**632**	**3**	**2,647**	**419**	**162**	**-**	**581**	**4,295**	**1,283**	**3**	**5,581**

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

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

New Hires 2021															
	EMEA			APAC			North America			LATAM			Group		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Blue Collar															
<30	472	177	**649**	128	29	**157**	603	135	**738**	513	182	**695**	1,716	523	**2,239**
31-50	529	148	**677**	234	55	**289**	646	174	**820**	449	129	**578**	1,858	506	**2,364**
>50	93	18	**111**	26	-	**26**	227	55	**282**	22	8	**30**	368	81	**449**
Total	**1,094**	**343**	**1,437**	**388**	**84**	**472**	**1,476**	**364**	**1,840**	**984**	**319**	**1,303**	**3,942**	**1,110**	**5,052**
White Collar															
<30	97	73	**170**	19	30	**49**	38	21	**59**	50	32	**82**	204	156	**360**
31-50	188	105	**293**	83	54	**137**	68	34	**102**	111	44	**155**	450	237	**687**
>50	23	8	**31**	13	1	**14**	46	17	**63**	7	2	**9**	89	28	**117**
Total	**308**	**186**	**494**	**115**	**85**	**200**	**152**	**72**	**224**	**168**	**78**	**246**	**743**	**421**	**1,164**
Blue Collar+White Collar															
<30	569	250	**819**	147	59	**206**	641	156	**797**	563	214	**777**	1,920	679	**2,599**
31-50	717	253	**970**	317	109	**426**	714	208	**922**	560	173	**733**	2,308	743	**3,051**
>50	116	26	**142**	39	1	**40**	273	72	**345**	29	10	**39**	457	109	**566**
Total	**1,402**	**529**	**1,931**	**503**	**169**	**672**	**1,628**	**436**	**2,064**	**1,152**	**397**	**1,549**	**4,685**	**1,531**	**6,216**

	Leavers 2021														
	EMEA			APAC			North America			LATAM			Group		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Blue Collar															
<30	261	99	**360**	108	17	**125**	378	87	**465**	414	139	**553**	1,161	342	**1,503**
31-50	370	72	**442**	135	32	**167**	500	128	**628**	365	122	**487**	1,370	354	**1,724**
>50	319	37	**356**	17	2	**19**	242	57	**299**	55	12	**67**	633	108	**741**
Total	**950**	**208**	**1,158**	**260**	**51**	**311**	**1,120**	**272**	**1,392**	**834**	**273**	**1,107**	**3,164**	**804**	**3,968**
White Collar															
<30	64	34	**98**	13	18	**31**	21	8	**29**	15	14	**29**	113	74	**187**
31-50	157	73	**230**	51	34	**85**	70	22	**92**	90	44	**134**	368	173	**541**
>50	101	34	**135**	9	3	**12**	55	24	**79**	24	2	**26**	189	63	**252**
Total	**322**	**141**	**463**	**73**	**55**	**128**	**146**	**54**	**200**	**129**	**60**	**189**	**670**	**310**	**980**
Blue Collar+White Collar															
<30	325	133	**458**	121	35	**156**	399	95	**494**	429	153	**582**	1,274	416	**1,690**
31-50	527	145	**672**	186	66	**252**	570	150	**720**	455	166	**621**	1,738	527	**2,265**
>50	420	71	**491**	26	5	**31**	297	81	**378**	79	14	**93**	822	171	**993**
Total	**1,272**	**349**	**1,621**	**333**	**106**	**439**	**1,266**	**326**	**1,592**	**963**	**333**	**1,296**	**3,834**	**1,114**	**4,948**

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 was 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[35], 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

35 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.

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[36] of 61% and a Leadership Impact Index[37] 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.**

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.

36 The Engagement Index is considered a result greater than or equal to 5 – on a scale from 1 (low) to 7 (high) – based on two questions from a survey that measures employee engagement.
37 The Leadership Impact Index is considered a result greater than or equal to 5 - on a scale from 1 (low) to 7 (high) – based on five questions from a survey that measures employee engagement. These indices have been developed in collaboration with SDA Bocconi.

In line with the objectives of Social Ambition, the global "STEM IT" attraction and recruiting program was then further strengthened, which supported almost 40 more new hires than in 2022, ending with a total of 143 hires. "STEM IT" envisages a training, development and career-support path for new colleagues joining the R&D, Production, Logistics, Project Service & Installation, Quality, IT and HSE areas of Prysmian. "STEM IT" female recruits (62% in 2023) are supported by a dedicated training initiative known as "Women in STEM IT", which is intended to support their development and leadership within the organization. In this sense, "STEM IT" is a program that assumes particular relevance in meeting the goal of +500 STEM women in 2027, a message recently reinforced by Prysmian on Capital Markets Day.

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
- 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%

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 2023	Male	Female	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.
Drive	**We think ahead**	Consider market trends and strategie 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.
Trust	NEW **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.
Simplicity	**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)

With the aim of implementing a process to identify talent and develop succession plans, in 2017 Prysmian introduced a two-year structured tool called "Prysmian People Performance Potential (P4)". This program assesses the potential of talented individuals, i.e. those who were high performers in P3 over the previous two years, based on three indicators: motivation, change leadership and speed of learning. At the end of the potential assessment, it is essential to define a growth plan for talent development. During 2023, 31% of Desk Workers were involved in the P4 assessment, which is the same percentage of those who received an evaluation for two consecutive years meeting the criteria described above. In addition, the discussion process regarding Succession Plans occurs every two years and in 2023 involved 1686 positions (all group executive positions and some other relevant middle management positions including factory managers and their front lines), a significant increase from the 386 positions discussed in 2021. This exercise has provided visibility on the 60% of these positions found to have at least one successor compared to 40% with no succession plans about which specific action plans are in place.

Talent managemnt process – P4 – 2023 results	Men	Women	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).

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

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

Average training hours provided per employee

	Male	Female	Other	Total
White Collar	44	50	17	46
Blue Collar	31	36	85	32
Total	**34**	**42**	**58**	**36**

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 "MyMentorship" 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.

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 cased 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.

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[38] 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[39] and the 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.

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[40]. 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.

38 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
39 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.
40 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

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.

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.

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[41]: 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).

41 https://www.prysmian.com/en/people-and-careers/why-prysmian/diversity-equity-and-inclusion

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%**
Total	**4%**	**3%**	**5%**	**10%**	**5%**

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%.

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 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[42], 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

42 https://www.prysmian.com/en/people-and-careers/why-prysmian/diversity-equity-and-inclusion

7. In 2021, the company launched a **Global Policy**, available on the Group Corporate website[43], **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.

With reference to the Group's total workforce, 2.08% of employees (more than 600 people) reported being a person with disabilities.
In addition, with reference to gender targets, the table below shows the 2023 results of the main targets relating to the Group's Social Ambition:

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(*)	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(**)	21.9%	21%-23%	19.7%

(*) White Collar women hired with permanent contracts including contract changes from temporary and agency contracts to permanent contracts.
(**) Percentage calculated on the White Collar population only.

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:

43 https://www.prysmian.com/en/people-and-careers/why-prysmian/diversity-equity-and-inclusion

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[44], 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[45], has been in operation since 2018, enabling Prysmian to map the potential impacts that Group *operations* may have on respect for human rights.

1. Assess
Assessment of the current and potential impact on Human Rights, considering the risk of violations at country and factory level, identified using desk analysis and self-assessment tools.

2. Act
Assessment of the results and performance of audits at high-risk plants; definition of actions necessary to prevent and/or mitigate the potential impact identified.

3. Monitor
Monitoring of performance via checks and audits over a period of years.

4. Resolve
Resolution of violations.

5. Communicate
Communication of performance in the Sustainability Report.

Applying this Due Diligence process, the assessment of all production locations that commenced in 2022 was completed during 2023[46].

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.

44 https://www.prysmian.com/en/company/ethics-integrity/human-rights/human-rights-in-prysmian-group
45 https://www.prysmian.com/sites/default/files/atoms/files/20200724_PRY_HumanRightsPPT_final.pdf
46 This analysis, based on the Group reporting scope in 2021, excluded the Chiplun (India) plant.

Furthermore, 11,168[47] 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[48].

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[49] 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[50]. 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.

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.

47 Training hours refers to all the courses held at Prysmian and classified as "Ethics & human rights" in 2023.
48 https://www.prysmian.com/en/company/ethics-integrity/human-rights/human-rights-in-prysmian-group
49 https://www.prysmian.com/en/sustainability/health-and-safety
50 https://www.prysmian.com/sites/default/files/atoms/files/HEALTH-SAFETY-ENVIRONMENT-AND-ENERGY-HSEE-_23-06-2023-VB.pdf

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.

Risk identified
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(*)	Contractors(**)
Severity rate (IG)(1)	58.58	59.18	50.77	32.74
Frequency rate (IF)(2)	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[1]	-	-	-
No. of reportable injuries	359	44	52
of which with serious consequences[2]	***11***	***-***	***1***
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[3]	28	-	-
Occupational disease rate[4]	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	Prysmian employees	Temporary Agency Workers	Contractors
Number of fatalities	-	-	-
Fatality rate	-	-	-
No. of reportable injuries	360	52	45
of which with serious consequences	***8***	***-***	***-***
Frequency rate (IF)	54.20	44.12	31.56
Frequency rate for injuries with serious consequences (IF)	1.32	2.39	1.02
Hours worked	0.03	-	-
No. of occupational diseases	54,582,051	4,351,680	8,814,534
Occupational disease rate	35	-	-
Tasso di malattie professionali	0.64	-	-

Prysmian 2021	Prysmian employees	Temporary agency workers
Number of fatalities	1	1
Fatality rate	0.004	0.050
No. of reportable injuries	394	49
of which with serious consequences	***11***	***1***
Severity rate (IG)	46.98	49.92
Frequency rate (IF)	1.49	2.44
Frequency rate for injuries with serious consequences (IF)	0.04	0.05
Hours worked	52,997,509	4,018,110
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 onshore 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.

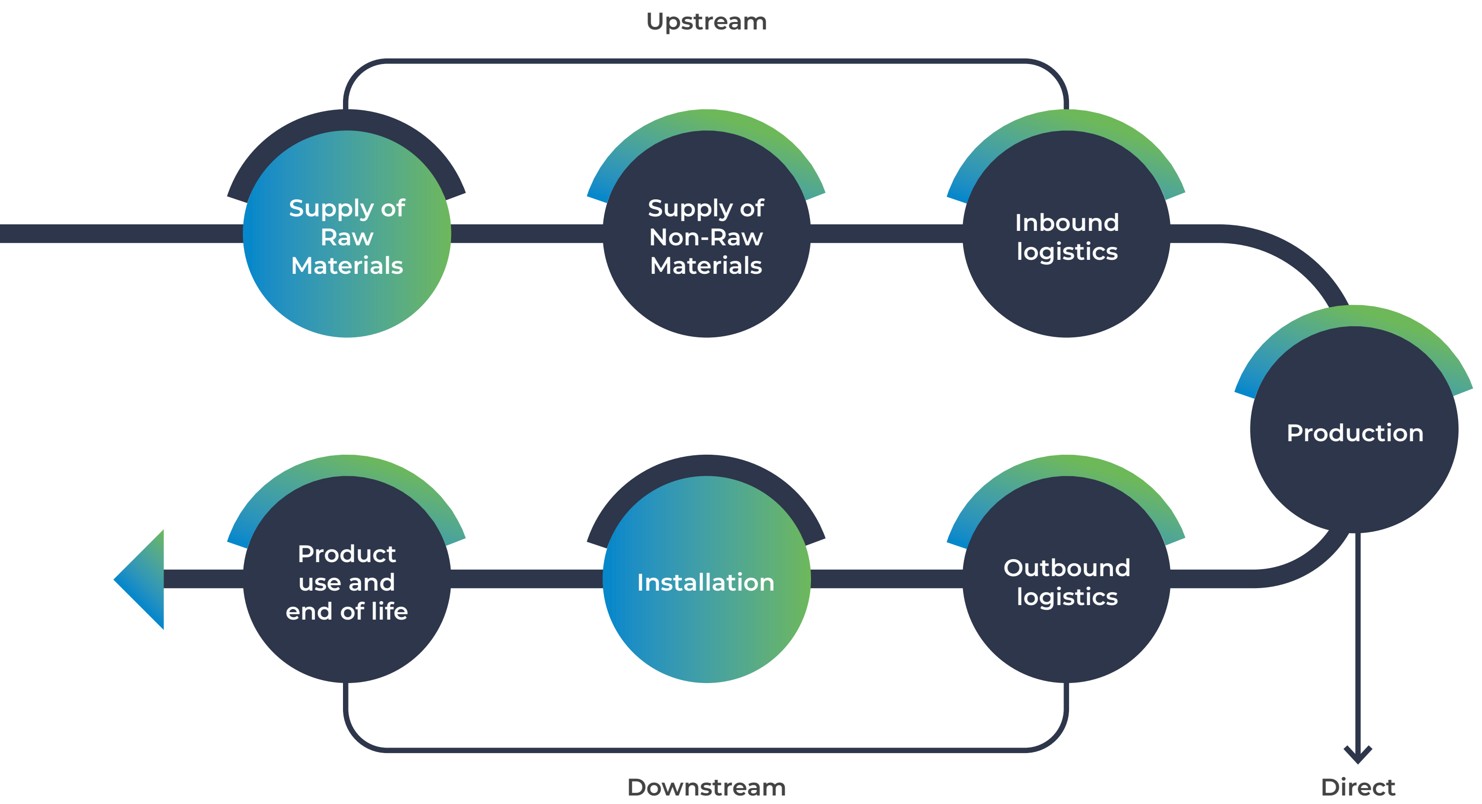
The following table shows the occupational diseases reported and recognized in 2023.

Hazards	Associated risk	Actions taken to eliminate the hazard and minimize 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 factory to minimize physical exertion and repetitive movements

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**
- **about Euro 2,000,000 contributed 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**



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

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Risk identified
Risks related to the sustainability of the Group supply chain

Description of risk
The Group's business model, with a global presence in over 50 countries and a high diversification of product applications, is based on a complex supply chain that requires a continuous interface with numerous suppliers of different sizes and cultural 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_2 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 material

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_2 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 reused. 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:

Materials used by weight or volume [kton]

	2023	2022	2021
Metals	**1,161**	1,219	1,189
Compounds (*)	**348**	365	374
Ingredients	**274**	288	299
Chemicals	**6**	6	6
Other (yarns, tapes and oils)	**27**	26	25
Total	**1,816**	**1,904**	**1,893**

(*) Compounds: in the processing of rubber, mixtures of polymers and ingredients (talc, kaolin, carbon, etc.) having various functions (e.g. strengtheners, accelerants, colorants).

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 is 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 GroupPrysmian 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 since 2021.[51]

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**

With a view to ensuring compliance with ethical, economic, environmental and social standards throughout the value chain, Prysmian has adopted a Code of business conduct that promotes a responsible and sustainable supply chain. This document, prepared by the Supply Chain function and approved by the Group CEO, is available on the corporate website[52].
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.

Il documento tratta i seguenti temi:
- 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).

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:

51 https://www.prysmian.com/en/sustainability/responsible-business/supply-chain
52 https://www.prysmian.com/sites/default/files/atoms/files/Prysmian_Code%20of%20Business%20Conduct_Final_070519.pdf

	2023	2022	2021
EMEA	**70.8**	69.0	60.1
APAC	**86.7**	84.0	76.3
North 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. 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:

Importance
Speed and impact

Scritical expenditure
Base metals:
all
Raw materials:
suppliers that exceed
Euro 100 thousand
Non-raw materials:
selected suppliers in high-risk
areas or categories

Weakness
Sole supplier
and geographical position

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	%
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	%
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

Current financial year	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.
As a consequence of above described sustainability audit for supplier was of 36.

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 managers (with differing levels of seniority) from Prysmian companies all over the world are invited to attend this training course;
- Prysmian began development of the Vendor Management portal in 2021. This modular, web-based application will improve the efficiency of supplier relationship management and enable the Company to monitor their ESG compliance. This platform, comprising 4 modules, seeks to 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.

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 macroeconomic scenario, a number of refootprint projects were defined in 2023, in both Energy and Telecom. In particular, the factory in Koepenick (railways signaling cables) was shut down, relocating the businesses 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^2 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 1st 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 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 also to these initiatives, Prysmian was able to counterbalance the negative effects generated by a lengthening of reel turnaround times by some of our Key Accounts that have accumulated delays in cable installation. The path that Prysmian has taken on this issue has allowed it to record performance on the whole growing, moving up from 46% in 2019 to 53% in 2023.

Drums	FY 2023		FY 2022	
	Tons	%	Tons	%
Reused	139,210	53%	150,120	50%
Not reused	124,325	47%	152,617	50%
Total	**263,535**	**100%**	**302,737**	**100%**

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%
Total	**263,535**	**100%**	**302,736**	**100%**

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.

Target	Scope	Customer scope	Response rate
28 countries	Europe North America Latin America OSEA United Kingdom Turkey	Main customers mainly in the distribution channel	**37%**

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.

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 the course of 2023, the Data Driven Performance project (aimed at using advanced data analysis techniques and artificial intelligence to improve the performance of production processes) was 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 better connectivity of production lines and greater usability of process data. The extension of FastTrack MES to Group factories also continues, making product quality management even more robust 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.

Prysmian 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[53] area we highlight an important improvement mainly related to the performance in the US for both Energy and Telecom.

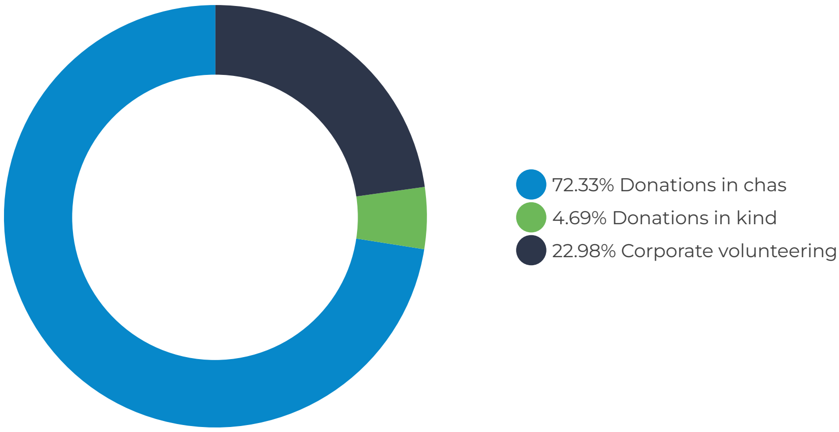
Positive impact on communities

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

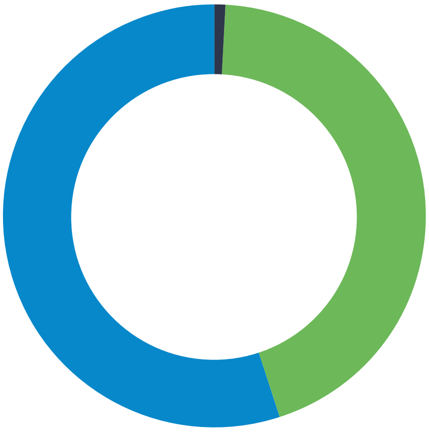
In 2019, the Group adopted a Donations policy, revised and updated in November 2023[54], for identifying all deserving activities. These donations are aimed at meeting the needs of communities or the general public, in line with the Vision, Mission, values, Code of Ethics and Policies put into place by the Group. This policy defines the main types of contributions that can be made, the guiding principles and operating methods, as well as the monitoring and communication of these activities. In 2023, about **Euro 2,000,000 was given** to support local communities through contributions in cash, in products and in working hours of employees.

Type of assistance



53 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
54 https://www.prysmian.com/sites/www.prysmian.com/files/2024-03/prysmian-group-donations-policy-2023-final-eng.pdf

Type of initiative



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 employee 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** made a donation of 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.

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-WAWE, 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-WAWE 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.

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.

128 million euros invested in R&D[(*)]

About **5,500** patens covering the main innovations

26 research centres

258 product families launched in 2023

50 collaborations with research centres and universities

1,000 professionals

(*) 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 Prysmian 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

- Politecnico 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 Min 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 the Chilean 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

FTTH 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
- VoI 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 – RCS Academy;

Italian Energy Summit, “Energy transition and innovation to win the global challenges”, 27 September, M. Battaini, CEO-designate of Prysmian, Il Sole 24 Ore;

Green Talk “Transition to Net Zero, Innovating Energy”, 10 October, M. Battaini, CEO-designate of Prysmian – RCS Academy;

Green Talk “Supply chain, industry and circularity”, 24 October, C. Bifulco, Prysmian Chief Sustainability Officer and Group IR VP – RCS Academy;

Global Inclusion, “Freedom is participation”, 13 November, F. Rutschmann, Prysmian 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, 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”

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 trasform the world

1883	1887	1932	1952	1853	1960	1970
Power cable installed in Milan connecting Via S. Radegonda and La Scala Theater	Submarine communication cable (telegraph) connecting some minor islands in Italy	Oil Filled power cable 1x130 mm^2 - 60 kV AC	Coaxial cables connecting Madrid and Barcellona	Submarine communication cable (telegraph) connecting Cape Verde and Brazil	Power cable (EPR) and accessories up to 400 kV AC	Power cable (XLPE) and accessories up to 275 kV AC Fluid Filled power cables (paper) and accessories up to 1,000 kV AC

2011	2013	2014	2016	2017	2018
Flexible pipes for flow lines Nano cable for telecommunication application using 200μm-XS fibers	P-Laser technology for HV cables Power cables (PPL MI) and accessories up to 600 kV DC	Very High Fiber Count Optical cables up to 1728 optical fibers Widecap-0M5 Multimode Fiber for wavelenght multiplexing	P-Laser and XLPE HVDC Power cables and accessories up to 600 kV – Type Test	Submarine power cable – Ultra High Depths (3,000 m) Optical cable Flextube up to 3,456 optical fibers Steel Tube Umbilical for dynamic applications	Submarine Power Cable Optical cable Flex-Ribbon up to 6,912 optical fibres E3X high emissivity advanced technology for overhead lines CPR Low Voltage Cables

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

1974	1976	1987	1994	1999	2006	2009
Optical fiber technology development	Optical fiber cable technology development	First submarine optical cable installation	OPGW Optical – Ground Wire Superconductor power cable Cat 5e copper data transmission cables	Airbag tecnology for MV cables Flextube technology or optical cables	P-Laser technology for MV cables Bendbright-XS – Bend insensitive Single-Mode optical fiber	PRY-CAM technology for partial discharges measurement

2019	2020	2021	2022	**2023**
Optical Cable Flex-Ribbon up to 6,912 optical cable P-Laser and XLPE 525 HVDC Underground Cable System PQT	Bendbright Xs 180 micron Optical Fiber Sirocco HD Sirocco Extreme	Pry-Cam Home High Depth 3-Core Submarine Cable System 1000 m 275 kV 3-Core Submarine Cable System German Corridors 525 kV HVDC P-Laser Production	Submarine 525 kV HVDC XLPE Cable System PQT E3X Robot for Overhead Lines EV Dynamic Wireless Charging DC cables German Corridors 525 kV HVDC XLPE Production	**500kV HVDC solution for ultra high depths** **PrySolar cables for Renewables** **Alesea IoT** **Digital Solution** **Pre-terminated Very High Fibre Count Optical Cables**

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 the 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, which were 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 in fact this is the minimum value included in most customers' specifications for these cables. 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 North America in the last mile connecting the FTTH network to the consumer 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 in that 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_2 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^2 four-pole cable containing up to 24 fibers. The second is a 1 mm^2 four-pole cable with up to 24 fibers, and the third is a 1 mm^2 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_2 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 mm2 aluminum and 2,000 mm2 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. Subsequently, the sealing end will undergo full prequalification testing on 2,500 mm2 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 (Sopheon 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

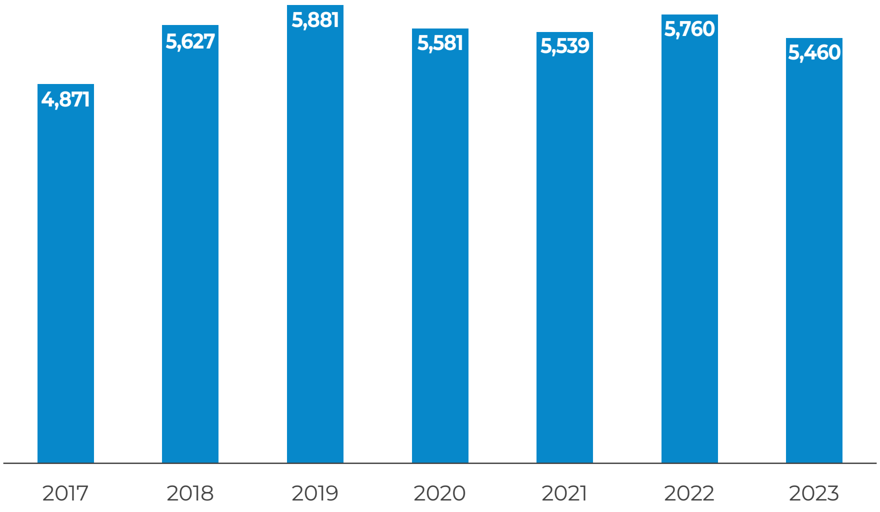
Base-load

Capital expenditure for structural maintenance activities amounted to about 8% of the total. 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

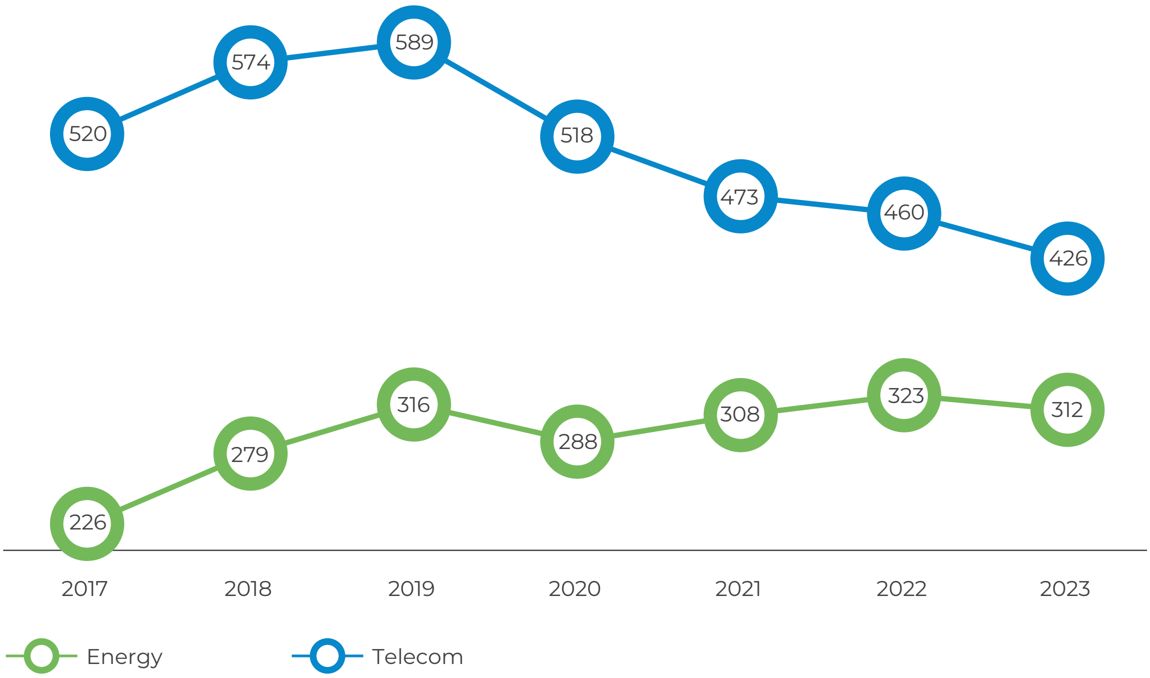
Intellectual Property

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

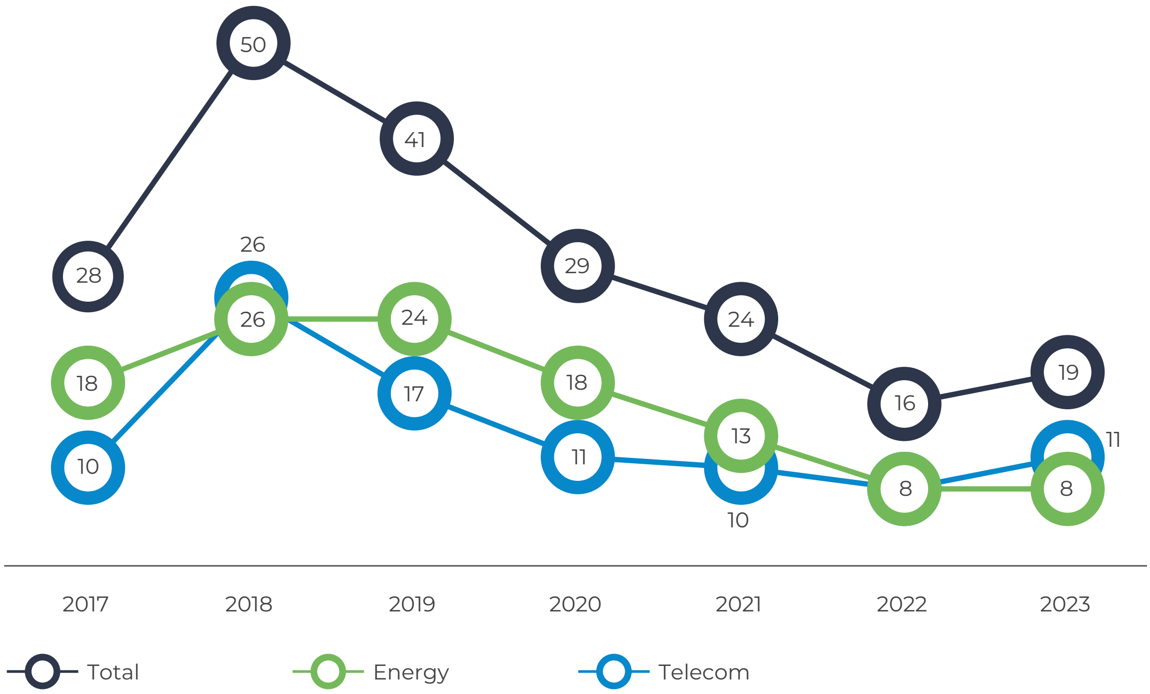


Number of patents for the Energy and Telecom sectors

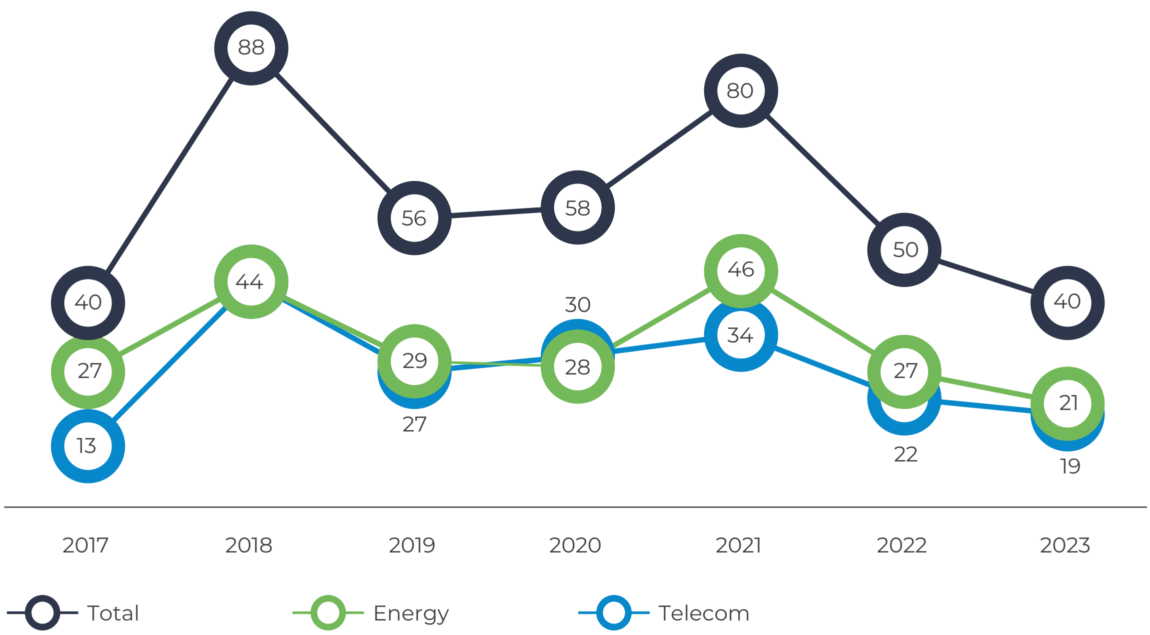


The number of new filings per year is decreasing although the number of ROI (Record of Invention) received remains high, that is, inventions sent to the Intellectual Property department. Apparently, the number of patentable inventions compared to the number of ROIs received continues to be lower than 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

The data and information provided in Non-Financial Statement (NFS), refer to all companies belonging to Prysmian as at 31 December 2023, consolidated on a line-by-line basis. The scope of the data is clearly indicated in the text, in the tables and in the section "Notes on the data and information".

In addition, within the NFS, additional KPIs specific to the sector in which the Group operates have been integrated, taking into consideration:

- the indicators published by the Sustainability Accounting Standards Board (SASB), clearly identified in the table in the "SASB Index" section;
- the indicators published by the TCFD, identified in the "TCFD Correlation Table" section.

Both these indicator types are to be considered additional to the information prepared in accordance with the GRI Standards to respond to the requests of arts. 3 and 4 of Italian Legislative Decree 254/16.
The document takes into account the sustainability matters considered of highest priority 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 section 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 NFS 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 Consolidated Non-Financial Statement is published annually.
Except for the information reflected in the indicators summarized in the "SASB Index" and the "TCFD Correlation table", the NFS has undergone a limited assurance review, in accordance with the International Standard on Assurance Engagements (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.

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

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 Prysmian 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 Zhongayo 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_2eq 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_2, HFC, PFC and SF6. Other gases such as CH4 and N2O whose emissions were found to be insignificant were also analyzed.

GHG emissions are expressed in CO_2eq, 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_2eq are taken from the Fourth Assessment Report (AR4) of the Intergovernmental Panel on Climate Change (IPCC) and cover a period of 100 years. With regard to refrigerant gases, the GWP values associated with them were considered. In all cases, an oxidation factor of 1 is presumed.

Sources of Scope 1, Scope 2 and Scope 3 emissions

Scope 1 GHG emissions derive from sources owned or controlled by the Group, including:

- natural gas;
- LPG;
- petrol;
- diesel;
- fuel oil;
- marine diesel;
- refrigerant gas leaks;
- SF6 gas leaks.

Scope 2 GHG emissions derive from purchased energy that was produced outside of the Group, but consumed by it, including:

- electricity generated from renewable sources and obtained as a result of purchasing Guarantee of Origin (GO) certificates and EECSs (European Energy Certificates 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
Purchase-related emissions are split into two categories:
- **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");

- **categoria 1.b** – for each category of expenditure, a specific emission factor is taken from the EEIO database[55], 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..

The exclusions for each of the above categories are presented below:

- **for category 1.a** – metals: data for the following countries is excluded: Ivory Coast, Tunisia, India, the OAPIL plant in Oman and the former reporting scope of EHC;

- **for category 1.a** – compounds and other materials and category 1.b – non-product-related emissions: only data relating to Chiplun (India), OAPIL (Oman) and EHC (Canada and China) are excluded;

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)[56] and DEFRA[57] (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.

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^2 was

55 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_2eq/GDP, and switch to service sector of global economy.
56 Source of emission factors: IEA (2023), "Emission Factors"
57 Source of emission factors: DEFRA (2023), "UK Government GHG Conversion Factors for Company Reporting".

determined using the average kg of waste per employee and the average density of employees per m^2, 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 andcar 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_2eq/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^2 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_2 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 productsi
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 BDEFRA emission factors are expressed in kgCO_2eq/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 = SUM (USD invested per sector x emission factor for the sector (kgCO_2eq/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:

- **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 254/16	Material topics for Prysmian	GRI Standards	Chapter/Page
Organizational Model	Governance, Ethics and Integrity	GRI 3-3 GRI 2-23	Ethics and integrity – Page 106 Environmental responsibility – Page 123 People, Prysmian's human capital – Page 140 Sustainable value chain – Page 166
	-	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 200 Prysmian: Connect, to lead – Page 12 Significant events during the year – Page 50 Corporate Governance – Page 34 External reference: "Report on Corporate Governance and Ownership Structure" 2022 Letter from the CEO – Page 7 Prysmian: sustain, to lead – Page 22 Ethics and integrity – Page 106 External reference: "Report on Remuneration policy and Compensation Paid" 2023 Proactive role in trade associations and organizations – Page 32 Remuneration policy and welfare plans – Page 155 Respect for human rights – Page 159 Prysmian Customers. The Customer Excellence approach – Page 176 Sustainable value chain – Page 166 Stakeholder engagement and materiality analysis – Page 89
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 - 142 Respect for human rights – Page 159 Remuneration policy and welfare plans – Page 155 Health and safety in the workplace – Page 161
	-	GRI 2-7 GRI 2-8	Prysmian: Connect, to lead – Page 12 Composition of human capital - 142 Respect for human rights – Page 159
Human Rights	Equity, diversity, inclusion and respect for human rights	GRI 3-3 GRI 405-1	Composition of human capital - 142 Respect for human rights – Page 159
Anti-corruption	Governance, Ethics and Integrity	GRI 3-3 GRI 205-2 GRI 205-3	Business ethics and integrity: the pillars of sustainability - Page 106

It. Leg. Decree 254/16	Material topics for Prysmian	GRI Standards	Chapter/Page
Environment	Biodiversity and impacts on nature	GRI 3-3 GRI 304-3	Environmental responsibility – Page 123
	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 123
	Pollution	GRI 3-3 GRI 305-7	Environmental responsibility – Page 123
	Water and effluents	GRI 3-3 GRI 303-1 GRI 303-2 GRI 303-3 GRI 303-5	Environmental responsibility – Page 123
	Sustainable value chain	GRI 3-3 GRI 308-2	Sustainable value chain – Page 166
	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 180 Sustainable value chain – Page 166 Environmental responsibility – Page 123 Energy – Page 128 Greenhouse gas emissions – Page 129 Other atmospheric emissions – Page 131 Water – Page 136 Waste – Page 131
Social	Cybersecurity and data protection	GRI 3-3 GRI 418-1	Cybersecurity – Pag. 120
	Sustainable value chain	GRI 3-3 GRI 414-2	Sustainable value chain – Page 166
	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 106 Prysmian's tax strategy – Page 110
	Local communities	GRI 3-3 GRI 203-1	Positive impact on communities – Page 178
	Sustainable value chain	GRI 3-3 GRI 201-2 GRI 204-1	Environmental responsibility – Page 123 Sustainable value chain – Page 166

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		
GENERAL INFORMATION				
The Organization and its reporting procedures	2-1	Organizational details		Methodology – Page 200 Prysmian: Connect, to lead – Page 12
	2-2	Entities included in the organization's sustainability reporting		Methodology – Page 200
	2-3	Reporting period, frequency and contact point		Methodology – Page 200
	2-4	Restatements of information		Methodology – Page 200
	2-5	External assurance		Methodology – Page 200
Activities and workers	2-6	Activities, value chain and other business relationships		Significant events during the year – Page 50 Prysmian: Connect, to lead – Page 12 Prysmian: Sustain, to lead – Page 22 Prysmian Customers. The Customer Excellence approach – Page 176 Sustainable value chain – Page 166
	2-7	Employees		Prysmian: Connect, to lead – Page 12 Composition of human capital – Page 142 Respect for human rights – Page 159
	2-8	Workers who are not employees		Composition of human capital – Page 142 Respect for human rights – Page 159
Governance	2-9	Governance structure and composition		Corporate Governance – Page 34 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 34 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		Risk factors – Page 76
	2-16	Communication of critical concerns		Ethics and integrity – Page 106
	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 155 Respect for human rights – Page 159 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 155

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
Strategy, policies and practices	2-22	Statement on sustainable development strategy		Letter from the CEO – Page 5
	2-23	Policy commitments		Ethics and integrity – Page 106 Environmental responsibility – Page 123 Respect for human rights – Page 159 Sustainable value chain – Page 166
	2-24	Embedding policy commitments		Ethics and integrity – Page 106 Environmental responsibility – Page 123 Respect for human rights – Page 159 Sustainable value chain – Page 166
	2-25	Processes to remediate negative impacts		Ethics and integrity – Page 106 Environmental responsibility – Page 123 Respect for human rights – Page 159 Sustainable value chain – Page 166
	2-26	Mechanisms for seeking advice and raising concerns		Ethics and integrity – Page 106
	2-27	Compliance with laws and regulations		Ethics and integrity – Page 106
	2-28	Membership associations		Proactive role in trade associations – Page 32
Involvement of Stakeholders	2-29	Approach to stakeholder engagement		Stakeholder engagement and materiality analysis – Page 89
	2-30	Collective bargaining agreements		Dialogue with social partners and collective bargaining – Page 154
MATERIAL TOPICS				
Disclosure of material topics	3-1	Process to determine material topics		Stakeholder engagement and materiality analysis – Page 89
	3-2	List of material topics		Stakeholder engagement and materiality analysis – Page 89
FACILITATING DECARBONIZATION TO ACHIEVE NET-ZERO AND DIGITALIZATION				
GRI 3 Material topics Version 2021	3-3	Management of material topics		Environmental responsibility – Page 123
302: Energy	302-1	Energy consumption within the organization		Energy – Page 128
	302-3	Energy intensity		Energy – Page 128
305: Emissions	305-1	Direct (Scope 1) GHG emissions		Greenhouse gas emissions – Page 129
	305-2	Energy indirect (Scope 2) GHG emissions		Greenhouse gas emissions – Page 129
	305-3	Other indirect (Scope 3) GHG emissions		Greenhouse gas emissions – Page 129
	305-4	GHG emissions intensity		Greenhouse gas emissions – Page 129
LOCAL COMMUNITIES				
GRI 3 Material topics Version 2021	3-3	Management of material topics		Positive impact on communities – Page 178
203: Indirect economic impacts	203-1	Infrastructure investments and services supported		Positive impact on communities – Page 178

GRI Aspects	GRI Standards - Disclosure	GRI Standards - Description	Omissions	Chapter/Page
SUSTAINABLE VALUE CHAIN				
GRI 3 Material topics Version 2021	3-3	Management of material topics		Sustainable value chain – Page 166
201: Economic performance	201-2	Financial implications and other risks and opportunities due to climate change		Sustainable value chain – Page 166
204: Procurement practices	204-1	Proportion of spending on local suppliers		Sustainable value chain – Page 166
308: Supplier environmental assessment	308-2	Negative environmental impacts in the supply chain and actions taken		Sustainable value chain – Page 166
414: Supplier social assessment	414-2	Negative social impacts on the supply chain and actions taken		Sustainable value chain – Page 166
GOVERNANCE, ETHICS AND INTEGRITY				
GRI 3 Material topics Version 2021	3-3	Management of material topics		Business ethics and integrity: the pillars of sustainability - Page 106
205: Anti-corruption	205-2	Communication and training on anti-corruption regulations and procedures		Business ethics and integrity: the pillars of sustainability - Page 106
	205-3	Confirmed incidents of corruption and actions taken		Business ethics and integrity: the pillars of sustainability - Page 106
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 106
207: Tax (2019)	207-1	Approach to taxation		Prysmian's tax strategy – Page 110
	207-2	Tax governance, control and risk management		Prysmian's tax strategy – Page 110
	207-3	Stakeholder engagement and management concerns related to tax		Prysmian's tax strategy – Page 110
	207-4	Country-by-country reporting		Prysmian's tax strategy – Page 110 Annexes to the Consolidated Non-Financial Statement – Page 214
WATER AND EFFLUENTS				
GRI 3 Material topics Version 2021	3-3	Management of material topics		Water – Page 136
303: Water and effluents (2018)	303-1	Interaction with water as a shared resource		Water – Page 136
	303-2	Management of water discharge-related impacts		Water – Page 136
	303-3	Water withdrawal		Water – Page 136
	303-5	Water consumption		Water – Page 136

GRI Aspects	GRI Standards Disclosure	Description	Omissions	Chapter/Page
BIODIVERSITY AND IMPACTS ON NATURE				
GRI 3 Material topics Version 2021	3-3	Management of material topics		Biodiversity – Page 138
304: Biodiversity	304-3	Habitats protected or restored		Biodiversity – Page 138
POLLUTION				
GRI 3 Material topics Version 2021	3-3	Management of material topics		Other atmospheric emissions – Page 131
305: Emissions	305-7	Other significant air emissions		Other atmospheric emissions – Page 131
WELL-BEING, ENGAGEMENT AND IMPROVEMENT OF HUMAN CAPITAL SKILLS				
GRI 3 Material topics Version 2021	3-3	Management of material topics		Composition of human capital – Page 142 Respect for human rights – Page 159
401: Employment	401-1	New employee hires and employee turnover		Composition of human capital – Page 142
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Remuneration policy and welfare plans – Page 155
402: Labor/ management relations	402-1	Minimum notice periods regarding operational changes		Respect for human rights – Page 159
403: Occupational Health and Safety	403-1	Occupational health and safety management system		Health and safety in the workplace – Page 161
	403-2	Hazard identification, risk assessment, and accident investigation		Health and safety in the workplace – Page 161
	403-3	Occupational health services		Health and safety in the workplace – Page 161
	403-4	Worker participation, consultation and communication on occupational health and safety		Health and safety in the workplace – Page 161
	403-5	Worker training on occupational health and safety		Health and safety in the workplace – Page 161
	403-6	Promotion of worker health		Welfare system – Page 156
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Health and safety in the workplace – Page 161
	403-9	Work-related injuries		Health and safety in the workplace – Page 161
	403-10	Work-related ill health		Health and safety in the workplace – Page 161
404: Training and education	404-1	Average hours of training per year per employee		Training and development – Page 152
	404-3	Percentage of employees receiving regular performance and career development reviews		Training and development – Page 152

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
EQUITY, DIVERSITY, INCLUSION AND RESPECT FOR HUMAN RIGHTS				
GRI 3 Material topics Version 2021	3-3	Management of material topics		Respect for human rights – Page 159
405: Diversity and equal opportunity	405-1	Diversity in governance bodies and among employees		Composition of human capital – Page 142 Diversity, equity, inclusion and equal opportunity – Page 157
CYBERSECURITY AND DATA PROTECTION				
GRI 3 Material topics Version 2021	3-3	Management of material topics		Cybersecurity – Page 120
418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Cybersecurity – Page 120
SUSTAINABLE INNOVATION AND CIRCULARITY				
GRI 3 Material topics Version 2021	3-3	Management of material topics		Waste – Page 131
301: Materials	301-1	Materials used by weight or volume		Sustainable value chain – Page 166
306: Waste	306-1	Waste generation and significant waste-related impacts		Waste – Page 131
	306-2	Management of significant waste-related impacts		Waste – Page 131
	306-3	Waste generated		Waste – Page 131
	306-4	Waste diverted from disposal		Waste – Page 131
	306-5	Waste directed to disposal		Waste – Page 131

17. SASB e TCFD

SASB Index

Within the 2023 Non-Financial Statement, for purposes other than to comply with the requirements of Italian Legislative Decree 254/2016, additional specific KPIs for the sector in which Prysmian operates have been added, having regard for the indicators published by the Sustainability Accounting Standards Board (SASB).

Sector Industry	**Resource Transformation Electrical & Electronic Equipment**		
General Issue Category	**Disclosure**	**Description**	**Chapter/Page**
Energy management	RT-EE-130a.1.	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Environmental performance of Prysmian – Page 124
Hazardous waste management	RT-EE-150a.1.	Amount of hazardous waste generated, percentage recycled	Environmental performance of Prysmian – Page 124
Product safety	RT-EE-250a.1.	Number of recalls issued, total units recalled	Prysmian: quality processes and solutions - Page 177
Product lifecycle management	RT-EE-410a.3.	Revenue from renewable energy-related and energy efficiency related products	Sustainable innovation for products, applications and processes - Page 180
Materials sourcing	RT-EE-440a.1.	Description of the management of risks associated with the use of critical materials	Sustainable value chain – Page 166
Business ethics	RT-EE-510a.1.	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Ethics and integrity – Page 106
Business ethics	RT-EE-510a.2.	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Ethics and integrity – Page 106
Business ethics	RT-EE-510a.3.	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Ethics and integrity – Page 106

Sector Industry	**Infrastructure Engineering & Construction Services**		
General Issue Category	**Disclosure**	**Description**	**Chapter / Page**
Workforce health and safety	IF-EN-320a.1.	1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Health and safety in the workplace – Page 161
Business ethics	RT-EE-510a.1.	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Ethics and integrity – Page 106
Business ethics	RT-EE-510a.2.	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Ethics and integrity – Page 106

TCFD correlation table

The Task force on Climate-related Financial Disclosures (TCFD) has issued a series of recommendations for the consistent, voluntary disclosure of information by an organization to investors, lenders and insurance underwriters about its general strategy and governance, as well as its climate-related financial risks and opportunities, and related parameters and targets.

The objective of Prysmian's TCFD Report is to highlight the transparent approach taken to sustainability, as well as to provide additional climate-related information that is readily accessible and understandable by investors and other users.

Recommended TCFD disclosure		
Disclose the metrics used by the organization to assess its climate-related risks and opportunities, consistent with its strategy and risk management process.	Disclose the Scope 1, Scope 2 and, if necessary, Scope 3 GHG emissions and related risks.	Describe the targets used by the organization to manage its climate-related risks and opportunities, and its performance against the targets set.

Annexes to the Consolidated Non-Financial Statement

Group companies considered for taxation (*)

in 2023 Prysmian was active in over 50 coutries with more that 170 companies and 40 branches. Please refer to the following table containing the list of entities considered in the reporting perimeter.

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 (Shangai) Co. Ltd.	Manufacturing or Production; Sales, Marketing or Distribution;
China	APAC	EHC Lift Components (Shangai) Co. Ltd.	Research and Development; Manufacturing or Production; Sales, Marketing or Distribution;
China	APAC	EHC Engineered Polymer (Shangai) Co. Ltd.	Research and Development; Manufacturing or Production; Sales, Marketing or Distribution;

Country	Region	Entity	Activity
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
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 Telecomunicaçoes 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

Country	Region	Entity	Activity
Belgium	EMEA	Silec Cable SAS – Branch Belgium	Provider of services to unrelated parties
Cote d'Ivoire	EMEA	SICABLE - Sociète Ivoirienne de Cables S.A.	Manufacturing or Production; Sales, Marketing or Distribution
Czech Republic	EMEA	Prysmian Kabely, s.r.o.	Manufacturing or Production; Sales, Marketing or Distribution
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 (società per scopi speciali)
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 (fondo pensione)
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

Country	Region	Entity	Activity
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
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	Norddeutshce 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

Country	Region	Entity	Activity
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
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 Telecomunicaçoes 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 AbuDhabi	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 (organizzazione professionale)
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	Norddeutshce Seekabelwerke GmbH – Branch US	Provider of services to unrelated parties
United States	NORAM	Prysmian Construction Services Inc.	Other services (Società di Payroll)
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;

(*) 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.

18. EU Taxonomy

The EU Taxonomy, introduced by EU Regulation 852/2020 (hereafter also the "Regulation" or the "Taxonomy") 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.

Specifically, the purpose of the Taxonomy is to ensure reliability, consistency, and comparability of economic activities that are considered sustainable to protect the investors from greenwashing, assist companies in the sustainable transition, mitigate market fragmentation and close the sustainable investment gap.

The submitted disclosure also refers

- to Delegated Regulation 2021/2139 (hereinafter also referred to as the "Climate Delegated Regulation"), which introduces the list of economic activities eligible for the EU Taxonomy for the first two climate objectives and the related technical screening criteria;
- to EU Regulation 2021/2178 (hereinafter also referred to as the "Article 8 Delegated Regulation" or "Delegated Regulation on Disclosure");
- to EU Delegated Regulation 2022/1214 as regards economic activities in certain energy sectors, amending the Climate Delegated Regulation and the Article 8 Delegated Regulation;
- to Delegated Regulation 2023/2485 amending EU Delegated Regulation 2021/2139 by establishing additional technical screening criteria;
- to Regulation 2023/2486 (hereinafter also referred to as the "Regulation on remaining environmental objectives"), supplementing EU Regulation 2020/852, and its technical screening criteria, and amending the Delegated Regulation on article 8.

The process for determining eligibility

The EU Taxonomy defines as eligible those economic activities described in the Climate Delegated Regulation and in the Delegated Regulation on remaining environmental objectives. In order to identify Prysmian's eligible activities, the activities carried out were analyzed to determine which ones could be classified as those included in the Delegated Regulations with reference to the six environmental objectives.

Taking into account the regulatory update regarding the EU Taxonomy during 2023, the reconciliation of the activities carried out by the Group to the activities reported in the Delegated Regulations has been partly changed from 2022. In particular, the most notable change in activity from the previous year involved power distribution cables, which were previously primarily associated with Activity 3.6 (*Manufacture of other low carbon technologies*) and, for this reporting period, moved under the new Activity 3.20 (*Manufacture, installation and maintenance of high-, medium- and low-voltage electrical equipment for transmission and distribution of electricity*), to allow for a greater adherence and representation according to the descriptions provided by the Regulations.

Some variations in economic KPIs (Turnover, CapEx and OpEx) among the various activities are thus due to this reason.

With respect to the two climate objectives, some of the economic activities attributable to the Group's business, namely activities 3.1, 3.6 and 4.9, bear the same descriptions for both objectives. For this reason, they are considered eligible for both the Mitigation and Climate change adaptation objectives.

Activities 3.18 and 3.20, introduced by Delegated Regulation 2023/2485, are only eligible for the Mitigation objective. With regard to the remaining four environmental objectives, no activities related to the core business of Prysmian have been identified. Finally, there are no activities associated with the fossil gas and nuclear energy sectors.

Eligible activities as described by the Regulations are described below.

Attività economiche ammissibili[58]

EU Taxonomy Economic Activities	Description of Prysmian's activities	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: • fiber optic, optical cables and fiber optic submarine cables for the telecommunications sector; • 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; • Eco Cable-labelled cables[(1)], the first green label in the cables industry;	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 Prysmian website.

The 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[59], does no significant harm to the other five environmental objectives and complies with the minimum safeguards.

Subsequent to the identification of eligible economic activities, specific analyses were carried out on the technical criteria established by the Regulation and Annexes I and II of the Climate Delegated Regulation to verify the alignment of each of the selected economic activities. Specifically, because the descriptions of activities 3.1, 3.6 and 4.9 coincide for the Mitigation and Climate Change Adaptation objectives, an analysis was carried out with respect to both objectives.

With reference to the new activities[60] introduced by Delegated Regulation 2023/2485, only the eligibility analysis is mandatory for this reporting year. However, Prysmian carried out the alignment analysis for these new activities as well, specifically for activities 3.18 and 3.20, in anticipation of future regulatory obligations.

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

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

60 Activity 3.18 (*Manufacture of automotive and mobility components*) and Activity 3.20 (*Manufacture, installation and maintenance of high-, medium- and low-voltage electrical equipment for transmission and distribution of electricity that contribute or enable a substantial contribution to climate change mitigation*).

Substantial contribution to the Climate Change Mitigation objective.

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

Analysis of substantial contribution for activity 3.6
The substantial contribution criterion for activity 3.6 requires the technology analyzed to be aimed at and demonstrate substantial GHG emissions reduction over the life cycle, and that such reduction with respect to the best alternative technologies/solutions/products available on the market be calculated using Commission Recommendation 2013/179/EU (or, alternatively, standard ISO 14067:201897 or standard ISO 14064-1:2018) and checked by an independent third party. None of the cable families covered by this activity meet the above criterion of substantial contribution.

It should be noted that, as indicated in the FAQs published by the European Commission in December 2022, the application of the substantial contribution criterion for activity 3.6 leaves room for flexibility and is strictly dependent on the sector/activity to which it is applied.

Analysis of substantial contribution for activity 3.18
Requests for the substantial contribution for activity 3.18 set out that the components are for road passenger vehicles, category M1[61], M2[62] and M3[63], whose direct CO_2 emissions (from exhaust) are zero.

The Group therefore considered the substantial contribution verified only for cables exclusively for vehicles that produce zero CO_2 emissions.

Analysis of substantial contribution for activity 3.20
The substantial contribution related to Activity 3.20 requires that the activity consists of the manufacture, installation or maintenance of current-carrying cabling products and equipment for power transmission and distribution, intended for cabling electrical circuits and transformers provided that such equipment and transformers contribute to increasing the share of renewable energy in the system or improve energy efficiency.

It is important to highlight that the cables under this activity, intended for power transmission and distribution, improve energy efficiency by definition, as they are used both to replace cables and systems that are now outdated, thus enabling any power losses to be reduced, and to strengthen the high-, medium- and low-voltage networks needed to connect the new, mostly renewable, installed capacity in the countries where the Group operates.

The substantial contribution of this activity also specifies elements of non-compliance, for example, where equipment is directly used to connect or strengthen the connection to a power plant with a greenhouse gas intensity greater than 100 g CO_2eq/kWh measured on a life cycle basis.

This requirement leads to critical information retrieval issues due to the peculiarities of operation of the various target markets, which in most cases are based on frame agreements for standard products with predefined purchase volumes and the installation of which is not managed by the Group. Therefore, a precautionary approach was adopted for the purpose of its verification that could best reflect the current developments in the efficiency process of the power distribution sector in each country.

The approach adopted was then to calculate the percentage of new renewable installed capacity compared to total new installed capacity for each country in which Prysmian operates by extracting data from the database available on the IRENA website. Then sales revenues were considered proportionally to the average between the percentages of new renewable capacity installed and the total in the last two available years (2021 and 2022), for each country.

Furthermore, in the event that the Group has evidence of the use of cables for connecting or strengthening the connection of a non-renewable source, such revenues will be considered to be unaligned and therefore excluded from the methodology described above.

Analysis of substantial contribution for activity 4.9
As required by the substantial contribution criterion of the Climate Delegated Regulation, consideration is only given to projects that include the production and installation of cables and systems for the transmission and distribution of electricity.

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

61 Vehicles with no more than 8 seats, excluding the driver's seat
62 Vehicles with more than 8 seats, excluding the driver's seat, and weighing not more than 5 tons
63 Vehicles with more than 8 seats, excluding the driver's seat, and weighing more than 5 tons

On the other hand, for projects developed in non-European countries, conformity is checked via point 1) c) of the substantial contribution criterion of the above Regulation. Only projects that respect the above criteria comply with the substantial contribution criterion for activity 4.9.

It must be noted that the analysis of the substantial contribution criterion was not affected by the update of this requirement within the Delegated Regulation 2023/2485 with respect to economic activity 4.9, as the amended paragraph is not applicable to Prysmian's business.

Substantial contribution to the Climate Change Adaptation objective

Analysis of substantial contribution for activity 3.1, 3.6, 4.9

The substantial contribution criteria set forth in the Climate Change Adaptation objective are the same for activities 3.1, 3.6 and 4.9. For these activities, it is possible to say that physical and non-physical solutions ("adaptation solutions") have been identified as substantially reducing the most important physical climate risks weighing on the activity (for more details about the identification of physical risks and climate risk and vulnerability assessment, refer to the paragraph "Climate Change Adaptation" in this section). However, such solutions have not yet been implemented or there is no possibility to accurately identify the value of economic KPIs associated with them (i.e. turnover, CapEx, OpEx).

Therefore, it was not possible to consider these activities as aligned with the Adaptation objective.

It should also be pointed out that for activities 3.1 and 3.6 there is no DNSH for the Climate Change Mitigation objective, while for activity 4.9, although it was indicated, it was not verified due to the failure to meet the substantial contribution requirement.

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

Compliance with the DNSH (Do No Significant Harm) criteria was verified using a top-down approach. The analysis started at Group level, followed by more in-depth work and specific requests at business line, geographical segment and plant level, as well as with regard to individual activities where necessary, in order to identify and isolate potential areas of non-conformity using a consistent and uniform approach.

Climate Change Adaptation

The DNSH criterion regarding climate change adaptation is the same for activities 3.1, 3.6, 3.18, 3.20 and 4.9, requiring conformity with Appendix A of Delegated Regulation 2021/2139, which calls for a sound climate risks and vulnerabilities assessment, as well as adaptation solutions. Prysmian has devised an enterprise risk management (ERM) plan, applying models and best practices recognized at an international level, that also assesses climate risks, opportunities and the related actions.
As in the prior year, a careful analysis of climate change and energy transition matters was also carried out in 2023. This analysis is described in the TCFD Report published by the Group.

In particular, the climate risks/opportunities considered significant for Prysmian have been identified from among those contained in Appendix A of Delegated Regulation 2021/2139. In order to determine the impacts associated with those risks/opportunities, a climate scenario analysis was developed (starting from an optimistic scenario, before considering the worst case) over a 10-year time horizon.

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

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

Sustainable use and protection of water and marine resources

Regarding the goal of Sustainable use and protection of water and marine resources, verification of compliance with Appendix B of the Climate Delegated Regulation is required. This verification was carried out with respect to production facilities and related procedures, certifications and assessments related to activities 3.1, 3.6, 3.18, and 3.20, as there is no DNSH criterion for activity 4.9 regarding this environmental objective.

98% of Group factories hold ISO 14001 certification for their environmental management systems, through which the sustainable use and protection of water and marine resource are guaranteed and monitored. Mapping the sites showed that no more than 12% of the sites are located close to the sea (i.e., within 2 km), and that sites located close to the sea that could pose a potential hazard to the marine environment are about 5%. For these sites, the assessment of environmental aspects and impacts, performed through the HSE Management System, enabled the implementation of measures to prevent and protect various environmental aspects, including water and in particular surface and marine water. Furthermore, in addition to compliance with legal requirements and the requirements of specific

Environmental Permits, the sites involved implement a monitoring and control plan, which in many cases is subject to periodic verification by the relevant authorities.

The commitment of the organization to preventing and managing the potential negative impacts on water resources is reiterated in specific policies for the water management plans and confirmed by completion of the *CDP Water Security Questionnaire*.

The DNSH criterion relating to the sustainable use and protection of water and marine resources is therefore deemed satisfied for all activities to which it applies (3.1, 3.6, 3.18 and 3.20).

Further information about how the Group manages its water resources is presented in the "Water" paragraph of the "Our environmental responsibility" section.

Transition to a circular economy
For activities 3.1, 3.6, 3.18 and 3.20, techniques that facilitate the circular economy must be implemented, from the product design phase to waste management.

Prysmian has developed internal procedures for the selection of materials and raw materials, the traceability of substances throughout the production process and the management of environmental impacts. In addition, policies are implemented at production plant level for the proper collection and disposal of waste in accordance with Group best practices and the regulatory requirements of the country concerned. For more information about the projects and research carried out to facilitate the transition to a circular economy, see "Circularity" paragraph of "Our environmental responsibility" section in this document.

With regard to activity 4.9, a waste management plan must guarantee maximum reuse or recycling at the end of the life cycle. The Group has developed a waste management plan that, for the projects analyzed and included in activity 4.9, ensures a high level of recycling and reuse during manufacturing and installation phases. Further information about the waste generated, as well as its recycling and disposal, is provided in the "Waste" paragraph of the "Our environmental responsibility" section.

For the five economic activities indicated above, the techniques, analyses, procedures and management systems adopted by the Group are deemed compliant with the DNSH requirements for the transition to a circular economy.

Pollution prevention and control
The criteria in Appendix C of Delegated Regulation 2021/2139 were amended with the publication of Delegated Regulation 2023/2485. Specifically, criterion f)[64] was updated, while criterion g) set out in the previous Delegated Regulation was removed and replaced by an additional section[65]. Therefore, the requirements specified in Appendix C state that economic activities 3.1, 3.6, 3.18 and 3.20 do not lead to the manufacture, marketing or use of any of the chemical substances listed in specific European Regulations and Directives referred to in the Appendix. Prysmian was able to verify all reported criteria in a timely manner (letters a[66],b[67],c[68],d[69],e[70],f). It is also specified that although verification of the additional paragraph will become mandatory starting from the reports published in 2025, Prysmian has chosen to verify compliance as early as this year.
The analysis was carried out first at the central level and then at the level of individual production facilities and individual material codes through the sharing of detailed questionnaires reporting the totality of the substances to be verified, with the aim of isolating and excluding from the scope of alignment those cables containing one or more of the chemicals included in the relevant Regulations and Directives.

Despite the complexity generated by the requirements set out in Appendix C, Prysmian has undertaken to identify all the expected substances and has manually verified their presence in its production processes and final products. In order to facilitate and automate substance verification activities as much as possible, the Group will consider in the near future the introduction of possible IT solutions and systems to support these activities.

64 substances, either in their pure state or within mixtures or articles, in concentrations greater than 0.1% W/W, which meet the criteria of Article 57 of EC Regulation no. 1907/2006, which have been identified in accordance with Article 59, section 1, of that Regulation for a period of at least 18 months, unless operators assess and document that no other suitable alternative substance or technology is available on the market, and that they are used under controlled conditions.
65 the activity does not involve the manufacture, the presence in the final product or result, or the placing on the market of other substances, either in their pure state or within mixtures or articles, in concentrations greater than 0.1% W/W, that meet the criteria of Regulation (EC) No. 1272/2008 for any of the hazard classes or categories of hazard listed in Article 57 of Regulation (EC) No. 1907/2006, unless operators have assessed and documented that no other suitable alternative substance or technology is available on the market, and that they are used under controlled conditions.
66 substances, either in their pure state or within mixtures or articles, listed in Annex I or II of Regulation (EU) 2019/1021 of the European Parliament and of the Council, except in the case of substances present as unintentional trace contaminants.
67 mercury, mercury compounds, mercury mixtures, and products with added mercury, as defined in Article 2 of Regulation (EU) 2017/852 of the European Parliament and of the Council.
68 substances, either in their pure state or within mixtures or articles, listed in Annex I or II of Regulation (EC) No. 1005/2009 of the European Parliament and the Council.
69 substances, whether in their pure state or within mixtures or articles, listed in Annex II of Directive 2011/65/EU of the European Parliament and of the Council, except where full compliance with Article 4, section1, of that Directive is ensured.
70 substances, either in their pure state or within mixtures or an article, listed in Annex XVII of Regulation (EC) No. 1907/2006 of the European Parliament and of the Council, except when full compliance with the conditions set out in that Annex is ensured.

Analyses of those activities 3.1, 3.18 and 3.20 that satisfy the substantial contribution criterion found that the majority of the cables and accessories analyzed met the requirements and that Substances of Very High Concern ("SVHC"), identified in criterion f), were only found in a limited number of cases. In addition, some cable families were found to have other substances included in the list of substances required in the additional section.

As regards metallic lead, which in some cases is used in the production of submarine cables, it has been demonstrated that there are currently no suitable alternative substances available in the market to replace it, therefore, as provided for in point f) and the following paragraph, cables containing this substance, and based on such exception, can be considered compliant.

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

With regard to activity 4.9, eligible projects are limited solely to those involving underground or submarine cables; accordingly, the DNSH requirements referring to the over-ground lines are not applicable. In addition, no polychlorinated biphenyls (PCBs) are used.

As a result, activity 4.9 is deemed compliant with the DNSH criterion for the pollution prevention and control.

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

At manufacturing plant level (activities 3.1, 3.6, 3.18 and 3.20), for the purposes of conformity with the criterion and in view of their proximity to highly sensitive areas, positive consideration was given to the environmental management systems implemented to mitigate potential adverse effects, as indicated for the DNSH criterion relating to the sustainable use of water.

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

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

In addition, the Group has begun a process of mapping areas of environmental concern in order to create an updated database of the main characteristics and any critical issues of each of them. This initiative is part of a project to increase the importance of biodiversity issues in the risk management system.
Further details about the impact of Prysmian on biodiversity is presented in the "Biodiversity" paragraph in the "Environmental responsibility" section.

The requirements of this criterion are therefore considered to be satisfied by both as regards the manufacturing sector activities (3.1, 3.6, 3.18 and 3.20) and the energy sector activities (4.9).

Minimum Safeguards
Regarding compliance with art. 3.c) of Regulation 2020/852, the Group analyzed conformity with the minimum safeguard standards relating to human rights and workers' rights, corruption, taxation and fair competition.

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

In the absence of further clarification from the European Commission regarding compliance with minimum safeguards, the Group has taken into consideration the guidelines presented in the "Final Report on Minimum Safeguards" published by the Platform on Sustainable Finance in October 2022. Furthermore, in the FAQs published in June 2023[71], the European Commission identified a connection between the minimum safeguards of the Taxonomy and the «do no significant harm» principle of the SFDR (Sustainable Financial Disclosure Regulation).

71 Communication on the interpretation and implementation of certain legal provisions under the EU Taxonomy Regulation and links with the Sustainable Finance Disclosure Regulation (2023/C 211/01)

Accordingly, this connection involves compliance with PAI (Principal Adverse Impact) indicators with respect to social and personnel issues, respect for human rights and issues related to anti-corruption and anti-bribery. This introduces the possibility of adding some indicators to the minimum safeguards. They include:

- the unadjusted gender pay gap;
- gender diversity in the BoD;
- exposure to controversial weapons (landmines, cluster munitions, chemical weapons and biological weapons).

Regarding the first indicator, please refer to the "Diversity and Equal Opportunity" section, and for the second indicator to the "Corporate Bodies" paragraph in the "Governance and Management of Risks and Opportunities" section.

Finally, Prysmian is not known to be involved in the manufacture or sale of controversial weapons.

Human rights, including those of workers

In the context of responsible business conduct in terms of human rights, the commitments made by Prysmian are embodied in the Code of Ethics and the Human Rights Policy. In order to guarantee respect for that principle throughout the entire supply chain and within the organization, the Group implements a system of regular due diligence covering its suppliers. This system maps the risk throughout the supply chain by analyzing the risk factors attributable to three macro areas: sustainability and management systems; environmental criteria; human and workers' rights. Based on the results obtained, the Group arranges for a third party to carry out specific audits of critical suppliers. From 2017 – the year of process implementation – to 2022, 32 audits were carried out, exceeding the target set at 30; during 2023, 7 additional audits were performed. The Group also participates in specific human rights initiatives addressing business-related topics, such as the *Responsible Mica Initiative* (RMI).

Taxation

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

Fair competition

Prysmian delivers adequate training on the subject of fair competition, in order to increase awareness among those who work in the name and on behalf of the Group and ensure compliance with the rules safeguarding competition. For more details, please refer to the mitigation actions adopted for "Antitrust Non-compliance Risk" in the "Ethics and Integrity" section of this document.

Anti-corruption

The procedures adopted by Prysmian to mitigate the risk of corruption include the application of an ISO37001-certified anti-corruption management system, an anti-corruption policy and *Third Party Program and Process, Gifts & Entertainment and Conflicts of Interest* procedures, regarding which periodic employee training is provided. During 2023, in addition to updating the above policies, a policy regarding the management of relations with the public administration was introduced. With regard to respect for the principle throughout the supply chain, in addition to the Code of Ethics that must be accepted by each supplier, the Group implements the system of due diligence described above in relation to "Human rights, including those of workers", in which corruption risk factors are also taken into account.

Disputes

As identified in the assessments detailed above, Prysmian has not been definitively convicted of labor law, human rights or corruption violations and has not been involved in any cases reviewed by an OECD National Contact Point (NCP), or interrogated by the Business and Human Rights Resource Center (BHRRC). On the subject of taxation, the Group was not ordered to pay significant penalties by the tax authorities of the various countries in which it operates. The Group has been in the past and still is involved in antitrust investigations and disputes promoted by third parties, consequent to and/or connected with decisions adopted by certain competition authorities, the details of which are outlined in the note on Provisions for risks and charges in the Explanatory Notes to the Consolidated Financial Statements. Following these investigations and disputes, the Group has implemented a series of internal controls, described in "Fair competition" paragraph, to reduce the probability of infringements in this area.

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

Criteria for the calculation of KPIs and background information

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

The indicators are presented in the templates provided in Annex V of Delegated Regulation 2023/2486 amending Delegated Regulation 2021/2178, as well as in the templates included in the EU Delegated Regulation 2022/1214 regarding economic activities in certain energy sectors (i.e. gas and nuclear).

The proportion of Prysmian's taxonomy-eligible and -aligned economic activities was calculated with respect to Turnover, CapEx and OpEx in accordance with legal requirements and the accounting criteria specified in Annex I of the Art. 8 of Delegated Regulation and Annex V of Delegated Regulation 2023/2486.

Turnover

Definition and reconciliation
The taxonomy-eligible/aligned turnover reflects the ratio of net revenues deriving from eligible/aligned activities (numerator) to total net revenues (denominator).
The denominator of the Turnover KPI makes reference to the "revenues" caption of the Consolidated Income Statement as ta 31.12.2023, as consolidated in accordance with IAS 1.82(a). For more information, see the consolidated accounting schedules contained in the Annual Financial Statement of the Group, as well as the section on Accounting Policies.

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

Other background information
The revenues indicated on the numerator are all linked to contracts with customers. No changes in the composition and reconciliation of revenues from 2022 are to be reported.

CapEx

Definition and reconciliation
The Taxonomy-eligible/aligned capital expenditure (CapEx) reflects the ratio of CapEx deriving from eligible/aligned activities (numerator) to total CapEx (denominator).
In particular, the denominator of the CapEx KPI comprises the increases in tangible and intangible assets during the year before depreciation, amortization, write-downs and write-backs, including those deriving from business combinations. Total CapEx can be reconciled with the 2023 Consolidated Financial Statements of the Group by reference to "Gross Capital Expenditure".

The eligible/aligned portion of CapEx includes:

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

Allocation
The capital expenditure on assets or processes associated with taxonomy-eligible/aligned manufacturing economic activities was allocated after a precise analysis of each expenditure caption, using the classification adopted when consolidating the Group's investments. In particular, when calculating eligibility, Prysmian 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.

Other background information
Capital expenditures included in a CapEx plan concern the amount of about Euro 590 million for the construction of new cable-laying vessels. This will expand the alignment of activity 4.9 "Electricity transmission and distribution", thus contributing to the achievement of the "Climate Change Mitigation" objective. Specifically, these vessels will be used from 2025 on projects involving the installation of power transmission cables to connect the power grid to offshore wind farms. 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 implemented and made operational within 18 months from their recognition in the financial statements and 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. In order to avoid double counting, any capital expenditure identified in category c, pursuant to section 1.1.2.2. Annex I of the Delegated Regulation under art. 8, also associated with capital expenditure included in the denominator relating to assets or processes associated with taxonomy-eligible/aligned economic activities (category a.) pursuant to section 1.1.2.2. Annex I of the Delegated Regulation under art. 8) were included in the latter category.

The capital expenditure associated with the above economic activities is treated solely as eligible. In fact, the Group, in part because of the amount of expenses involved and the timeframe that would be required for further verification with suppliers, did not proceed with the alignment analysis.

Consistent with the requirements of the art. 8 of the Delegated Regulation, the Group provides below the amounts included in the numerator of the alignment KPI.

Quantitative breakdown by economic activity of the amounts included in the numerator of the alignment KPI (Euro mln)

Assets	Increases in property, plant and equipment	Increases in internally generated intangible assets	Of which part of a CapEx plan
3.1	4	-	
3.6	-	-	
3.18	-	-	
3.20	30	5	
4.9	353	6	168

Note that during the year there were no increases to assets resulting from business combinations.

OpEx

Definition and reconciliation
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 rentals, maintenance and repairs, and the cost of personnel dedicated to the internal maintenance of plant and equipment with respect to the total OpEx of those categories.

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

Other background information
Consistent with the art. 8 of Delegated Regulation, the amounts included in the numerator of the alignment KPI are detailed below by type of cost.

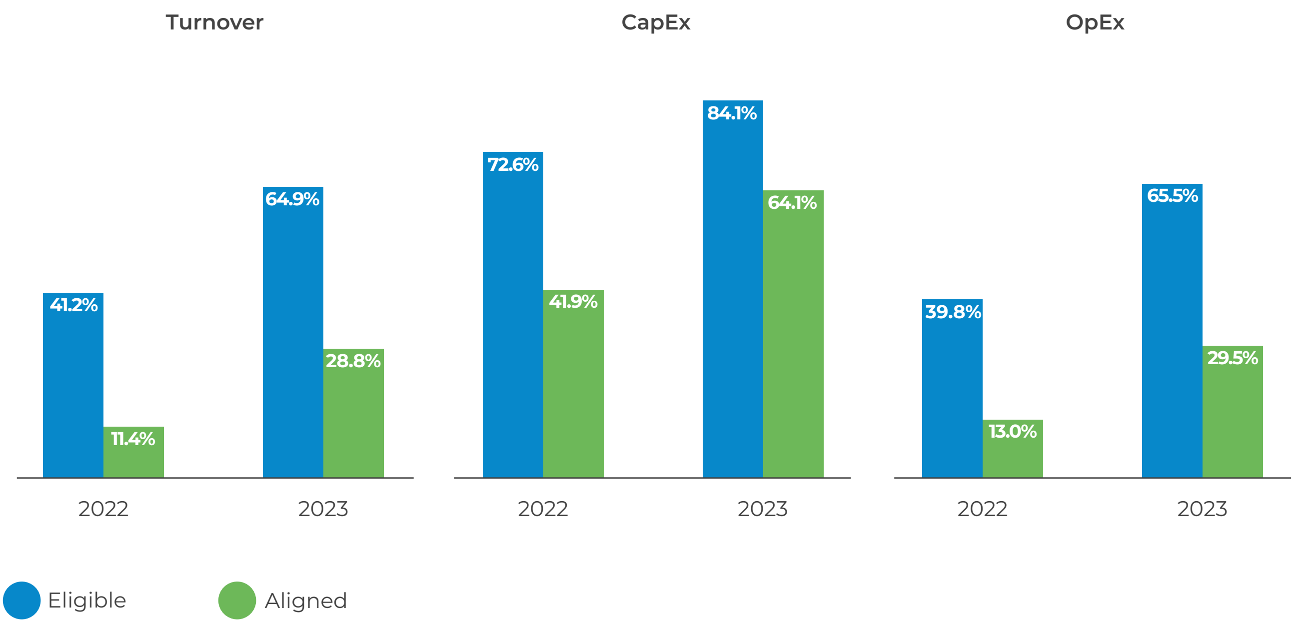
Quantitative breakdown of the amounts included in the numerator of the alignment KPI

	OpEx (mEUR)
R&D costs	34
Short-term leases	20
Maintenance and repair	53
Other direct expenditure on the routine maintenance of property, plant and equipment	30
Total	**137**

Commentary on performance trend and future developments

The introduction in the EU 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 Taxonomy-aligned Turnover 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 EU 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.

Table A - Turnover

Financial year N	2023			Substantial contribution criteria						DNSH ("do no significant harm") criteria									
Economic activities	Code[1]	Turnover	Portion of turnover, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A.1) or eligible (A.2) portion of turnover, year N-1	Category (enabling activity)	Category (transition activity)
		EUR M	%	Yes; No; N/EL[2]	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	493	3.2%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	4.1%	E	
Manufacture of other low carbon technologies	CCM 3.6	0	0.0%	No	No	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No	0.3%	E	
Production of automotive and mobility components	CCM 3.18	21	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	E	
Manufacture, installation and servicing of high-, medium- and low-voltage electrical equipment for transmission and distribution of electricity	CCM 3.20	2,254	14.7%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	E	
Transmission and distribution of electricity	CCM 4.9	1,647	10.7%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7.0%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**4,415**	**28.8%**	28.8%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	11.4%		
Of which enabling		4,415	28.8%	28.8%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	11.4%	E	
Of which transition		0	0.0%	0.0%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of renewable energy technologies	**CCM 3.1** CCA 3.1	177	1.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.9%		
Manufacture of other low carbon technologies	**CCM 3.6** CCA 3.6	3,410	22.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								25.6%		
Production of automotive and mobility components	CCM 3.18	668	4.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		

(1) climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prevention and control: PPC; biodiversity and ecosystems: BIO.
(2) Yes – Activity is taxonomy-eligible and taxonomy-aligned with respect to the relevant environmental objective; No – Activity is taxonomy-eligible but not taxonomy-aligned with respect to the relevant environmental objective; N/EL – Not eligible; activity is not taxonomy-eligible for the relevant objective; EL – Activity taxonomy-eligible for the relevant objective.

Financial year N	2023			Substantial contribution criteria						DNSH ("do no significant harm") criteria									
Economic activities	Code[1]	Turnover	Portion of turnover, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A.1) or eligible (A.2) portion of turnover, year N-1	Category (enabling activity)	Category (transition activity)
		EUR M	%	Yes; No; N/EL[2]	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
Manufacture, installation and servicing of high-, medium- and low-voltage electrical equipment for transmission and distribution of electricity	CCM 3.20	1,289	8.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
Transmission and distribution of electricity	**CCM 4.9** CCA 4.9	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								3.3%		
Turnover of taxonomy-eligible but not environ-mentally sustainable activities (not taxonomy-aligned activities) (A.2)		**5,543**	**36.1%**	36.1%	0%	0%	0%	0%									29.8%		
A. Turnover of taxonomy-eligible activities (A.1 + A.2)		**9,959**	**64.9%**	64.9%	0%	0%	0%	0%									41.2%		
B. NOT TAXONOMY-ELIGIBLE ACTIVITIES																			
Turnover of not taxonomy-eligible activities		5,395	35.1%																
TOTAL		15,354	100%																

	Portion of turnover/Total turnover	
	Taxonomy-aligned for objective	Taxonomy-eligible for objective
CCM	28.8%	64.9%
CCA	0.0%	37.3%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Table B - CapEx

Financial year N	2023			Substantial contribution criteria						DNSH ("do no significant harm") criteria									
Economic activities	Code[1]	CapEx	Portion of CapEx, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Garanzie minime di salvaguardia	Taxonomy-aligned (A.1) or eligible (A.2) portion of CapEx, year N-1	Category (enabling activity)	Category (transition activity)
		EUR M	%	Yes; No; N/EL[2]	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	5	0.8%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.5%	E	
Production of automotive and mobility components	CCM 3.18	0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	E	
Manufacture, installation and servicing of high-, medium- and low-voltage electrical equipment for transmission and distribution of electricity	CCM 3.20	35	5.6%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	E	
Transmission and distribution of electricity	CCM 4.9	359	57.6%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	41.3%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**400**	**64.1%**	64,1%	0,0%	0,0%	0,0%	0,0%	0,0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	41.9%		
Of which enabling		400	64.1%	64,1%	0,0%	0,0%	0,0%	0,0%	0,0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	41.9%	E	
Of which transition		0	0.0%	0,0%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of renewable energy technologies	**CCM 3.1** CCA 3.1	1	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								3.7%		
Manufacture of other low carbon technologies	**CCM 3.6** CCA 3.6	73	11.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								21.5%		
Production of automotive and mobility components	CCM 3.18	3	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
Manufacture, installation and servicing of high-, medium- and low-voltage electrical equipment for transmission and distribution of electricity	CCM 3.20	11	1.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
Transmission and distribution of electricity	**CCM 4.9** CCA 4.9	35	5.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								5.4%		

Financial year N	2023			Substantial contribution criteria						DNSH ("do no significant harm") criteria									
Economic activities	Code[1]	CapEx	Portion of CapEx, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Garanzie minime di salvaguardia	Taxonomy-aligned (A.1) or eligible (A.2) portion of CapEx, year N-1	Category (enabling activity)	Category (transition activity)
		EUR M	%	Yes; No; N/EL[2]	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
Installation, maintenance and repair of energy efficiency devices	CCM 7.3	1	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Installation, maintenance and repair of electric vehicle charging stations in buildings (and in parking spaces appurtenant to buildings)	CCM 7.4	1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**	1	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**125**	**20.0%**	20.0%	0.0%	0.0%	0.0%	0.0%									30.7%		
A. CapEx of taxonomy-eligible activities (A.1 + A.2)		**525**	**84.1%**	84.1%	0.0%	0.0%	0.0%	0.0%									72.6%		
B. NOT TAXONOMY-ELIGIBLE ACTIVITIES																			
CapEx of not taxonomy-eligible activities		**99**	**15.9%**																
TOTAL		624	100%																

	Portion of CapEx/Total CapEx	
	Taxonomy-aligned for objective	**Taxonomy-eligible for objective**
CCM	64.1%	84.1%
CCA	0.0%	75.8%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

(1) climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prevention and control: PPC; biodiversity and ecosystems: BIO.
(2) Yes – Activity is taxonomy-eligible and taxonomy-aligned with respect to the relevant environmental objective; No – Activity is taxonomy-eligible but not taxonomy-aligned with respect to the relevant environmental objective; N/EL – Not eligible; activity is not taxonomy-eligible for the relevant objective; EL – Activity taxonomy-eligible for the relevant objective.

Table C - OpEx

Financial year N Economic activities	2023 Code[1]	OpEx	Portion of OpEx, year N	Substantial contribution criteria Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	DNSH ("do no significant harm") criteria Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A.1) or eligible (A.2) portion of OpEx, year N-1	Category (enabling activity)	Category (transition activity)
		EUR M	%	Yes; No; N/EL[2]	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	15	3.2%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	3.9%	E	
Manufacture of other low carbon technologies	CCM 3.6	0	0.0%	No	No	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No	0.3%	E	
Production of automotive and mobility components	CCM 3.18	1	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	E	
Manufacture, installation and servicing of high-, medium- and low-voltage electrical equipment for transmission and distribution of electricity	CCM 3.20	63	13.6%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	E	
Transmission and distribution of electricity	CCM 4.9	58	12.6%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8.8%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**137**	**29.5%**	29.5%	0.0%	0.0%	0.0%	0.0%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	13.0%		
Of which enabling		137	29.5%	29.5%	0.0%	0.0%	0.0%	0.0%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	13.0%	E	
Of which transition		0	0.0%	0.0%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of renewable energy technologies	**CCM 3.1** CCA 3.1	5	1.1%	EL	EL	E/EL	E/EL	E/EL	E/EL								0.2%		
Manufacture of other low carbon technologies	**CCM 3.6** CCA 3.6	104	22.5%	EL	EL	E/EL	E/EL	E/EL	E/EL								22.5%		

(1) climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prevention and control: PPC; biodiversity and ecosystems: BIO.
(2) Yes – Activity is taxonomy-eligible and taxonomy-aligned with respect to the relevant environmental objective; No – Activity is taxonomy-eligible but not taxonomy-aligned with respect to the relevant environmental objective; N/EL – Not eligible; activity is not taxonomy-eligible for the relevant objective; EL – Activity taxonomy-eligible for the relevant objective.

Financial year N	2023			Substantial contribution criteria						DNSH ("do no significant harm") criteria									
Economic activities	Code[1]	OpEx	Portion of OpEx, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A.1) or eligible (A.2) portion of OpEx, year N-1	Category (enabling activity)	Category (transition activity)
		EUR M	%	Yes; No; N/EL[2]	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
Production of automotive and mobility components	CCM 3.18	15	3.3%	EL	E/EL	E/EL	E/EL	E/EL	E/EL								N/A		
Manufacture, installation and servicing of high-, medium- and low-voltage electrical equipment for transmission and distribution of electricity	CCM 3.20	42	9.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
Transmission and distribution of electricity	**CCM 4.9** CCA 4.9	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								4.0%		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**166**	**36.0%**	36.0%	0.0%	0.0%	0.0%	0.0%									26.7%		
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		**303**	**65.5%**	65.5%	0.0%	0.0%	0.0%	0.0%									39.8%		
B. NOT TAXONOMY-ELIGIBLE ACTIVITIES																			
OpEx of not taxonomy-eligible activities		**160**	**34.5%**																
TOTAL		463	100%																

	Portion of OpEx/Total OpEx	
	Taxonomy-aligned for objective	Taxonomy-eligible for objective
CCM	29.5%	65.5%
CCA	0.0%	39.4%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Table D – Nuclear - and fossil gas-related activities

Row	Nuclear energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

19. Audit report on non-financial disclosure

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Independent auditors' report on the consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Legislative Decree 254/2016 and with Article 5 of CONSOB Regulation adopted with Resolution n. 20267 of 18 January 2018 (Translation from the original Italian text)

To the Board of Directors of
Prysmian S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5, paragraph 1. g) of CONSOB Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Prysmian S.p.A. and its subsidiaries (hereinafter "Group" or "Prysmian Group") for the year ended on 31st December 2023 in accordance with article 4 of the Decree, presented in the specific section of the Director's Report of the Group's consolidated financial statements and approved by the Board of Directors on 28th February 2024 (hereinafter "DNF").
Our limited assurance engagement does not cover the information included in the paragraph *"European taxonomy"* of the DNF, that are required by art.8 of the European Regulation 2020/852.

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

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Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the DNF with those included in the Prysmian Group's consolidated financial statements;
4. understanding of the following aspects:
    - Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;
    - policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;
    - main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

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With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below;

5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.
In particular, we have conducted interviews and discussions with the management of Prysmian S.p.A. and with the personnel of 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 DNF.

Furthermore, for significant information, considering the Group activities and characteristics:

- at Group level
  a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
  b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for 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 activities, relevance to the consolidated performance indicators and location, we have carried out site visits and remote interviews during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the Prysmian Group for the year ended on 31st December 2023 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.
Our above conclusions on the DNF of the Prysmian Group do not refer to the information included in the paragraph "*European taxonomy*" of the DNF itself, that are required by art.8 of the European Regulation 2020/852.

Milan, 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.

B

CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated financial statements

Consolidated statement of financial position

(Euro/million)	Note	31.12.2023	of which related parties	31.12.2022	of which related parties
Non-current assets					
Property, plant and equipment	1	3,401		3,020	
Goodwill	2	1,660		1,691	
Other intangible assets	2	411		473	
Equity-accounted investments	3	218	218	387	387
Other investments at fair value through other comprehensive income	4	10		12	
Financial assets at amortised cost		3		3	
Derivatives	8	41		135	
Deferred tax assets	16	299		203	
Other receivables	5	36		34	
Total non-current assets		**6,079**		**5,958**	
Current assets					
Inventories	6	2,264		2,241	
Trade receivables	5	1,987	3	1,942	-
Other receivables	5	1,054	2	978	3
Financial assets at fair value through profit or loss	7	85		270	
Derivatives	8	80		71	
Financial assets at fair value through other comprehensive income	4	24		11	
Cash and cash equivalents	9	1,741		1,285	
Total current assets		**7,235**		**6,798**	
Assets held for sale	10	9		-	
Total assets		**13,323**		**12,756**	
Equity					
Share capital	11	28		27	
Reserves	11	3,224		3,054	
Group share of net profit/(loss)	11	529		504	
Equity attributable to the Group		**3,781**		**3,585**	
Equity attributable to non-controlling interests		191		186	
Total equity		**3,972**		**3,771**	
Non-current liabilities					
Borrowings from banks and other lenders	12	2,488		2,744	
Employee benefit obligations	15	333		329	
Provisions for risks and charges	14	58		31	
Deferred tax liabilities	16	222		187	
Derivatives	8	47		61	
Other payables	13	53		28	
Total non-current liabilities		**3,201**		**3,380**	
Current liabilities					
Borrowings from banks and other lenders	12	608		323	
Provisions for risks and charges	14	753	5	665	8
Derivatives	8	57		72	
Trade payables	13	2,199	4	2,718	17
Other payables	13	2,469	5	1,694	2
Current tax payables	27	64		133	
Total current liabilities		**6,150**		**5,605**	
Total liabilities		**9,351**		**8,985**	
Total equity and liabilities		**13,323**		**12,756**	

Consolidated income statement

(Euro/million)	Note	2023	of which related parties	2022	of which related parties
Sales	17	15,354		16,067	
Change in inventories of finished goods and work in progress	18	52		(30)	
Other income	19	70	6	70	7
Total sales and income		**15,476**		**16,107**	
Raw materials, consumables and supplies	20	(9,705)		(10,588)	
Fair value change in derivatives on commodities		6		(31)	
Personnel costs	21	(1,804)	(13)	(1,758)	(16)
Amortisation, depreciation, impairment and impairment reversals	22	(574)		(403)	
Other expenses	23	(2,572)	(7)	(2,525)	(8)
Share of net profit/(loss) of equity-accounted companies	24	33	33	47	47
Operating income		**860**		**849**	
Finance costs	25	(1,093)		(1,116)	
Finance income	26	997		1,006	
Profit/(loss) before taxes		**764**		**739**	
Taxes	27	(217)		(230)	
Net profit/(loss)		**547**		**509**	
Of which:					
- attributable to non-controlling interests		***18***		***5***	
- Group share		***529***		***504***	
Basic earnings/(loss) per share (in Euro)	**28**	***1,94***		**1,91**	
Diluted earnings/(loss) per share (in Euro)	**28**	***1,84***		**1,90**	

Other comprehensive income (note 11)

(Euro/million)	2023	2022
Net profit/(loss)	**547**	**509**
Other comprehensive income:		
A) Change in cash flow hedge reserve:	**(35)**	**(34)**
- Profit/(loss) for the year	(45)	(46)
- Taxes	10	12
B) Other changes relating to cash flow hedges:	**(19)**	**(11)**
- Profit/(loss) for the year	(24)	(15)
- Taxes	5	4
C) Change in currency translation reserve	**(201)**	**142**
D) Financial instruments at fair value:	**(8)**	**-**
- Profit/(loss) for the year	(12)	-
- Taxes	4	-
E) Actuarial gains/(losses) on employee benefits(*):	**(8)**	**79**
- Profit/(loss) for the year	(10)	109
- Taxes	2	(30)
Total other comprehensive income (A+B+C+D+E):	**(271)**	**176**
Total comprehensive income/(loss)	**276**	**685**
Of which:		
- attributable to non-controlling interests	***8***	***11***
- Group share	***268***	***674***

(*) Components of comprehensive income that will not be reclassified to profit or loss in subsequent periods.

Consolidated statement of changes in equity (note 11)

(Euro/million)	Share capital	Cash flow hedge reserve	Currency translation reserve	Other reserves	Group share of net profit/(loss)	Equity attributable to the Group	Equity attributable to non-controlling interests	Total
Balance at 31 December 2021	**27**	**103**	**(309)**	**2,786**	**308**	**2,915**	**174**	**3,089**
Allocation of prior year net profit	-	-	-	308	(308)	-	-	-
Fair value share-based payment	-	-	-	102	-	102	2	104
Dividend distribution	-	-	-	(145)	-	(145)	(4)	(149)
Effect of hyperinflation	-	-	-	39	-	39	3	42
Total comprehensive income/ (loss)	-	(33)	135	68	504	674	11	685
Balance at 31 December 2022	**27**	**70**	**(174)**	**3,158**	**504**	**3,585**	**186**	**3,771**

(Euro/million)	Share capital	Cash flow hedge reserve	Currency translation reserve	Other reserves	Group share of net profit/(loss)	Equity attributable to the Group	Equity attributable to non-controlling interests	Total
Balance at 31 December 2022	**27**	**70**	**(174)**	**3,158**	**504**	**3,585**	**186**	**3,771**
Allocation of prior year net profit	1	-	-	503	(504)	-	-	-
Fair value share-based payment	-	-	-	56	-	56	1	57
Dividend distribution	-	-	-	(158)	-	(158)	(7)	(165)
Acquisition of non-controlling interest	-	-	-	(5)	-	(5)	-	(5)
Effect of hyperinflation	-	-	-	35	-	35	3	38
Total comprehensive income/ (loss)	-	(35)	(193)	(33)	529	268	8	276
Balance at 31 December 2023	**28**	**35**	**(367)**	**3,556**	**529**	**3,781**	**191**	**3,972**

Consolidated statement of cash flow (note 37)

	(Euro/million)	2023	of which related parties	2022	of which related parties
	Profit/(loss) before taxes	764		739	
	Amortisation, depreciation and impairment	574		403	
	Net gains on disposal of fixed assets	-		(1)	
	Share of net profit/(loss) of equity-accounted companies	(33)	(33)	(47)	(47)
	Dividends received from equity-accounted companies	13	13	10	10
	Share-based payments	57	2	104	4
	Fair value change in derivatives on commodities	(6)		31	
	Net finance costs	96		110	
	Changes in inventories	(88)		(171)	
	Changes in trade receivables/payables	(523)	(16)	(175)	12
	Changes in other receivables/payables	808	4	241	-
	Change in employee benefit obligations	(16)		(16)	
	Change in provisions for risks	98		31	
	Net income taxes paid	(328)		(221)	
A.	**Cash flow from operating activities**	**1,416**		**1,038**	
	Cash flow from acquisitions and/or disposals	-		(7)	
	Investments in property, plant and equipment	(599)		(429)	
	Disposals of property, plant and equipment	-		2	
	Investments in intangible assets	(25)		(25)	
	Investments in financial assets at fair value through profit or loss and financial assets at amortised cost	(33)		(39)	
	Disposals of financial assets at fair value through profit or loss	214		-	
	Investments in financial assets or equity investments at fair value through other comprehensive income	(48)		-	
B.	**Cash flow from investing activities**	**(491)**		**(498)**	
	Capital contributions and other changes in equity	(4)		-	
	Dividend distribution	(165)		(148)	
	Proceeds of new loans	120		1,335	
	Repayments of loans	(200)		(2,000)	
	Changes in other net financial receivables/payables and other movements	(103)		(77)	
	Finance costs paid	(140)		(88)	
	Finance income received	68		17	
C.	**Cash flow from financing activities**	**(424)**		**(961)**	
D.	**Net currency translation difference on cash and cash equivalents**	**(45)**		**4**	
E.	**Net increase/(decrease) in cash and cash equivalents (A+B+C+D)**	**456**		**(417)**	
F.	**Cash and cash equivalents at the beginning of the period**	**1,285**		**1,702**	
G.	**Cash and cash equivalents at the end of the period (E+F)**	**1,741**		**1,285**	

2. Explanatory Notes

A. GENERAL INFORMATION

Prysmian S.p.A. ("the Company") is a company incorporated and domiciled in Italy and organised under the laws of the Republic of Italy. The Company has its registered office in Via Chiese 6, Milan (Italy).

Prysmian S.p.A. was floated on the Italian Stock Exchange on 3 May 2007 and since September 2007 has been included in the FTSE MIB index, comprising the top 40 Italian companies by capitalisation and stock liquidity. Since 18 October 2021, the stock has been included in the MIB® ESG, the first «Environmental, Social and Governance» index dedicated to Italian blue chips, which features the most important listed issuers demonstrating to have espoused ESG best practices.

The Company and its subsidiaries (together "the Group" or "Prysmian") produce power and telecom cables and systems and related accessories, and distribute and sell them around the globe.

These consolidated financial statements were approved by the Board of Directors of Prysmian S.p.A. on 28 February 2024, which also authorised within the legal terms.

A.1 SIGNIFICANT EVENTS IN 2023

Significant events in the year are reviewed in the Directors' Report in the section entitled "SIGNIFICANT EVENTS DURING THE YEAR".

B. ACCOUNTING POLICIES

The material accounting policies used to prepare the consolidated financial statements and Group financial information are discussed below.

B.1 BASIS OF PREPARATION

The consolidated financial statements at 31 December 2023 have been prepared on a going concern basis, with the directors having assessed that there are no financial, operating or other kind of indicators that might provide evidence of material uncertainties as to the Group's ability to meet its obligations in the foreseeable future and particularly in the next 12 months.

The assessments carried out confirm Prysmian's ability to operate in compliance with the going concern presumption and with its financial covenants.

Prysmian's consolidated financial statements at 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), based on the text published in the Official Journal of the European Union (OJEU).

The primary reporting formats adopted have the following characteristics:

- the consolidated income statement is prepared in a stepped format with individual items classified by nature, with other comprehensive income, reporting components of profit or loss deferred in equity, shown separately;
- the consolidated statement of financial position presents assets and liabilities according to maturity, with current items shown separately from non-current ones;
- the consolidated statement of cash flows is prepared by presenting cash flows using the "indirect method", as permitted by IAS 7.

In application of art. 264b HGB of the German Commercial Code ("Handelsgesetzbuch"), the present consolidated financial statements constitute an exemption for Draka Comteq Berlin GMBH & Co.KG and Draka Comteq Germany GMBH & Co.KG. from the requirement to present statutory financial statements.

All the amounts shown in the consolidated financial statements are expressed in millions of Euro, unless otherwise stated.

B.2 NEWLY ADOPTED ACCOUNTING STANDARDS AND PRINCIPLES

The accounting principles and policies and basis of consolidation used to prepare the 2023 Consolidated Financial Statements are consistent with those used for the 2022 Consolidated Financial Statements. Full details can be found in Note 39. Basis of consolidation and accounting policies.

The following is a list of new standards, interpretations and amendments whose application became mandatory from 1 January 2023 but which, based on the assessments performed, have not had a material impact on the consolidated financial statements at 31 December 2023:

- *Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9;*
- *Amendments to IAS 12: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;*
- *Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies;*
- *Amendments to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;*
- *Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules.*

International Tax Reform - Pillar Two Model Rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Sharing (OECD/G20 BEPS), has published the *Pillar Two anti-Base Erosion rules ("Pillar Two")* aimed at addressing the tax challenges arising from the digitalisation of the global economy.

The Pillar Two Global anti-Base Erosion rules (GloBE Rules) represent the first substantial proposal to renovate international tax rules in a century. The GloBE Rules propose four new tax mechanisms whereby multinational enterprises (MNEs) will have to pay a minimum level of tax on their income.

The Pillar Two rules have been substantively adopted by various jurisdictions in which the Group operates. These rules will be applicable to the 2024 consolidated financial statements. The Group, therefore, falls within the scope of substantively enacted Pillar Two legislation and, therefore, it has assessed its potential exposure to these rules.

It is unclear whether these rules create additional temporary differences, or whether they create the need to remeasure deferred assets and/or liabilities and what tax rate should be used to do so. In response to this uncertainty, on 23 May 2023, the IASB issued amendments to IAS 12 - Income Taxes introducing a mandatory temporary exception to IAS 12 requirements, permitting a reporting entity not to recognise or disclose information about deferred tax assets and liabilities related to Pillar Two.

Prysmian has applied the temporary exception when preparing its consolidated financial statements at 31 December 2023.

This assessment has been based on the most recent tax filings, country-by-country reporting and financial statements of the Group's constituent entities. Based on this assessment, it has been found that for most of the jurisdictions in which the Group operates, the effective tax rate is above 15%. However, there may be a limited number of jurisdictions where the safe harbour relief does not apply and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

B.3 ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED EARLY BY THE GROUP

The following new accounting standards, amendments and interpretations had been issued at the date of preparing the present report but are not yet applicable and have not been adopted early by the Group:

New accounting standards, amendments and interpretations	Mandatory application as from
Amendments to IAS 1: Presentation of Financial Statements: - Classification of Liabilities as Current or Non-current; - Classification of Liabilities as Current or Non-current: Deferral of Effective Date; - Non-current Liabilities with Covenants.	1 January 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale as Leaseback	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)	1 January 2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	1 January 2025

Preliminary review has indicated that the new accounting standards, amendments and interpretations listed above are not expected to have a material impact on the Group's consolidated financial statements.

B.4 PRINCIPAL CHANGES IN THE SCOPE OF CONSOLIDATION

The Group's scope of consolidation includes the financial statements of Prysmian S.p.A. (the Parent Company) and the companies over which it exercises direct or indirect control, which are consolidated from the date when control is obtained until the date when such control ceases.

The changes in the scope of consolidation at 31 December 2023, with respect to 31 December 2022, are reported below.

New company formations

Newco	Nation	Date
Prysmian Cable Industrial GmbH	Germany	20 November 2023

Liquidations

Liquidated companies	Nation	Date
General Cable Holdings (UK) Ltd	United Kingdom	16 April 2023
General Cable Services Europe Ltd.	United Kingdom	16 April 2023
Pirelli Cables & Systems (Proprietary) Limited	South Africa	13 April 2023
Alambres y Cables de Panama S.A.	Panama	13 July 2023
Alcap Comercial S.A. (ALCOMER)	Panama	26 July 2023
EHC Technology Development (Shanghai) Co. Ltd	China	26 July 2023

Mergers

Merged companies	Survivor companies	Nation	Date
Elator INC	EHC Canada Inc.	Canada	1 January 2023
EHC Management Company	EHC Canada Inc.	Canada	1 January 2023
Prysmian Consultora Conductores e Instalaciones S.A.I.C.	Prysmian Energia Cables Y Sistemas de Argentina S.A.	Argentina	1 October 2023
General Cable Overseas Holdings, LLC	GK Technologies, Incorporated	United States	1 November 2023
GK Technologies, Incorporated	General Cable Technologies Corporation	United States	15 December 2023

Name changes

For a clearer understanding of the scope of consolidation, the following table shows the name changes made during the year:

Previous name	New name	Nation	Date
Draka Kabely, s.r.o.	Prysmian Kabely,s.r.o.	Czech Republic	1 May 2023

Appendix A contains a complete list of the companies included in the scope of consolidation at 31 December 2023.

C. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to various types of risk: market risk (including exchange rate, interest rate and price risks), credit risk and liquidity risk. The Group's risk management strategy focuses on the unpredictability of markets and aims to minimise the potentially negative impact on the Group's results. Certain types of risk are mitigated using derivative instruments.

Monitoring of key financial risks is centrally coordinated by the Group Finance Department, and by the Purchasing Department where price risk is concerned, in close cooperation with the Group's operating companies. Risk management policies are approved by the Group Finance, Administration and Control Department, which provides written guidelines on managing the above risks and on using (derivative and non-derivative) financial instruments.

The impact on profit and equity presented in the subsequent sensitivity analyses has been determined net of tax, calculated using the Group's weighted average theoretical tax rate.

[a] Exchange rate risk
The Group operates worldwide and is therefore exposed to exchange rate risk caused by changes in the value of trade and financial flows expressed in a currency other than the unit of account of individual Group companies.

The principal exchange rates affecting the Group are:

- Euro/US Dollar: in relation to trade and financial transactions in US dollars by Eurozone companies on the American market and vice versa;
- Euro/British Pound: in relation to trade and financial transactions by Eurozone companies on the British market and vice versa;
- Euro/Canadian Dollar: in relation to trade and financial transactions by Eurozone companies on the Canadian market and vice versa;
- Euro/Hungarian Forint: in relation to trade and financial transactions by Hungarian companies on the Eurozone market and vice versa;
- Euro/Romanian Leu: in relation to trade and financial transactions by Eurozone companies on the Romanian market and vice versa;
- Euro/Swedish Krona: in relation to trade and financial transactions by Eurozone companies on the Swedish market and vice versa;
- Euro/Australian Dollar: in relation to trade and financial transactions by Eurozone companies on the Australian market and vice versa;
- British Pound/US Dollar: in relation to trade transactions by North American companies on the British market;
- US Dollar/Omani Real: in relation to trade transactions by companies operating on the Omani market;
- Euro/Czech Koruna: in relation to trade and financial transactions by Eurozone companies on the Czech market and vice versa;
- Euro/Hong Kong Dollar: in relation to trade and financial transactions by Eurozone companies operating on the Hong Kong market and vice versa;
- US Dollar/Chinese Renminbi (Yuan): in relation to trade transactions by companies operating on the Chinese market;
- Euro/Singapore Dollar: in relation to trade and financial transactions by Eurozone companies on the Singapore market and vice versa.
- Euro/Danish Krone: in relation to trade and financial transactions by Eurozone companies on the Danish market and vice versa.

In 2023, trade and financial flows exposed to the above exchange rates accounted for around 91% of the total exposure to exchange rate risk arising from trade and financial transactions.

The Group is also exposed to exchange risks on other exchange rates. None of these exposures, taken individually, accounted for more than 1% of the overall exposure to transactional exchange rate risk in 2023.

It is the Group's policy to hedge, where possible, exposures in currencies other than the unit of account of its individual companies. In particular, the Group hedges:

- firm cash flows: invoiced trade flows and exposures arising from loans receivable and payable;
- projected cash flows: trade and financial flows arising from firm or highly probable contractual commitments.

Such hedges are arranged using derivative contracts.

The following sensitivity analysis shows the post-tax effects on profit of a 5% and 10% increase/decrease in the exchange rates of the local currencies shown below on the actual rates at 31 December 2023 and 31 December 2022.

(Euro/million)	2023		2022	
	-5%	+5%	-5%	+5%
Euro	(1.31)	1.18	(1.01)	0.91
US Dollar	(0.71)	0.65	(1.04)	0.94
British Pound	(0.16)	0.14	(0.02)	0.02
Other currencies	(1.08)	1.00	(0.54)	0.49
Total	**(3.26)**	**2.97**	**(2.61)**	**2.36**

(Euro/million)	2023		2022	
	-10%	+10%	-10%	+10%
Euro	(2.76)	2.26	(2.13)	1.75
US Dollar	(1.51)	1.23	(2.19)	1.79
British Pound	(0.33)	0.27	(0.04)	0.03
Other currencies	(2.29)	1.87	(1.14)	0.94
Total	**(6.89)**	**5.63**	**(5.50)**	**4.51**

When assessing the potential impact of the above, the assets and liabilities of each Group company in currencies other than their unit of account were considered, net of any derivatives hedging the above-stated cash flows.

The following sensitivity analysis shows the post-tax effects on equity reserves of an increase/decrease in the fair value of designated cash flow hedges following a 5% and 10% increase/decrease in the exchange rates of the local currencies shown below on the actual rates at 31 December 2023 and 31 December 2022.

(Euro/million)	2023		2022	
	-5%	+5%	-5%	+5%
US Dollar	3.46	(3.82)	2.02	(2.23)
Euro	12.46	(13.77)	15.23	(16.83)
British Pound	18.31	(20.23)	20.67	(22.85)
Other currencies	0.38	(0.51)	0.75	(1.02)
Total	**34.61**	**(38.33)**	**38.67**	**(42.93)**

(Euro/million)	2023		2022	
	-10%	+10%	-10%	+10%
US Dollar	6.89	(8.43)	7.43	(9.08)
Euro	24.85	(30.38)	32.57	(39.81)
British Pound	36.52	(44.64)	39.53	(48.32)
Other currencies	0.76	(0.93)	2.77	(3.37)
Total	**69.02**	**(84.38)**	**82.30**	**(100.58)**

The above analysis ignores the effects of translating the equity of Group companies whose functional currency is not the Euro.

Further details can be found in the individual notes to the financial statements.

[b] Interest rate risk

The interest rate risk to which the Group is exposed is mainly on long-term financial liabilities, carrying both fixed and variable rates.

Fixed rate debt exposes the Group to a fair value risk. The Group does not operate any particular hedging policies in relation to the risk arising from such contracts.

Variable rate debt exposes the Group to a rate volatility risk (cash flow risk). In order to hedge this risk, the Group can use derivative contracts that limit the impact of interest rate changes on profit or loss.

The Group Finance Department monitors the exposure to interest rate risk and adopts appropriate hedging strategies to keep the exposure within the limits defined by the Group Administration, Finance and Control Department, arranging derivative contracts, if necessary.

The following sensitivity analysis shows the effects on consolidated net profit of a 25 b.p. and 50 b.p. increase/decrease in interest rates versus the interest rates applying at 31 December 2023 and 31 December 2022, assuming that all other variables remain equal.

The potential effects shown below refer to net liabilities representing the bulk of Group debt at the reporting date, for which the impact of the change in interest rates on net finance costs has been calculated on an annualised basis.

The net liabilities considered for sensitivity analysis include variable rate financial receivables and payables, cash and cash equivalents and derivatives whose value is influenced by rate volatility.

(Euro/million)	2023		2022	
	-0,25%	+0,25%	-0,25%	+0,25%
Euro	(1.20)	1.20	(0.49)	0.49
US Dollar	(0.33)	0.33	(0.40)	0.40
British Pound	(0.11)	0.11	(0.08)	0.08
Other currencies	(0.83)	0.83	(0.75)	0.75
Total	**(2.47)**	**2.47**	**(1.72)**	**1.72**

(Euro/million)	2023		2022	
	-0,50%	+0,50%	-0,50%	+0,50%
Euro	(2.40)	2.40	(0.99)	0.99
US Dollar	(0.66)	0.66	(0.80)	0.80
British Pound	(0.22)	0.22	(0.16)	0.16
Other currencies	(1.67)	1.67	(1.50)	1.50
Total	**(4.95)**	**4.95**	**(3.45)**	**3.45**

At 31 December 2023, the Group had interest rate swap agreements in place that transform the variable rate into a fixed one. These agreements have been accounted for as cash flow hedges.

An analysis of all these risks can also be found in the Risk Factors chapter of the Directors' Report.

[c] Price risk

The Group is exposed to price risk in relation to purchases and sales of strategic materials, the price of which is subject to market volatility. The main raw materials used by the Group in its own production processes consist of strategic metals such as copper, aluminium and lead. The cost of purchasing such strategic materials accounted for approximately 58.2% of the Group's total cost of materials in 2023 (59.8% in 2022), forming part of its overall production costs.

In order to manage the price risk on future trade transactions, the Group negotiates derivative contracts on strategic metals, setting the price of expected future purchases or the value of stocks.

The derivative contracts entered into by the Group are negotiated with leading financial institutions on the basis of strategic metal prices quoted on the London Metal Exchange ("LME"), the New York market ("COMEX") and the Shanghai Futures Exchange ("SFE").

The following sensitivity analysis shows the effect on consolidated equity of a 10% increase/decrease in strategic material prices versus prices at 31 December 2023 and 31 December 2022, assuming that all other variables remain equal.

(Euro/million)	2023		2022	
	-10%	+10%	-10%	+10%
LME	(78.75)	78.75	(69.43)	69.43
COMEX	(0.56)	0.56	(4.65)	4.65
SME	(3.19)	3.19	(3.16)	3.16
Total	**(82.50)**	**82.50**	**(77.24)**	**77.24**

The potential impact shown above is solely attributable to increases and decreases in the fair value of derivatives on strategic material prices which are directly attributable to changes in the prices themselves. It does not refer to the impact on the income statement of the purchase cost of strategic materials.

[d] Credit risk
There is a credit risk in relation to trade receivables, cash and cash equivalents, financial instruments, and deposits with banks and other financial institutions.

Customer-related credit risk is managed by the individual subsidiaries and monitored centrally by the Group Finance Department. The Group does not have excessive concentrations of credit risk. It nonetheless has procedures aimed at ensuring that sales of goods and services are made to reliable customers, taking account of their financial situation, track record and other factors. Credit limits for major customers are based on internal and external assessments within ceilings approved by local country management. The utilisation of credit limits is periodically monitored at local level.

During 2023 the Group had a global insurance policy in place to provide coverage for part of its trade receivables against any credit losses, net of the deductible.

As for credit risk relating to the management of financial and cash resources, this risk is monitored by the Group Finance Department, which implements procedures intended to ensure that Group companies deal with independent, highly rated, reliable counterparties. In fact, at 31 December 2023 (like at 31 December 2022) the vast majority of the Group's financial and cash resources were held with investment grade counterparties. Credit limits relating to the principal financial counterparties are based on internal and external assessments, within ceilings set by the Group Finance Department.

An increase/decrease in the Group's credit rating at 31 December 2023 would not have had significant effects on net profit at that date.

[e] Liquidity risk
Prudent management of the liquidity risk arising from the Group's normal operations implies maintaining an adequate level of cash and short-term deposits, as well as ensuring the availability of funds by having an adequate amount of committed credit lines.

The Group Finance Department uses cash flow forecasts to monitor the projected level of the Group's liquidity reserves.

The amount of liquidity reserves at the reporting date is as follows:

(Euro/million)	31.12.2023	31.12.2022
Cash and cash equivalents	1,741	1,285
Financial assets at fair value through profit or loss	85	270
Financial assets at fair value through other comprehensive income	24	11
Undrawn committed lines of credit	1,000	1,000
Total	**2,850**	**2,566**

Undrawn committed lines of credit at 31 December 2023 refer to the Revolving Credit Facility 2023 (Euro 1,000 million).

The following table presents a due date analysis of payables, at their repayment value, other liabilities, and derivatives settled on a net basis; the various due date categories refer to the period between the reporting date and the contractual maturity of the obligations.

(Euro/million)	31.12.2023			
	Due within 1 year	Due between 1 - 2 years	Due between 2 - 5 years	Due after 5 years
Borrowings from banks and other lenders	695	270	2,087	405
Derivatives	57	25	11	11
Trade and other payables	4,668	53	-	-
Total	**5,420**	**348**	**2,098**	**416**

(Euro/million)	31.12.2022			
	Due within 1 year	Due between 1 - 2 years	Due between 2 - 5 years	Due after 5 years
Borrowings from banks and other lenders	346	550	2,077	188
Derivatives	72	30	20	11
Trade and other payables	4,412	28	-	-
Total	**4,830**	**608**	**2,097**	**199**

In completion of the disclosures about financial risks, the following is a reconciliation between the classes of financial assets and liabilities reported in the Group's statement of financial position and the categories used by IFRS 7 to identify financial assets and liabilities:

(Euro/million)	31.12.2023					
	Financial assets at FVPL	Receivables and other assets at amortised cost	Financial assets at FVOCI	Financial liabilities at FVPL	Financial liabilities at amortised cost	CFH derivatives
Other investments at FVOCI	-	-	10	-	-	-
Financial assets at FVOCI	-	-	24	-	-	-
Financial assets at amortised cost	-	3	-	-	-	-
Trade receivables	-	1,987	-	-	-	-
Other receivables	-	1,090	-	-	-	-
Financial assets at FVPL	85	-	-	-	-	-
Derivatives (assets)	16	-	-	-	-	105
Cash and cash equivalents	-	1,741	-	-	-	-
Borrowings from banks and other lenders	-	-	-	-	3,096	-
Trade payables	-	-	-	-	2,199	-
Other payables	-	-	-	-	2,522	-
Derivatives (liabilities)	-	-	-	25	-	79
Total	**101**	**4,821**	**34**	**25**	**7,817**	**184**

(Euro/million)	31.12.2022					
	Financial assets at FVPL	Receivables and other assets at amortised cost	Financial assets at FVOCI	Financial liabilities at FVPL	Financial liabilities at amortised cost	CFH derivatives
Other investments at FVOCI	-	-	12	-	-	-
Financial assets at FVOCI	-	-	11	-	-	-
Financial assets at amortised cost	-	3	-	-	-	-
Trade receivables	-	1,942	-	-	-	-
Other receivables	-	1,012	-	-	-	-
Financial assets at FVPL	270	-	-	-	-	-
Derivatives (assets)	10	-	-	-	-	196
Cash and cash equivalents	-	1,285	-	-	-	-
Borrowings from banks and other lenders	-	-	-	-	3,067	-
Trade payables	-	-	-	-	2,718	-
Other payables	-	-	-	-	1,722	-
Derivatives (liabilities)	-	-	-	20	-	113
Total	**280**	**4,242**	**23**	**20**	**7,507**	**309**

C.1 CAPITAL RISK MANAGEMENT

The Group's objective in capital risk management is mainly to safeguard business continuity in order to guarantee returns for shareholders and benefits for other stakeholders. The Group also aims to maintain an optimal capital structure in order to reduce the cost of debt and to comply with a series of covenants required by the various Credit Agreements (Note 32. Financial covenants).

The Group also monitors capital using a gearing ratio (i.e. the ratio between net financial debt and capital). Details of how net financial debt is determined can be found in Note 12. Borrowings from banks and other lenders. Capital is equal to the sum of equity, as reported in the Group consolidated financial statements, and net financial debt.

The gearing ratios at 31 December 2023 and 31 December 2022 are shown below:

(Euro/million)	2023	2022
Net financial debt	1,188	1,417
Equity	3,972	3,771
Total capital	**5,160**	**5,188**
Gearing ratio	**23.02%**	**27.31%**

C.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

IFRS 13 requires assets and liabilities recognised in the statement of financial position at fair value to be classified according to a hierarchy that reflects the significance of the inputs used in measuring fair value.

Financial instruments are classified according to the following fair value measurement hierarchy:

Level 1: Fair value is determined with reference to quoted prices (unadjusted) in active markets for identical financial instruments. Therefore, the emphasis within Level 1 is on determining both of the following:

a. the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and
b. whether the entity can enter into a transaction for the asset or liability at the price in that market at the measurement date.

Level 2: Fair value is determined using valuation techniques where the input is based on observable market data. The inputs for this level include:

a. quoted prices for similar assets or liabilities in active markets;
b. quoted prices for identical or similar assets or liabilities in markets that are not active;
c. inputs other than quoted prices that are observable for the asset or liability, for example:
  I. interest rate and yield curves observable at commonly quoted intervals;
  II. implied volatilities;
  III. credit spreads;
d. market-corroborated inputs.

Level 3: Fair value is determined using valuation techniques where the input is not based on observable market data.

The following tables present the assets and liabilities that are recurrently measured at fair value:

(Euro/million)	31.12.2023			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value:				
Derivatives at FVPL	-	16	-	16
CFH derivatives	-	105	-	105
Financial assets at FVPL	85	-	-	85
Other investments at FVOCI	-	-	10	10
Financial assets at FVOCI	24	-	-	24
Total assets	**109**	**121**	**10**	**240**
Liabilities				
Financial liabilities at fair value:				
Derivatives at FVPL	-	25	-	25
CFH derivatives	-	79	-	79
Total liabilities	**-**	**104**	**-**	**104**

(Euro/million)	31.12.2022			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value:				
Derivatives at FVPL	-	10	-	10
CFH derivatives	-	196	-	196
Financial assets at FVPL	270	-	-	270
Other investments at FVOCI	-	-	12	12
Financial assets at FVOCI	11	-	-	11
Total assets	**281**	**206**	**12**	**499**
Liabilities				
Financial liabilities at fair value:				
Derivatives at FVPL	-	20	-	20
CFH derivatives	-	113	-	113
Total liabilities	**-**	**133**	**-**	**133**

Financial assets classified in fair value Level 3 have reported no significant movements in either 2023 or 2022.

Given the short-term nature of trade receivables and trade payables, their carrying amounts, net of any allowance for doubtful accounts, are treated as a good approximation of fair value.

During 2023 there were no transfers of financial assets and liabilities between the different levels of the fair value hierarchy.

VALUATION TECHNIQUES

Level 1: The fair value of financial instruments quoted in an active market is based on market price at the reporting date.

Level 2: Derivatives classified in this category include interest rate swaps, currency forwards and derivative contracts on metals and other commodities that are not quoted in active markets. Fair value is determined as follows:

- for interest rate swaps, it is calculated on the basis of the present value of forecast future cash flows;
- for currency forwards, it is determined using the forward exchange rate at the reporting date, appropriately discounted;
- for metal derivatives, it is determined using the prices of such metals at the reporting date, appropriately discounted.

Level 3: The fair value of instruments not quoted in an active market is primarily determined using valuation techniques based on estimated discounted cash flows.

C.3 RISKS RELATED TO CLIMATE CHANGE

As explained in more detail in the section of the Directors' Report on "Prysmian's two ambitions: Climate Change and Social Ambition", the Group has a "Net Zero" strategy. In order to implement this decarbonisation strategy,
Prysmian continued in 2023 with its Sustainability-related investment program; the goal is to reduce overall CO_2 equivalent emissions by between 55% and 60 (from 2019 levels) and achieve Net Zero Emission (for Scope 1 and 2 greenhouse gases, i.e. direct and indirect emissions generated by the organisation) by 2035. These investments involve different strands, including the installation of photovoltaic systems at some of the Group's plants, various measures to reduce energy consumption, and a multi-year plan to reduce the use of SF6 gas.

In this context, the Group analyses and assesses the risks and opportunities of climate change and has also set targets to reduce Scope 3 emissions (generated by the value chain) to zero by 2050.

The consequences in terms of investments, costs and other cash flow impacts are considered when preparing the accounting estimates. The impairment tests carried out for the purposes of these financial statements have taken into account the impacts on investment flows, as far as they can be currently estimated, without any significant effects on the test results.

In addition, challenges associated with climate change commitments have been considered, and the Group has not identified any additional issues that may have a material impact on the impairment tests. More details about the impact of climate change on impairment testing can be found in Note 2. Goodwill and other intangible assets.

It is also possible that in the future the carrying amount of assets or liabilities recognised in the Group's financial statements may be subject to different impacts as the strategy of managing climate change evolves. Although these aspects are not currently foreseeable, they are the subject of increasingly frequent and coordinated monitoring by the various company departments.

Other climate change-related impacts are discussed in Note 1. Property, plant and equipment as regards investments and in Note 12. Borrowings from banks and other lenders and in Note 32. Financial covenants as regards sustainability-linked loans and covenants.

C.4 RISKS RELATED TO IMPACT OF RUSSIAN-UKRAINIAN CONFLICT

With reference to the direct economic and financial consequences of the ongoing conflict between Russia and Ukraine on the Group's assets and liabilities, it should be noted that the Group has no operations in Ukraine, while it operates on the Russian market through its subsidiary, which is active almost exclusively at a local level and whose net invested capital and revenue account for 0.4% and around 0.4% of the Group's respective totals.

The Group's exposure is therefore limited. The Group is keeping developments in the conflict under constant monitor in order to identify any changes in the geopolitical context that might require it to revise its existing business strategies and/or to adopt actions to safeguard its competitive position, investments, business performance and resources. The possible impacts of the conflict considered when preparing the current consolidated financial statements mainly relate to the recoverability of receivables and investments, for which no impairment loss has been identified.

D. SEGMENT INFORMATION

Further to the Group's new strategy presented at the Capital Markets Day on 5 October 2023, on 19 December 2023, Prysmian announced changes to its internal organisational structure and operating segments. Effective 1 January 2024, four new business segments will be in place: Renewable Transmission, Power Grid, Electrification and Digital Solutions. Please refer to the "Prysmian Business Model" chapter of the Directors' Report for a more detailed description of the new operating segments.

In accordance with IFRS 8 and taking into account the organisational structure, and the management, internal reporting and performance monitoring systems in place at 31 December 2023, the directors have maintained the current structure for the purposes of identifying the operating segments, which will therefore be changed in 2024.

The current structure of the operating segments is as follows:

- *Energy*, whose smallest identifiable CGUs are Regions/Countries depending on the specific organisation;
- *Projects,* whose smallest identifiable CGUs are the *High Voltage, Submarine Power, Submarine Telecom and Offshore Specialties businesses*;
- *Telecom,* whose smallest CGU is the operating segment itself.

The structure of the disclosure corresponds to the Group's organisational structure in place at 31 December 2023, as well as the report periodically prepared to review business performance. This report presents operating performance by macro type of business (*Energy, Projects and Telecom*) and the results of operating segments primarily on the basis of Adjusted EBITDA, defined as earnings (loss) for the period before non-recurring items, the fair value change in derivatives on commodities and in other fair value items, amortisation, depreciation and impairment, finance costs and income, and taxes. This report also provides information about the statement of financial position for the Group as a whole but not by operating segment.

In order to provide users of the financial statements with clearer information, certain financial information is also reported for the sales channels and business areas included within the individual operating segments:

a. *Projects* operating segment: this encompasses underground and submarine high-voltage power cables, submarine telecommunication cables, and offshore specialty cables, as better described in the "Group Organisation" section of the Directors' Report. This segment is key for energy transition processes, since, as a solution provider, it offers its customers a whole range of solutions for the implementation of renewable energy production and distribution projects.

b. *Energy* operating segment: this encompasses the Energy & Infrastructure and Industrial & Network Components businesses, as better explained in the "Group Organisation" section of the Directors' Report. The Energy segment provides products and services that respond to needs arising from trends towards both electrification and growth in renewables.

c. *Telecom* operating segment: this encompasses the manufacture and development of a wide range of cable systems and connectivity products used in telecommunication networks. This segment consists of the following businesses: Fibre Optics, MMS Multimedia Specials and Telecom Solutions, as better described in the "Group Organisation" section of the Directors' Report. This segment provides products and services to support cloudification and data booming megatrends.

All Corporate fixed costs are allocated to the Projects, Energy and Telecom operating segments. Revenues and costs are allocated to each operating segment by identifying all revenues and costs directly attributable to that segment and by allocating indirectly related costs.

Group operating activities are organised and managed separately according to the nature of the products and services provided: each segment offers different products and services to different markets. Sales of goods and services are analysed geographically on the basis of the location of the registered office of the company that issues the invoices, regardless of the geographic destination of the products sold. All transfer prices are set using the same conditions applied to other transactions between Group companies and are generally determined by applying a mark-up on production costs.

Assets and liabilities by operating segment are not included in the data reviewed by management and so, as permitted by IFRS 8, this information is not presented in the current report..

D.1 OPERATING SEGMENTS

The following tables present information by operating segment:

(Euro/million)	2023						
		Energy					
	Projects	E&I	Industrial & NWC	Other	Total Energy	Telecom	Group total
Sales[1]	2,508	7,620	3,358	379	11,357	1,489	15,354
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**300**	**838**	**360**	**(16)**	**1,182**	**113**	**1,595**
% of sales	12.0%	11.0%	10.7%		10.4%	7.6%	10.4%
Adjusted EBITDA (A)	**300**	**843**	**361**	**(16)**	**1,188**	**140**	**1,628**
% of sales	12.0%	11.1%	10.8%		10.5%	9.4%	10.6%
Adjustments	(18)	(58)	(38)	(1)	(97)	(28)	(143)
EBITDA (B)	**282**	**785**	**323**	**(17)**	**1,091**	**112**	**1,485**
% of sales	11.2%	10.3%	9.6%		9.6%	7.5%	9.7%
Amortisation and depreciation (C)	(80)	(139)	(65)	(4)	(208)	(70)	(358)
Adjusted operating income (A+C)	**220**	**704**	**296**	**(20)**	**980**	**70**	**1,270**
% of sales	8.8%	9.2%	8.8%		8.6%	4.7%	8.3%
Fair value change in derivatives on commodities (D)							6
Fair value share-based payment (E)							(57)
Asset (impairment) and impairment reversal (F)							(216)
Operating income (B+C+D+E+F)							**860**
% of sales							5.6%
Finance income							997
Finance costs							(1,093)
Taxes							(217)
Net profit/(loss)							**547**
% of sales							3.6%
Attributable to:							
Owners of the parent							529
Non-controlling interests							18

(1) Sales of the operating segments and business areas are reported net of intercompany transactions and net of transactions between operating segments, consistent with the presentation adopted in the regularly reviewed reports.

(Euro/million)	2022						
	Projects	Energy				Telecom	Group total
		E&I	Industrial & NWC	Other	Total Energy		
Sales[1]	2,161	8,196	3,442	395	12,033	1,873	16,067
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**243**	**731**	**251**	**(14)**	**968**	**231**	**1,442**
% of sales	11.2%	8.9%	7.3%		8.0%	12.3%	9.0%
Adjusted EBITDA (A)	**243**	**736**	**252**	**(14)**	**974**	**271**	**1,488**
% of sales	11.2%	9.0%	7.3%		8.1%	14.5%	9.3%
Adjustments	(41)	(39)	(13)	-	(52)	(8)	(101)
EBITDA (B)	**202**	**697**	**239**	**(14)**	**922**	**263**	**1,387**
% of sales	9.3%	8.5%	6.9%		7.7%	14.0%	8.6%
Amortisation and depreciation (C)	(86)	(133)	(66)	(4)	(203)	(80)	(369)
Adjusted operating income (A+C)	**157**	**603**	**186**	**(18)**	**771**	**191**	**1,119**
% of sales	7.3%	7.4%	5.4%		6.4%	10.2%	7.0%
Fair value change in derivatives on commodities (D)							(31)
Fair value share-based payment (E)							(104)
Asset (impairment) and impairment reversal (F)							(34)
Operating income (B+C+D+E+F)							**849**
% of sales							5.3%
Finance income							1,006
Finance costs							(1,116)
Taxes							(230)
Net profit/(loss)							**509**
% of sales							3.2%
Attributable to:							
Owners of the parent							504
Non-controlling interests							5

(1) Sales of the operating segments and business areas are reported net of intercompany transactions and net of transactions between operating segments, consistent with the presentation adopted in the regularly reviewed reports.

D.2 GEOGRAPHICAL AREAS

The following table presents sales of goods and services by geographical area. Sales of goods and services are analysed geographically on the basis of the location of the registered office of the company that issues the invoices, regardless of the geographic destination of the products sold.

(Euro/million)	2023	2022
Sales	**15,354**	**16,067**
EMEA(*)	**8,043**	**8,097**
(of which Italy)	1,966	1,585
North America	**4,860**	**5,394**
Latin America	**1,374**	**1,361**
Asia Pacific	**1,077**	**1,215**

(*) EMEA: Europe, Middle East and Africa.

1. Property, plant and equipment

Details of this line item and related movements are as follows:

(in milioni di Euro)	Land	Buildings	Plant and machinery	Equipment	Other assets	Assets under construction and advances	Total
Balance at 31 December 2022	**304**	**815**	**1,203**	**56**	**127**	**515**	**3,020**
Movements in 2023:							
- Investments	-	37	44	4	5	509	599
- Depreciation	-	(63)	(150)	(16)	(51)	-	(280)
- Impairment	-	(16)	(19)	(3)	(8)	(2)	(48)
- Currency translation differences	(5)	(15)	(23)	(4)	-	(11)	(58)
- Increases for leases (IFRS 16)	2	37	1	2	111	-	153
- Monetary revaluation for hyperinflation	1	3	8	1	1	1	15
- Other	4	21	110	4	13	(152)	-
Balance at 31 December 2023	**306**	**819**	**1,174**	**44**	**198**	**860**	**3,401**
Of which:							
- Historical cost	325	1,416	2,968	219	474	888	6,290
- Accumulated depreciation and impairment	(19)	(597)	(1,794)	(175)	(276)	(28)	(2,889)
Net book value	**306**	**819**	**1,174**	**44**	**198**	**860**	**3,401**

(in milioni di Euro)	Land	Buildings	Plant and machinery	Equipment	Other assets	Assets under construction and advances	Total
Balance at 31 December 2021(*)	**287**	**796**	**1,243**	**61**	**130**	**277**	**2,794**
Movements in 2022:							
- Investments	10	11	32	4	16	356	429
- Disposals	(1)	-	-	-	-	-	(1)
- Depreciation	-	(63)	(159)	(18)	(51)	-	(291)
- Impairment	-	(1)	(12)	-	-	(21)	(34)
- Currency translation differences	1	15	27	1	1	2	47
- Increases for leases (IFRS 16)	-	34	5	3	16	-	58
- Monetary revaluation for hyperinflation	3	7	7	1	1	2	21
- Other	4	16	60	4	14	(101)	(3)
Balance at 31 December 2022	**304**	**815**	**1,203**	**56**	**127**	**515**	**3,020**
Of which:							
- Historical cost	322	1,358	2,746	214	372	538	5,550
- Accumulated depreciation and impairment	(18)	(543)	(1,543)	(158)	(245)	(23)	(2,530)
Net book value	**304**	**815**	**1,203**	**56**	**127**	**515**	**3,020**

(*) The previously published comparative Consolidated Financial Statements have been revised after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o.

In 2023, the value of gross investments was Euro 624 million, of which Euro 599 million for property, plant and equipment and Euro 25 million for intangible assets, discussed in the next note, up from the previous year's figure of Euro 454 million (of which Euro 429 million for property, plant and equipment and Euro 25 million for intangible assets, discussed in the next note), due to higher investment in production and installation capacity, essential for keeping pace with the demands of energy transition. The main investments are described below:

- Projects to increase and technologically upgrade production capacity and develop new products/markets: Euro 496 million (80% of total investments):
  - *Projects segment*: With the aim of supporting growing demand for submarine cable systems serving interconnection projects and offshore wind farms, and of strengthening execution capability, Prysmian has announced an investment of around Euro 350 million in two new state-of-the-art cable-laying vessels. The first will be an evolution of the Monna Lisa. Measuring about 185 m long and some 34 m wide, the new vessel will be equipped with advanced cable-laying solutions, such as three carousels with a total 19,000 tonne capacity, making it one of the cable-layers with the highest load capacity on the market.
    A bollard pull in excess of 180 tonnes will allow the vessel to perform complex installation operations of simultaneously laying and burying (up to 4) cables using several ploughs, for unparalleled optimisation of offshore operations. The vessel will be operational by early 2027.
    The other cable-laying vessel will be an evolution of the Ulisse, measuring about 167 m long and some 40 m wide. It will be equipped with two carousels (one of which split in two concentric sections) with a total load capacity of 10,000 tonnes.
    The vessel is due to enter service during the first half of 2025. Both vessels will have green credentials: they will be equipped with high-voltage shore connection systems to power them with clean energy during loading operations, diesel generators suitable for biodiesel blends and hybrid batteries just for the vessel that installs in very deep water.
    Construction of the Monna Lisa, started in 2022, has proceeded according to schedule. The overall investment in this cable-laying vessel is around Euro 200 million plus Euro 40 million for cable-installation equipment. The Monna Lisa will be operational from early 2025.

The more significant investments in increasing the production capacity of the Projects business unit, needed to meet the market's growing demands, have included additional upgrades to the plants in Pikkala (Finland) and Gron (France). Expansion of the Pikkala plant has continued with the construction of a 185m-tall tower that will house a new vertical extrusion line for the production of 525 kV DC or 400 kV AC high voltage submarine cables, involving a total investment of about Euro 120 million. An additional Euro 120 million in investment was approved during 2023 for the installation of a second vertical extrusion line inside the tower currently under construction and of all the machinery required to complete other stages of the production process based on the incremental volumes generated by the new insulation line.
At Gron, an investment was approved for the installation of an additional silicon oil insulation line, which will support the production of 525 kV HVDC underground cables with XLPE insulation or proprietary P-laser technology, and for all the machinery needed to complete other stages of the production process based on the incremental volumes generated by the new insulation line.
The project, which follows a previous expansion initiated in 2022 and now nearing completion, involves an investment of over Euro 50 million.
Preparatory work has continued for construction of the new Brayton Point plant (Massachusetts - United States), involving the conversion of an area previously occupied by a coal-fired thermal power plant into a state-of-the-art inter-array and export submarine cable manufacturing complex.
The expansion of high-voltage cable installation and production capacity was accompanied by an upgrade of testing capacity, with the approval of an investment to increase the number of HVDC test bays and mechanical test areas at the Quattordio site in Italy. This investment of over Euro 20 million will support ongoing innovation involving the search for new materials and/or technologies for HVDC applications..

- *Energy segment*: Investments in this business segment have focused on certain specific sectors in order to support growing market demands. An investment of around Euro 60 million was approved for a major increase in medium-voltage cable production capacity at the DuQuoin plant (Illinois, USA), which will mainly serve the renewable energy (solar and wind) distribution markets.
  The project will add approximately 9,000 sqm of new production space and invest in all the necessary machinery to boost renewable energy cable production capacity by around 50%. Investments have continued at Sedalia (Missouri) to expand the plant that manufactures low-voltage aluminium cables mainly for the residential/commercial/industrial construction and photovoltaic markets, and at Williamsport (Pennsylvania) to increase capacity to manufacture high-voltage cables for overhead distribution lines. Lastly, a number of investments are underway in Europe, aimed at increasing capacity and expanding medium and low voltage cable capability to support market demands.
- *Telecom segment*: Investments have focused on increasing optical cable production capacity in Jackson (Tennessee) for the manufacture of Loose Tube and Drop cables, and in Dee Why (Australia) to expand cable manufacturing capacity to serve Telstra's new 20,000 km Australian fibre-optic network, connecting the country's major cities.

- Multiple projects to improve industrial efficiency and rationalise production capacity: Euro 27 million (4% of total investments).
  The Group has continued to invest in cost optimisation throughout the Telecom segment's production chain. Specifically, 2023 saw continued investment in upgrading machinery with the best production technologies currently available within the Group.
  In 2023, Prysmian moved ahead with its Euro 100 million 10-year investment program in Sustainability. These investments, totalling Euro 7 million in 2023, involve several types of intervention, including the installation of photovoltaic systems at some of the Group's plants, various measures to reduce energy consumption, and a multi-year plan to reduce the use of SF6 gas.

- Structural work: Euro 52 million (8% of total investments).
  The main component of this expenditure related to ongoing modernisation of offices and production sites, in order to support people's wellbeing and safety, and the reliability of machinery.
  More details about investments can be found in "Group Investments for a Sustainable Future" within the Consolidated Non-Financial Statement forming part of the Directors' Report.

At 31 December 2023, the value of machinery pledged as collateral against long-term loans was approximately Euro 1 million.

During the reporting period just ended, Prysmian reviewed whether there was any evidence that its CGUs might be impaired, but did not identify any.

However, as a result of specific market situations, impairment losses have been recognised against certain specific assets belonging to larger CGUs for which no explicit indicators of impairment had been found. This has involved recognising Euro 48 million in impairment losses in 2023, mainly attributable to impairment of certain assets at the Battipaglia site in Italy.

2. Goodwill and other intangible assets

Details of this line item and related movements are as follows:

(Euro/million)	Patents	Concessions, licences, trademarks and similar rights	Goodwill	Software	Other intangible assets	Intangibles in progress and advances	Total
Balance at 31 December 2022	**5**	**72**	**1,691**	**76**	**301**	**19**	**2,164**
Movements in 2023:							
- Investments	-	1	-	8	1	15	25
- Amortisation	(1)	(14)	-	(27)	(36)	-	(78)
- Currency translation differences	-	(1)	(31)	-	(8)	-	(40)
- Other	-	1	-	16	-	(17)	-
Balance at 31 December 2023	**4**	**59**	**1,660**	**73**	**258**	**17**	**2,071**
Of which:							
- Historical cost	65	203	1,660	233	650	38	2,849
- Accumulated amortisation and impairment	(61)	(144)	-	(160)	(392)	(21)	(778)
Net book value	**4**	**59**	**1,660**	**73**	**258**	**17**	**2,071**

(Euro/million)	Patents	Concessions, licences, trademarks and similar rights	Goodwill	Software	Other intangible assets	Intangibles in progress and advances	Total
Balance at 31 December 2021(*)	**5**	**80**	**1,635**	**72**	**327**	**21**	**2,140**
Movements in 2022:							
- Investments	-	1	-	9	-	15	25
- Amortisation	(1)	(14)	-	(20)	(43)	-	(78)
- Currency translation differences	1	2	56	-	17	-	76
- Other	-	3	-	15	-	(17)	1
Balance at 31 December 2022	**5**	**72**	**1,691**	**76**	**301**	**19**	**2,164**
Of which:							
- Historical cost	65	202	1.711	209	657	40	2.884
- Accumulated amortisation and impairment	(60)	(130)	(20)	(133)	(356)	(21)	(720)
Net book value	**5**	**72**	**1,691**	**76**	**301**	**19**	**2,164**

(*) The previously published comparative Consolidated Financial Statements have been revised after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o.

In 2023, the value of gross investments in intangible assets was Euro 25 million. In 2023, as part of Prysmian's integration strategy, the Group ERP system (SAP 1C) was rolled out to the Elevators business in the United States, bringing the total number of plants to 84, plus 6 corresponding distribution centres, that are managed using the single SAP 1C platform present in over 30 countries.

In the Operations area, the Corporate MES FastTrack implementation project was successfully completed at the Livorno plant (Network Components) in June 2023, while the Vilanova plant (Energy) in Spain embarked on the go-live phase during Q4 2023, reaching completion in January 2024.

FastTrack roll-outs also got underway at the Energy plants in Kistelek (Hungary) and Neustadt (Germany), as well as the Telecom plants in Jackson (USA) and Suzhou (China); all four projects are expected to reach completion during the first half of 2024. Two other factories, which have already been identified, will be involved in the roll-out during the second half of 2024.

Goodwill

At 31 December 2023, Prysmian reported Euro 1,660 million in Goodwill (Euro 1,691 million at 31 December 2022), down from the previous year due to currency translation differences.

Goodwill impairment test

As reported in Note 40 (b) Estimates and assumptions, the Group's activities are organised in three operating segments: *Projects*, *Energy* and *Telecom*. The *Projects* segment consists of the High Voltage, Submarine Power, Submarine Telecom and Offshore Specialties CGUs; the *Energy* segment consists of a number of CGUs corresponding to the Regions or Countries in keeping with the organisation structure; lastly, the *Telecom* segment consists of a single CGU that coincides with the operating segment itself. Goodwill, acquired on the occasion of business combinations, has been allocated to groups of CGUs, corresponding to the operating segments, which are expected to benefit from the synergies of such combinations and which represent the lowest level at which Management monitors business performance.

Goodwill has therefore been allocated to each of the operating segments: *Projects*, *Energy* and *Telecom*:

(Euro/million)	31.12.2022	Currency translation differences	31.12.2023
Energy goodwill	1,146	(22)	1,124
Projects goodwill	244	(4)	240
Telecom goodwill	301	(5)	296
Total goodwill	**1,691**	**(31)**	**1,660**

The cash flows for all CGUs were determined as follows:

a) post-tax cash flow for 2024 was based on the Group's 2024 budget, approved by the Board of Directors on 8 February 2024;
b) cash flow forecasts for 2025-2027 were based on the multi-year plan developed by management, approved by the Board of Directors on 4 October 2023 and disclosed during the Capital Markets Day on 5 October 2023. Risks and opportunities related to sustainability and climate change were implicitly considered in the cash flow forecasts. In the Projects segment, for example, the explicit flows used in the impairment test considered the opportunities arising from electrification and the energy transition to renewable sources. The flows used in the impairment test for the Energy segment took account of impacts from electrification and energy transition, just as flows in the Telecom segment reflect impacts related to digitalisation;
c) terminal value was calculated using a 2% perpetual growth rate, consistent with expected long-term world growth forecasts;
d) impairment tests took into consideration sustainability-related investments intended to achieve the target of a 55%-60% reduction in global CO_2 equivalent emissions by 2030 (from the 2019 baseline) and the Zero Emissions target (Scope 1 and 2) by 2035, thus taking account of the risks and opportunities arising from climate change;
e) as described in section C) Financial Risk Management, given the recent results and size of our Russian subsidiary, no significant direct impacts have been identified with regard to macroeconomic and geopolitical uncertainty. Furthermore, the crisis in the Middle East is not expected to have a significant direct impact.

The rate used to discount cash flows was determined on the basis of market information about the cost of money and asset-specific risks (Weighted Average Cost of Capital, WACC). The outcome of the test has shown that the recoverable amount of the individual operating segments is higher than their net invested capital (including the share of allocated goodwill). In particular, recoverable amount was higher than carrying amount for the Projects operating segment (501%), Energy operating segment (100%) and Telecom operating segment (94%).

A WACC of 9.2% was used for the Projects segment. For recoverable amount to be equal to carrying amount, a theoretical WACC of 30.6% would have to be used for this segment. A WACC of 9.8% was used for the Energy segment. For recoverable amount to be equal to carrying amount, a theoretical WACC of 16.9% would have to be used for this segment. A WACC of 7.9% was used for the Telecom segment. For recoverable amount to be equal to carrying amount, a theoretical WACC of 13.1% would have to be used for this segment.

For recoverable amount to be equal to carrying amount, the growth rate in terminal value for all segments would have to be negative.

Lastly, by way of pre-emptively checking that the results of goodwill impairment testing were not affected by the new organisational structure coming into effect on 1 January 2024, a specific quantitative test was carried out by aggregating the results/headroom of impairment tests for the new organisation using specific mapping criteria between the future and current operating segments, in order to reconcile them to the current structure. The exercise performed on the basis of the new segment structure also confirmed the absence of the need for impairment.

3. Equity-accounted investments

This balance, amounting to Euro 218 million, has decreased by Euro 169 million since 31 December 2022, when it amounted to Euro 387 million, reflecting the effects shown in the following table:

(Euro/million)	31.12.2023
	Investments in associates
Opening balance	**387**
Movements:	
- Currency translation differences	(21)
- Share of net profit/(loss)	33
- Dividends	(13)
- Impairment	(168)
Closing balance	**218**

(Euro/million)	31.12.2022
	Investments in associates
Opening balance	**360**
Movements:	
- Currency translation differences	(8)
- Share of net profit/(loss)	47
- Dividends	(10)
- Impairment	(2)
Closing balance	**387**

Details of investments in equity-accounted companies are as follows:

(Euro/million)	31.12.2023	31.12.2022
Yangtze Optical Fibre and Cable Joint Stock Limited Company	174	335
Yangtze Optical Fibre & Cable (Shanghai) Co. Ltd.	19	27
Kabeltrommel Gmbh & Co.K.G.	7	6
Elkat Ltd.	9	11
Power Cables Malaysia Sdn Bhd	9	8
Total equity-accounted investments	**218**	**387**

The value of investments includes Euro 33 million for the share of net profit (loss) of equity-accounted companies.

Investments in associates

Information about the nature of the main investments in associates:

Company name	Registered office	% owned
Yangtze Optical Fibre and Cable Joint Stock Limited Company	China	23.73%
Yangtze Optical Fibre & Cable (Shanghai) Co. Ltd	China	42.80%
Kabeltrommel GmbH & Co.K.G.	Germany	44.93%
Power Cables Malaysia Sdn Bhd	Malaysia	40.00%
Elkat Ltd.	Russia	40.00%

Yangtze Optical Fibre and Cable Joint Stock Limited Company is a Chinese company formed in 1988 whose main shareholders are: China Huaxin Post and Telecommunication Economy Development Center, Wuhan Yangtze Communications Industry Group Company Ltd. and Prysmian. The company is one of the industry's most important manufacturers of optical fibre and cables. Its products and solutions are sold in more than 50 countries, including the United States, Japan, the Middle East and Africa.

The company was listed on the Main Board of the Hong Kong Stock Exchange in December 2014 and in July 2018 was also listed on the Shanghai Stock Exchange.

At 31 December 2023, the fair value of the investment in Yangtze Optical Fibre and Cable Joint Stock Limited Company is basically in line with carrying amount, after recognising an impairment loss of Euro 168 million in view of the fact that market value was significantly below book value.

Yangtze Optical Fibre & Cable (Shanghai) Co. Ltd, formed in 2002 and based in Shanghai (China), is an associate company, 25% of whose share capital is held by Prysmian and 75% by Yangtze Optical Fibre and Cable Joint Stock Limited Company. The company specialises in the manufacture and sale of optical fibre and cables, offering a wide range of optical fibre cables and accessories, services and FTTx solutions.

Kabeltrommel GmbH & Co. K.G. is a German company that heads a consortium for the production, procurement, management and sale of disposable and reusable cable carrying devices (drums). The services offered by the company include both the sale of cable drums, and the complete management of logistical services such as drum shipping, handling and subsequent collection. The company operates primarily in the German market.

Power Cables Malaysia Sdn Bhd, a company based in Malaysia, manufactures and sells power cables and conductors, with its prime specialism high voltage products.

Elkat Ltd. is based in Russia and manufactures and sells copper conductors; it is the only company certified by the LME to test copper cathodes for the local market.

The following table reports key financial figures for the principal investments in associates (n.a. if figures are not yet available):

(Euro/million)	Kabeltrommel Gmbh & Co.K.G.	Yangtze Optical Fibre and Cable Joint Stock Limited Company(*)	Elkat Ltd.	Yangtze Optical Fibre & Cable (Shanghai) Co. Ltd	Power Cables Malaysia Sdn Bhd
	31.12.2023	**30.09.2023**	**31.12.2023**	**31.12.2023**	**31.12.2023**
Non-current assets	n.a	1,824	n.a	10	8
Current assets	n.a	2,008	n.a	67	27
Total assets	n.a	3,832	n.a	77	35
Equity	n.a	1,910	n.a	44	17
Non-current liabilities	n.a	727	n.a	3	1
Current liabilities	n.a	1,195	n.a	30	17
Total equity and liabilities	n.a	3,832	n.a	77	35
	2023	**2023**	**2023**	**2023**	**2023**
Sales of goods and services	n.a	1,316	n.a	106	53
Net profit/(loss) for the year	n.a	108	n.a	2	2
Comprehensive income/(loss) for the year	n.a	119	n.a	2	2
Dividends received	2	11	-	-	-

(*) The figures for Yangtze Optical Fibre and Cable Joint Stock Limited Company, a company listed on the Hong Kong Stock Exchange, refer to its latest published financial results which relate to the first nine months of 2023.

(Euro/million)	Kabeltrommel Gmbh & Co.K.G.	Yangtze Optical Fibre and Cable Joint Stock Limited Company	Elkat Ltd.	Yangtze Optical Fibre & Cable (Shanghai) Co. Ltd	Power Cables Malaysia Sdn Bhd
	31.12.2022	**31.12.2022**	**31.12.2022**	**31.12.2022**	**31.12.2022**
Non-current assets	10	1,738	8	10	9
Current assets	21	2,095	26	82	34
Total assets	31	3,833	34	92	43
Equity	11	1,976	32	46	17
Non-current liabilities	13	760	-	4	2
Current liabilities	7	1,097	2	42	24
Total equity and liabilities	31	3,833	34	92	43
	2022	**2022**	**2022**	**2022**	**2022**
Sales of goods and services	46	1,954	313	88	77
Net profit/(loss) for the year	5	164	7	1	3
Comprehensive income/(loss) for the year	5	168	6	1	3
Dividends received	2	8	-	-	-

4. Other Investments And Financial Assets At Fair Value through other comprehensive income

Details are as follows:

(Euro/million)	31.12.2023	31.12.2022
Other investments at fair value through other comprehensive income (non-current)	10	12
Financial assets at fair value through other comprehensive income (current)	24	11
Total	**34**	**23**

Other investments at fair value through other comprehensive income (non-current) report shareholdings that are not intended for sale in the near term.

Financial assets at fair value through other comprehensive income (current) include securities that mature within 12 months of the reporting date and those that could possibly be sold in the near term.

Other investments at fair value through other comprehensive income are analysed as follows:

(Euro/million)	Type of financial asset	% di possesso del Gruppo	31.12.2023	31.12.2022
Ravin Cables Limited	unlisted shares	51%	9.25	9.25
Tunisie Cables S.A.	unlisted shares	7.55%	0.65	0.93
Cesi Motta S.p.A.	unlisted shares	6.48%	-	0.26
Other			0.46	1.51
Total non-current			**10.36**	**11.95**

Other investments and financial assets at fair value through other comprehensive income are denominated in the following currencies:

(Euro/million)	31.12.2023	31.12.2022
Euro	24	13
Tunisian Dinar	1	1
Indian Rupee	9	9
Total	**34**	**23**

Other investments at fair value through other comprehensive income are classified in Level 3 of the fair value hierarchy, while Financial assets at fair value through other comprehensive income fall under Level 1 of the fair value hierarchy.

5. Trade and other receivables

Details are as follows:

(Euro/million)	31.12.2023		
	Non-current	Current	Total
Trade receivables	-	2,085	2,085
Allowance for doubtful accounts	-	(98)	(98)
Total trade receivables	**-**	**1,987**	**1,987**
Other receivables:			
Tax receivables	8	298	306
Financial receivables	3	22	25
Prepaid finance costs	4	2	6
Receivables from employees	1	6	7
Pension plan receivables	-	2	2
Construction contracts	-	485	485
Advances to suppliers	-	133	133
Other	20	106	126
Total other receivables	**36**	**1,054**	**1,090**
Total	**36**	**3,041**	**3,077**

(Euro/million)	31.12.2022		
	Non-currenti	Current	Total
Trade receivables	-	2,039	2,039
Allowance for doubtful accounts	-	(97)	(97)
Total trade receivables	-	**1,942**	**1,942**
Other receivables:			
Tax receivables	12	278	290
Financial receivables	3	8	11
Prepaid finance costs	-	2	2
Receivables from employees	1	3	4
Pension plan receivables	-	2	2
Construction contracts	-	503	503
Advances to suppliers	5	44	49
Other	13	138	151
Total other receivables	**34**	**978**	**1,012**
Total	**34**	**2,920**	**2,954**

No individual customer accounted for more than 10% of the Group’s net receivables in 2023, like in 2022.

Trade receivables

The gross amount of past due receivables that are totally or partially impaired is Euro 346 million at 31 December 2023 (Euro 360 million at 31 December 2022).

Past due impaired receivables are aged as follows:

(Euro/million)	31.12.2023	31.12.2022
1 to 30 days	183	186
31 to 90 days	72	80
91 to 180 days	28	25
181 to 365 days	24	15
More than 365 days	39	54
Total	**346**	**360**

The value of trade receivables past due but not impaired is Euro 94 million at 31 December 2023 (Euro 76 million at 31 December 2022). These receivables mainly relate to customers in the Projects operating segment which, given the nature of the counterparties, are not considered necessary to impair.

(Euro/million)	31.12.2023	31.12.2022
1 to 30 days	7	6
31 to 90 days	3	2
91 to 180 days	1	1
181 to 365 days	2	1
More than 365 days	81	66
Total	**94**	**76**

The total value of trade receivables not past due is Euro 1,633 million at 31 December 2023 (Euro 1,595 million at 31 December 2022). There are no particular problems with the quality of these receivables and there are no material amounts that would otherwise be past due if their original due dates had not been renegotiated.

The following table breaks down trade and other receivables according to the currency in which they are expressed:

(Euro/million)	31.12.2023	31.12.2022
Euro	1,320	995
US Dollar	785	772
British Pound	294	283
Canadian Dollar	146	68
Chinese Renminbi (Yuan)	108	155
Brazilian Real	95	166
Mexican Peso	46	46
Turkish Lira	36	94
Swedish Krona	33	28
Columbian Peso	24	24
Romanian Leu	24	16
Chilean Peso	21	28
Thai Baht	19	10
Singapore Dollar	16	8
Indonesian Rupiah	15	11
Other currencies	95	250
Total	**3,077**	**2,954**

The allowance for doubtful accounts amounts to Euro 98 million at 31 December 2023 (Euro 97 million at 31 December 2022). Movements in this allowance are shown in the following table:

(Euro/million)	31.12.2023	31.12.2022
Opening balance	**97**	**97**
Movements:		
- Increases in allowance	14	10
- Releases	(10)	(6)
- Bad debt write-offs	(3)	(4)
Closing balance	**98**	**97**

Increases in and releases from the allowance for doubtful accounts are reported in "Other expenses" in the income statement.

Other receivables

Other receivables include "Prepaid finance costs" of Euro 6 million at 31 December 2023, primarily relating to arrangement costs for the Revolving Credit Facility 2023 agreed with a syndicate of leading banks on 20 June 2023.

Prepaid finance costs of Euro 2 million at 31 December 2022 mainly related to the Revolving Credit Facility 2019.

"Construction contracts" represent the value of contracts in progress, determined as the difference between the costs incurred plus the related profit margin, net of recognised losses, and the amount billed by the Group.

The following table shows how these amounts are reported between assets and liabilities:

(Euro/million)	31.12.2023	31.12.2022
Construction contract revenue to date	15,718	13,773
Amounts billed	(16,860)	(14,095)
Net amount due from/(to) customers for construction contracts	**(1,142)**	**(322)**
Of which:		
Other receivables for construction contracts	485	503
Other payables for construction contracts	(1,627)	(825)

6. Inventories

Details are as follows:

(Euro/million)	31.12.2023	31.12.2022
Raw materials	755	780
of which allowance for obsolete and slow-moving raw materials	*(117)*	*(84)*
Work in progress and semi-finished goods	533	526
of which allowance for obsolete and slow-moving work in progress and semi-finished goods	*(29)*	*(21)*
Finished goods(*)	976	935
of which allowance for obsolete and slow-moving finished goods	*(124)*	*(90)*
Total	**2,264**	**2,241**

(*) Finished goods also include those for resale.

7. Financial assets at fair value through profit or loss

Details are as follows:

(Euro/million)	31.12.2023	31.12.2022
Listed securities	85	49
Unlisted securities	-	221
Total	**85**	**270**

Financial assets at fair value through profit or loss, amounting to Euro 85 million (Euro 270 million at 31 December 2022) refer to funds in which the Brazilian subsidiaries have temporarily invested their liquidity. The reduction since 31 December 2022 is primarily due to the Parent Company's withdrawal of cash previously invested in money market funds.

Movements in these assets are analysed as follows:

(Euro/million)	31.12.2023	31.12.2022
Opening balance	**270**	**244**
Movements:		
- Currency translation differences	(9)	(8)
- Securities purchased	33	39
- Securities sold	(214)	-
- Other	5	(5)
Closing balance	**85**	**270**

8. Derivatives

Details are as follows:

(Euro/million)	31.12.2023	
	Asset	Liability
Interest rate derivatives (CFH)	11	-
Forex derivatives on commercial transactions (CFH)	7	6
Metal derivatives (CFH)	22	41
Metal derivatives	1	-
Total non-current	**41**	**47**
Forex derivatives on commercial transactions (CFH)	5	19
Interest rate derivatives (CFH)	20	-
Metal derivatives (CFH)	40	13
Forex derivatives on commercial transactions	5	6
Forex derivatives on financial transactions	2	9
Metal derivatives	8	10
Total current	**80**	**57**
Total	**121**	**104**

(Euro/million)	31.12.2022	
	Asset	Liability
Interest rate derivatives (CFH)	59	-
Forex derivatives on commercial transactions (CFH)	21	31
Metal derivatives (CFH)	52	29
Metal derivatives	3	1
Total non-current	**135**	**61**
Forex derivatives on commercial transactions (CFH)	7	22
Interest rate derivatives (CFH)	13	-
Metal derivatives (CFH)	44	31
Forex derivatives on commercial transactions	4	8
Forex derivatives on financial transactions	3	7
Metal derivatives	-	4
Total current	**71**	**72**
Total	**206**	**133**

Forex derivatives have a notional value of Euro 3,243 million at 31 December 2023 (Euro 6,225 million at 31 December 2022); total notional value at 31 December 2023 includes Euro 1,201 million in derivatives designated as cash flow hedges (Euro 2,770 million at 31 December 2022).

Interest rate derivatives designated as cash flow hedges (CFH) refer to:

- interest rate swaps for an overall notional value of Euro 110 million, arranged with the objective of hedging variable rate interest flows over the period 2018-2024;
- interest rate swaps for an overall notional value of Euro 100 million, arranged with the objective of hedging variable rate interest flows over the period 2020-2024;
- interest rate swaps for an overall notional value of Euro 75 million, arranged with the objective of hedging variable rate interest flows over the period 2021-2025;
- interest rate swaps for an overall notional value of Euro 600 million, arranged with the objective of hedging variable rate interest flows over the period 2022-2027;
- interest rate swaps for an overall notional value of Euro 300 million, arranged with the objective of hedging variable rate interest flows over the period 2022-2025;
- interest rate swaps for an overall notional value of Euro 300 million, arranged with the objective of hedging variable rate interest flows over the period 2022-2026.

At 31 December 2023, like at 31 December 2022, almost all the derivative contracts had been entered into with major financial institutions.

Metal derivatives have a notional value of Euro 1,727 million at 31 December 2023 (Euro 2,169 million at 31 December 2022).

The following tables show the impact of offsetting assets and liabilities for derivative instruments, done on the basis of master netting arrangements (ISDA and similar agreements). They also show the effect of potential offsetting in the event of currently unforeseen default events:

(Euro/million)	31.12.2023				
	Gross derivatives	**Amounts offset**	**Derivatives recognised in statement of financial position**	**Amounts not offset(1)**	**Net derivatives**
Assets					
Forex derivatives	19	-	19	(12)	7
Interest rate derivatives	31	-	31	-	31
Metal derivatives	71	-	71	(58)	13
Total assets	**121**	**-**	**121**	**(70)**	**51**
Liabilities					
Forex derivatives	40	-	40	(12)	28
Interest rate derivatives	-	-	-	-	-
Metal derivatives	64	-	64	(58)	6
Total liabilities	**104**	**-**	**104**	**(70)**	**34**

(Euro/million)	31.12.2022				
	Gross derivatives	**Amounts offset**	**Derivatives recognised in statement of financial position**	**Amounts not offset(1)**	**Net derivatives**
Assets					
Forex derivatives	35	-	35	(25)	10
Interest rate derivatives	72	-	72	-	72
Metal derivatives	99	-	99	(33)	66
Total assets	**206**	**-**	**206**	**(58)**	**148**
Liabilities					
Forex derivatives	68	-	68	(25)	43
Interest rate derivatives	-	-	-	-	-
Metal derivatives	65	-	65	(33)	32
Total liabilities	**133**	**-**	**133**	**(58)**	**75**

(1) Derivatives potentially offsettable in the event of default events under master netting arrangements.

The following table shows movements in both reporting periods in the cash flow hedge reserve for designated hedging derivatives:

(Euro/million)	2023		2022	
	Gross reserve	Tax effect	Gross reserve	Tax effect
Opening balance	**93**	**(22)**	**139**	**(34)**
Changes in fair value	(45)	10	(46)	12
Reserve for other finance costs/(income)	3	-	1	-
Release to construction contract costs/(revenues)	(5)	-	(1)	-
Other	2	-	-	-
Closing balance	**48**	**(12)**	**93**	**(22)**

9. Cash and cash equivalents

Details are as follows:

(Euro/million)	31.12.2023	31.12.2022
Cash and cheques	5	4
Bank and postal deposits	1,736	1,281
Total	**1,741**	**1,285**

Cash and cash equivalents, deposited with major financial institutions, are managed centrally through the Group's treasury company and by its various operating units.

Cash and cash equivalents managed by the Group's treasury company amounted to Euro 1,273 million at 31 December 2023, while at 31 December 2022 the figure was Euro 838 million.

The change in cash and cash equivalents is commented on in Note 37. Statement of cash flows.

10. Assets held for sale

Assets held for sale, amounting to Euro 9 million at 31 December 2023, mainly refer to a building owned by a foreign subsidiary for which a preliminary sale agreement has been reached.

11. Share capital and reserves

Consolidated equity has recorded an increase of Euro 201 million since 31 December 2022, mainly reflecting the net effect of:

- the net profit for the year of Euro 547 million;
- the distribution of Euro 165 million in dividends;
- negative currency translation differences of Euro 201 million;
- a positive change of Euro 57 million in the share-based payment reserve related to long-term incentive plans and the employee share purchase plan;
- a decrease of Euro 8 million in the reserves for actuarial gains and losses on employee benefits;
- an increase of Euro 38 million for the effects of hyperinflation;
- a negative post-tax change of Euro 35 million in the fair value of derivatives designated as cash flow hedges and of Euro 19 million in their hedging costs;
- a decrease of Euro 5 million due to a third-party purchase of subsidiary-company shares;
- a post-tax decrease of Euro 8 million in the fair value of financial assets recorded through other comprehensive income.

At 31 December 2023, the share capital of Prysmian S.p.A. consisted of 276,534,448 shares, each of nominal value Euro 0.10 for a total of Euro 27,653,444.80.

Movements in the ordinary shares and treasury shares of Prysmian S.p.A. are reported in the following table:

	Ordinary shares	Treasury shares	Total
Balance at 31 December 2021	**268,144,246**	**(4,652,868)**	**263,491,378**
Allotments and sales *	-	40,837	40,837
Balance at 31 December 2022	**268,144,246**	**(4,612,031)**	**263,532,215**
Capital increase (1)	8,390,202	-	8,390,202
Allotments and sales **	-	882,957	882,957
Balance at 31 December 2023	**276,534,448**	**(3,729,074)**	**272,805,374**

(1) Issue of new shares serving the long-term incentive plan for Group employees (8,000,000 shares) and the BE IN plan (390,202 shares).
(*) Allotment and/or sale of treasury shares under the YES Group employee share purchase plan.
(**) Allotment and/or sale of treasury shares under Group employee share purchase plans.

Treasury shares

Movements in treasury shares during 2023 refer to the allotment and sale of treasury shares serving the Group employee share purchase plan.

The following table shows movements in treasury shares during the reporting period:

	Number of shares	Total nominal value (in Euro)	% of share capital	Average unit value (in Euro)	Total carrying value (in Euro)
Balance at 31 December 2021	**4,652,868**	**465,288**	**1,74%**	**20**	**94,694,176**
- Allotments and sales	(40,837)	(4,084)	-	20	(813,473)
Balance at 31 December 2022	**4,612,031**	**461,204**	**1,72%**	**20**	**93,880,703**
- Allotments and sales	(882,957)	(88,296)	-	20	(17,588,503)
Balance at 31 December 2023	**3,729,074**	**372,908**	**1,35%**	**20**	**76,292,200**

12. Borrowings from banks and other lenders

Details are as follows:

(Euro/million)	31.12.2023		
	Non-current	Current	Total
Borrowings from banks and other lenders	333	262	595
Sustainability-Linked Term Loan	1,193	25	1,218
Mediobanca Loan	-	100	100
Intesa Loan	-	151	151
Convertible Bond 2021	728	-	728
Lease liabilities	234	70	304
Total	**2,488**	**608**	**3,096**

(Euro/million)	31.12.2022		
	Non-current	Current	Total
Borrowings from banks and other lenders	429	58	487
Sustainability-Linked Term Loan	1,191	6	1,197
Unicredit Loan	-	200	200
Mediobanca Loan	100	-	100
Intesa Loan	150	1	151
Convertible Bond 2021	718	-	718
Lease liabilities	156	58	214
Total	**2,744**	**323**	**3,067**

The following tables provide an analysis by maturity and currency of borrowings from banks and other lenders (excluding lease liabilities) at 31 December 2023 and 2022:

(Euro/million)	31.12.2023						
	Variable interest rate			Fixed interest rate			Total
	Euro	USD	Other currencies	Euro	USD	Other currencies	
Due within 1 year	497	8	2	20	6	4	537
Due between 1 and 2 years	74	-	-	1	-	-	75
Due between 2 and 3 years	-	-	-	729	-	-	729
Due between 3 and 4 years	1,195	-	-	1	-	-	1,196
Due between 4 and 5 years	-	-	-	1	-	-	1
Due after more than 5 years	254	-	-	-	-	-	254
Total	**2,020**	**8**	**2**	**752**	**6**	**4**	**2,792**
Average interest rate in period, as per contract	3.9%	3.4%	21.5%	1.3%	2.2%	29.6%	3.3%
Average interest rate in period, including IRS effect[a]	2.6%	3.4%	21.5%	1.3%	2.2%	29.6%	2.3%

(a) Interest rate swaps have been put in place to hedge interest rate risk on variable rate loans in Euro. At 31 December 2023, the total hedged amount equates to 73.2% of Euro-denominated debt at that date. Interest rate hedges consist of interest rate swaps which exchange a variable rate (3 or 6-month Euribor for loans in Euro) with an average fixed rate (fixed rate + spread) of 2.1% for Euro-denominated debt. The percentages representing the average fixed rate refer to 31 December 2023.

(Euro/million)	31.12.2022						
	Variable interest rate			Fixed interest rate			Total
	Euro	USD	Other currencies	Euro	USD	Other currencies	
Due within 1 year	224	-	7	28	3	2	264
Due between 1 and 2 years	459	9	-	-	-	-	468
Due between 2 and 3 years	74	-	-	-	-	-	74
Due between 3 and 4 years	-	-	-	718	-	-	718
Due between 4 and 5 years	1,194	-	-	-	-	-	1,194
Due after more than 5 years	135	-	-	-	-	-	135
Total	**2,086**	**9**	**7**	**746**	**3**	**2**	**2,853**
Average interest rate in period, as per contract	1.0%	1.3%	11.0%	1.3%	2.3%	-	1.1%
Average interest rate in period, including IRS effect	1.5%	1.3%	11.0%	1.3%	2.3%	-	1.5%

Risks relating to sources of finance and to financial investments/receivables are discussed in the section entitled "Risks factors" forming part of the Integrated Annual Report contained in this document.

Borrowings from banks and other lenders and Bonds are analysed as follows:

(Euro/million)	31.12.2023	31.12.2022
CDP Loans	297	176
EIB Loans	248	246
Sustainability-Linked Term Loan	1,218	1,197
Unicredit Loan	-	200
Mediobanca Loan	100	100
Intesa Loan	151	151
Other borrowings	50	65
Borrowings from banks and other lenders	**2,064**	**2,135**
Convertible Bond 2021	728	718
Total	**2,792**	**2,853**

The Group's principal credit agreements in place at the reporting date are as follows:

Revolving Credit Facility 2019 and 2023
On 3 April 2019, the Group renewed a Euro 1,000 million five-year revolving credit facility with a syndicate of leading Italian and international banks. This line was extinguished on 20 June 2023 at the same time as agreeing the new Revolving Credit Facility 2023. The new facility may be drawn down for business and working capital needs, including the refinancing of existing facilities, and to issue guarantees. It has a five-year term, with an option to extend to six and seven years. In addition, with the aim of deepening the embedding of ESG factors into the Group's strategy, Prysmian has chosen to include important environmental and social KPIs among the parameters determining the terms of credit. The renewed revolving credit facility is in fact Sustainability-Linked, being tied to the decarbonisation targets already set by the Group (annual GHG emissions from 2023 to 2030), to the ratio of female white-collar and executive hires to total Group hires, and to the number of sustainability audits performed in the supply chain, as better described in the section "Sustainability Linked Term Loan".
The achievement or failure of these indicators leads to a positive or negative adjustment of the margin annually applied. At 31 December 2023, this facility was not being used.

CDP Loans
On 28 October 2019, the Group entered into an agreement with Cassa Depositi e Prestiti S.p.A. (CDP) for a Euro 100 million long-term loan for 4 years and 6 months from the date of signing, with a bullet repayment at maturity. The purpose of this loan is to finance part of the Group's capital expenditure and expenditure on research, development and innovation in Italy and Europe. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 100 million, with the objective of hedging variable rate interest flows over the period 2020-2024.
On 28 January 2021, a second loan was agreed with CDP for Euro 75 million with a term of 4 years and 6 months, for the purpose of financing part of the Group's expenditure on purchasing the "Leonardo Da Vinci" cable-laying vessel. This loan, drawn down in full on 9 February 2021, is repayable in a lump sum at maturity on 28 July 2025. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 75 million, with the objective of hedging variable rate interest flows over the period 2021-2025.
On 6 March 2023, another long-term 6-year loan with CDP was announced for Euro 120 million, for the purpose of supporting the Group's R&D programs in Italy and Europe (specifically in Italy, France, Germany, Spain and the Netherlands). The loan, received on 15 February 2023, is repayable in a lump sum at maturity on 15 February 2029.
At 31 December 2023, the fair value of the CDP Loans approximated their carrying amount.

EIB Loans
On 10 November 2017, Prysmian S.p.A. entered into a loan agreement with the European Investment Bank (EIB) for Euro 110 million to support the Group's R&D programs in Europe over the period 2017-2020. The loan was received on 29 November 2017 and is repayable in a lump sum at maturity on 29 November 2024. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 110 million, with the objective of hedging variable rate interest flows over the period 2018-2024.
On 3 February 2022, the Group announced that it had finalised a loan from the EIB for Euro 135 million to support its European R&D program in the energy and telecom cable systems sector over the period 2021-2024.
This loan is specifically intended to support projects to be developed at R&D centres in five European countries: Italy, France, Germany, Spain and the Netherlands.
The loan, received on 28 January 2022, is repayable in a lump sum at maturity on 29 January 2029.
At 31 December 2023, the fair value of the EIB Loans approximated their carrying amount.

Sustainability-Linked Term Loan
On 7 July 2022, the Group entered into a medium-term Sustainability-Linked loan for Euro 1,200 million with a syndicate of leading Italian and international banks. The loan was drawn down in full on 14 July 2022 and primarily used to refinance the Euro 1 billion term loan obtained in 2018, which was thus repaid early on the same date. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 1,200 million, with the objective of hedging variable rate interest flows.
With the aim of strengthening its financial structure and embedding ESG factors in the Group's strategy, Prysmian has chosen to include important environmental and social KPIs among the parameters determining the terms of the loan.

In fact, the Sustainability-Linked Term Loan requires annual compliance with ESG indicators. The indicators to be met for 2023 are as follows:

- Scope 1 and Scope 2 CO_2 emissions, calculated using the market-based method, less than or equal to 654 ktCO_2eq (see the "Scorecard 2023-2025" within the "Non-Financial Statement" included in the Directors' Report);
- Performance of at least 34 sustainability audits of its suppliers (see the "Sustainable value chain" chapter of the "Non-Financial Statement" included in the Directors' Report);
- 41.1% or more of the Group's total white-collar hires must be women (see "Prysmian's Human Capital" within the "Non-Financial Statement" included in the Directors' Report).

The achievement or otherwise of these indicators entails a positive or negative adjustment of the annual spread.
At 31 December 2023, the fair value of the Sustainability-Linked Term Loan approximated its carrying amount.

Unicredit Loan
On 15 November 2018, Prysmian S.p.A. entered into an agreement with Unicredit for a long-term cash loan for a maximum amount of Euro 200 million for 5 years from the date of signing. The loan was drawn down in full on 16 November 2018 and repaid in November 2023, at the natural expiry date.

Mediobanca Loan
On 20 February 2019, the Group entered into an agreement with Mediobanca for a Euro 100 million long-term loan for 5 years from the date of signing. The loan was drawn down in full on 22 February 2019 and is repayable in a lump sum at maturity. The interest rate applied is indexed to 3M and 6M Euribor, as chosen by the company. At 31 December 2023, the fair value of this loan approximated its carrying amount.

Intesa Loan
On 11 October 2019, the Group entered into an agreement with Intesa Sanpaolo for a Euro 150 million long-term loan for 5 years from the date of signing. The loan was drawn down in full on 18 October 2019 and is repayable in a lump sum at maturity. At 31 December 2023, the fair value of this loan approximated its carrying amount.
The fair value of loans has been determined using valuation techniques that refer to observable market data (Level 2 of the fair value hierarchy).

The following tables summarise the committed lines available to the Group at 31 December 2023 and 31 December 2022:

(Euro/million)	31.12.2023		
	Total lines	Drawn	Undrawn
Revolving Credit Facility 2023	1,000	-	1,000
Sustainability-Linked Term Loan	1,200	(1,200)	-
EIB Loans	245	(245)	-
CDP Loans	295	(295)	-
Intesa Loan	150	(150)	-
Mediobanca Loan	100	(100)	-
Total	**2,990**	**(1,990)**	**1,000**

(Euro/million)	31.12.2022		
	Total lines	Drawn	Undrawn
Revolving Credit Facility 2019	1,000	-	1,000
Sustainability-Linked Term Loan	1,200	(1,200)	-
EIB Loans	245	(245)	-
Unicredit Loan	200	(200)	-
CDP Loans	175	(175)	-
Intesa Loan	150	(150)	-
Mediobanca Loan	100	(100)	-
Total	**3,070**	**(2,070)**	**1,000**

Bonds

As at 31 December 2023, Prysmian had the following bond issue in place.

Convertible Bond 2021
On 26 January 2021, the Group announced the successful placement of an equity-linked bond (the "Bonds") for the sum of Euro 750 million.
The Bonds have a 5-year maturity and denomination of Euro 100,000 each and are zero coupon. The issue price was Euro 102.50, representing a yield to maturity of minus 0.49% per annum. The initial price for the conversion of the Bonds into the Company's ordinary shares is Euro 40.2355, representing a 47.50% premium on the weighted average price by volume of Prysmian ordinary shares on the Milan Stock Exchange between the start and end of the book-building process on 26 January 2021.
The shareholders' meeting held on 28 April 2021 authorised the convertibility of the equity-linked bond and approved the proposal for a share capital increase serving the conversion of the convertible bond for a maximum nominal amount of Euro 1,864,025.50 by issuing up to 18,640,255 ordinary shares with a nominal value of Euro 0.10 each.
As provided for in the Bond regulations, the Group has the option to call all - but not just a part - of the Bonds at their principal amount from 12 February 2024, should the share price exceed 130% of the conversion price for at least 20 days within a period of 30 consecutive trading days.
On 14 June 2021, the Bond was admitted to listing on the multilateral trading facility of the Vienna Stock Exchange.

The following table summarises the values of the Convertible Bond 2021 as at 31 December 2023:

(Euro/million)	
Value of Convertible Bond 2021	768
Equity reserve for convertible bond	(49)
Change in conversion option fair value	(16)
Issue date net balance	**703**
Interest - non-monetary	27
Related costs	(2)
Balance at 31 December 2023	**728**

At 31 December 2023, the fair value of the Convertible Bond 2021 (equity component and debt component) was Euro 830 million, of which Euro 693 million attributable to the debt component and Euro 137 million to the equity component. In the absence of trading on the relevant market, the fair value of the bond's debt and equity components has been determined using valuation techniques that refer to observable market data (Level 2 of the fair value hierarchy).

Borrowings from banks and other lenders and Lease liabilities

The following tables report movements in Borrowings from banks and other lenders and in Lease liabilities:

(Euro/million)	CDP Loans	EIB Loans	Conv. Bond	Sustainability Term Loan	Unicredit, Mediobanca and Intesa Loans	Other borrowings/ Lease liabilities	Total
Balance at 31 December 2022	**176**	**246**	**718**	**1,197**	**451**	**279**	**3,067**
Currency translation differences	-	-	-	-	-	(5)	(5)
New funds	120	-	-	-	-	39	159
Repayments	-	-	-	-	(200)	(112)	(312)
Amortisation of bank and financial fees and other expenses	(1)	-	1	2	-	-	2
New IFRS 16 leases	-	-	-	-	-	153	153
Interest and other movements	2	2	9	19	-	-	32
Balance at 31 December 2023	**297**	**248**	**728**	**1,218**	**251**	**354**	**3,096**

(Euro/million)	CDP Loans	EIB Loans	Conv. Bonds	Non-conv. Bond	Term Loan	Unicredit, Mediobanca and Intesa Loans	Other borrowings/ Lease liabilities	Total
Balance at 31 December 2021	**175**	**110**	**957**	**763**	**999**	**450**	**275**	**3,729**
Currency translation differences	-	-	-	-	-	-	3	3
New funds	-	135	-	-	1,200	-	26	1,361
Repayments	-	-	(250)	(763)	(1,000)	-	(83)	(2,096)
Amortisation of bank and financial fees and other expenses	-	-	1	-	(8)	-	-	(7)
New IFRS 16 leases	-	-	-	-	-	-	58	58
Interest and other movements	1	1	10	-	6	1	-	19
Balance at 31 December 2022	**176**	**246**	**718**	**-**	**1,197**	**451**	**279**	**3,067**

Net financial debt

(Euro/million)	Note	31.12.2023	31.12.2022
CDP Loans	12	194	175
EIB Loans	12	135	245
Convertible Bond 2021	12	728	718
Sustainability-Linked Term Loan 2022	12	1,193	1,191
Mediobanca Loan	12	-	100
Intesa Loan	12	-	150
Lease liabilities	12	234	156
Other financial payables	12	4	9
Total long-term financial payables		**2,488**	**2,744**
CDP Loans	12	103	1
EIB Loans	12	113	1
Sustainability-Linked Term Loan 2022	12	25	6
Unicredit Loan	12	-	200
Mediobanca Loan	12	100	-
Intesa Loan	12	151	1
Lease liabilities	12	70	58
Forex derivatives on financial transactions	8	9	7
Other financial payables	12	46	56
Total short-term financial payables		**617**	**330**
Total financial liabilities		**3,105**	**3,074**
Long-term financial receivables	5	3	3
Long-term bank fees	5	4	-
Financial assets at amortised cost		3	3
Non-current interest rate derivatives	8	11	59
Current interest rate derivatives	8	20	13
Forex derivatives on financial transactions (current)	8	2	3
Short-term financial receivables	5	22	8
Short-term bank fees	5	2	2
Financial assets at FVPL	7	85	270
Financial assets at FVOCI	4	24	11
Cash and cash equivalents	9	1,741	1,285
Total financial assets		**1,917**	**1,657**
Net financial debt		**1,188**	**1,417**

The following table presents a reconciliation of the Group's net financial debt to the amount reported in accordance with the requirements of Consob Communication no. 5/21 of 29 April 2021 concerning compliance with the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 (reference ESMA32-382-1138):

(Euro/million)	Note	31.12.2023	31.12.2022
Net financial debt - as reported above		**1,188**	**1,417**
Adjustments to exclude:			
Long-term financial receivables	5	6	6
Long-term bank fees	5	4	-
Cash flow hedging derivatives (assets)		31	72
Adjustments to include:			
Net non-hedging forex derivatives on commercial transactions, excluding non-current assets	8	1	4
Net non-hedging metal derivatives, excluding	8	2	5
Recalculated net financial debt		**1,232**	**1,504**

13. Trade and other payables

Details are as follows:

(Euro/million)	31.12.2023		
	Non-current	Current	Total
Trade payables	-	2,199	2,199
Total trade payables	**-**	**2,199**	**2,199**
Other payables:			
Tax and social security payables	1	241	242
Advances from customers	27	1,717	1,744
Payables to employees	2	193	195
Accrued expenses	-	104	104
Other	23	214	237
Total other payables	**53**	**2,469**	**2,522**
Total	**53**	**4,668**	**4,721**

(Euro/million)	31.12.2022		
	Non-current	Current	Total
Trade payables	-	2,718	2,718
Total trade payables	**-**	**2,718**	**2,718**
Other payables:			
Tax and social security payables	1	257	258
Advances from customers	19	952	971
Payables to employees	-	188	188
Accrued expenses	-	111	111
Other	8	186	194
Total other payables	**28**	**1,694**	**1,722**
Total	**28**	**4,412**	**4,440**

Advances from customers include the liability for construction contracts, amounting to Euro 1,627 million at 31 December 2023 (Euro 825 million at 31 December 2022). This liability represents the excess of amounts billed by the Group over costs incurred plus accumulated profits (or losses), recognised using the percentage of completion method.

The following table breaks down trade and other payables according to the currency in which they are expressed:

(Euro/million)	31.12.2023	31.12.2022
Euro	2,988	2,415
US Dollar	712	968
British Pound	306	267
Brazilian Real	160	149
Chinese Renminbi (Yuan)	139	167
Australian Dollar	76	64
Bahraini Dinar	47	-
Canadian Dollar	25	22
Philippine Peso	25	33
Romanian Leu	21	17
Hungarian Fiorint	17	14
UAE Dirham	12	22
Swedish Krona	11	14
Mexican Peso	9	26
Indonesian Rupiah	8	8
Omani Rial	5	-
Other currencies	160	254
Total	**4,721**	**4,440**

14. Provisions for risks and charges

Details are as follows:

(Euro/million)	31.12.2023(*)		
	Non-current	Current	Total
Restructuring provisions	1	55	56
Legal, contractual and other risks	32	496	528
Environmental risks	16	85	101
Tax risks	9	117	126
Total	**58**	**753**	**811**

(*) Provisions for risks at 31 December 2023 include Euro 118 million for potential liabilities recorded in application of IFRS 3 - *Business Combinations*.

(Euro/million)	31.12.2022(*)		
	Non-current	Current	Total
Restructuring provisions	-	18	18
Legal, contractual and other risks	26	450	476
Environmental risks	5	90	95
Tax risks	-	107	107
Total	**31**	**665**	**696**

(*) Provisions for risks at 31 December 2022 include Euro 125 million for potential liabilities recorded in application of IFRS 3 - *Business Combinations*.

The following table presents the movements in these provisions during the reporting period:

(Euro/million)	Restructuring costs	Legal, contractual and other risks	Environ–mental risks	Tax risks	Total
Balance at 31 December 2022	**18**	**476**	**95**	**107**	**696**
Increases	43	150	15	7	215
Uses	(7)	(34)	(2)	(3)	(46)
Releases	1	(61)	(6)	(5)	(71)
Currency translation differences	(1)	(5)	(2)	2	(6)
Other	2	2	1	18	23
Balance at 31 December 2023	**56**	**528**	**101**	**126**	**811**

The value of the provision for restructuring at 31 December 2023 (Euro 56 million versus Euro 18 million at 31 December 2022) includes liabilities related to plant closure projects, as better described in in the Directors' Report in the section entitled "SIGNIFICANT EVENTS DURING THE YEAR".

The provision for contractual, legal and other risks amounts to Euro 528 million at 31 December 2023 (Euro 476 million at 31 December 2022). This provision mainly includes the provision for Euro 184 million (Euro 180 million at 31 December 2022) related to antitrust investigations in progress and legal actions brought by third parties against Group companies as a result of and/or in connection with decisions adopted by the relevant authorities, as described below. The rest of this provision refers to provisions related to and arising from business combinations, for risks related to ongoing and completed contracts and for risks related to commercial disputes.

Antitrust - European Commission proceedings in the high voltage underground and submarine cables business
By way of introduction, it will be recalled that the European Commission started an investigation in late January 2009 into several European and Asian electrical cable manufacturers to verify the existence of alleged anti-competitive practices in the high voltage underground and submarine cables markets. This investigation was concluded with the decision adopted by the European Commission, also upheld by the European courts, which found Prysmian Cavi e Sistemi S.r.l. ("Prysmian CS") jointly liable with Pirelli & C. S.p.A. ("Pirelli") for the alleged infringement in the period from 18 February 1999 to 28 July 2005, and Prysmian Cavi e Sistemi S.r.l. jointly liable with Prysmian S.p.A. ("Prysmian") and The Goldman Sachs Group Inc. ("Goldman Sachs") for the alleged infringement in the period from 29 July 2005 to 28 January 2009. Following the conclusion of this case, the Group paid the European Commission the amount due within the prescribed term using provisions already set aside in previous years.

Likewise in the case of General Cable, the European courts confirmed the contents of the European Commission's decision of April 2014, thus definitively upholding the fine levied against it under this decision. As a result, the Group went ahead and paid a fine for Euro 2 million.

In November 2014 and October 2019 respectively, Pirelli filed two civil actions, recently combined, against Prysmian CS and Prysmian in the Court of Milan, seeking (i) to be held harmless from any claim brought by the European Commission in enforcement of its decision and for any expenses incidental to such enforcement; (ii) to be held harmless from any third-party claims for damages relating to the conduct forming the subject of the European Commission's decision and (iii) to be compensated for the damages allegedly suffered and quantified as a result of Prysmian CS and Prysmian having requested, in certain pending legal actions, that Pirelli be held liable for the unlawful conduct found by the European Commission in the period from 1999 to 2005. As part of the same proceedings, Prysmian CS and Prysmian, in addition to requesting full dismissal of the claims brought by Pirelli, have filed symmetrical and opposing counterclaims to those of Pirelli in which they have requested (i) to be held harmless from any claim brought by the European Commission in enforcement of its decision and for any expenses incidental to such enforcement; (ii) to be held harmless from any third-party claims for damages relating to the conduct forming the subject of the European Commission's decision and (iii) to be compensated for damages suffered as a result of the legal actions brought by Pirelli. This action is currently pending.

In view of the circumstances described and the developments in the proceedings, the Directors, assisted also by legal counsel, have recognised what they consider to be an adequate level of provisions to cover the potential liabilities related to the matters in question.

Antitrust - Claims for damages resulting from the European Commission's 2014 decision
During the first few months of 2017, operators belonging to the Vattenfall Group filed claims in the High Court of London against a number of cable manufacturers, including companies in Prysmian, to obtain compensation for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission. In June 2020, Prysmian companies concerned presented their defence as well as serving a summons on another party to whom the EU decision was addressed. In July 2022, an agreement was reached for an out-of-court settlement of Vattenfall's claims against the Group companies. However, the legal proceedings brought by the Group companies against the other party to whom the EU decision was addressed are continuing.

On 2 April 2019, a writ of summons was served, on behalf of Terna S.p.A., on Pirelli, Nexans and companies in Prysmian, demanding compensation for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission in its April 2014 decision. This action has been brought before the Court of Milan. On 24 October 2019, Prysmian companies concerned responded by presenting their preliminary defence. By an order dated 3 February 2020, the Court upheld the points raised by the defendants, giving Terna until 11 May 2020 to complete its writ of summons and scheduling a hearing for 20 October 2020. Terna duly completed its summons, which was filed within the required deadline. The proceedings are at a pre-trial stage.

On 2 April 2019, a writ of summons was served, on behalf of Electricity & Water Authority of Bahrain, GCC Interconnection Authority, Kuwait Ministry of Electricity and Water and Oman Electricity Transmission Company, on a number of cable manufacturers, including companies in Prysmian, on Pirelli and Goldman Sachs. This action, brought in the Court of Amsterdam, once again involved a claim for compensation for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission.

On 18 December 2019, Prysmian companies concerned presented their preliminary defence, the hearing of which took place on 8 September 2020. On 25 November 2020, the Court of Amsterdam handed down a ruling under which it upheld the submissions made and declined jurisdiction over defendants not based in the Netherlands, thus excluding them from the proceedings. On 19 February 2021, the plaintiffs announced that they had filed an appeal against this ruling.
Prysmian companies concerned, together with the other third-party first-instance defendants, have entered an appearance in court contesting the plaintiff's claims. On 25 April 2023, the Amsterdam Court of Appeal handed down a ruling under which it decided to submit to the European Court of Justice a number of questions on the interpretation of European law, which it considers instrumental to its decision. The case has therefore been stayed pending the European Court of Justice's response.

In September 2022, the Group was informed that companies in the RWE Group had brought an action in the British courts against Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.l. involving a claim for compensation for damages supposedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission in its April 2014 decision. In June 2023, an agreement was reached for an out-of-court settlement, therefore putting an end to this lawsuit.

Furthermore, in February 2023, the Group received notification of an application by British consumer representatives requesting authorisation from the relevant local court to initiate proceedings against a number of cable manufacturers, including Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.l., and which also involved a claim for compensation for damages supposedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission in its April 2014 decision. The case is pending and the Group companies involved have submitted their preliminary defences.
In view of the circumstances described and the developments in the proceedings, the Directors, assisted also by legal counsel, have recognised what they consider to be an adequate level of provisions to cover the potential liabilities related to the matters in question.

In June 2023, a writ of summons, sent on behalf of Saudi Electricity Company, was received by a number of cable manufacturers, including companies in Prysmian. This action, brought before the Court of Cologne, once again involves a claim for compensation for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission. The case is pending.

Based on the information currently available, and believing these potential liabilities unlikely to crystallise, the Directors are of the opinion not to make any provision.

Antitrust - Other investigations
In Brazil, the local antitrust authority started proceedings against a number of manufacturers of high voltage underground and submarine cables, including Prysmian, notified of such in 2011. On 15 April 2020, the CADE Tribunal issued the operative part of the decision under which it held Prysmian liable for the alleged infringement in the period from February 2001 to March 2004 and ordered it to pay a fine of BRL 10.2 million (approximately Euro 1.8 million). Using the provisions already set aside in previous years, the Group made these payments by the required deadline. Prysmian has filed an appeal against the CADE ruling. The appeal decision is pending.

At the end of February 2016, the Spanish antitrust authority commenced proceedings to verify the existence of anti-competitive practices by local low voltage cable manufacturers and distributors, including the Group's local subsidiaries. On 24 November 2017, the local antitrust authority notified the Group's Spanish subsidiaries of a decision under which they were held liable for the alleged infringements in the period from June 2002 to June 2015 and were jointly and severally ordered to pay a fine of Euro 15.6 million. The Group's Spanish subsidiaries lodged an appeal against this decision.

The appeal was partially upheld by the local court, which ruled on 19 May 2023 that the time period used by the authority to calculate the fine should be reduced, with consequent revision of the fine itself. The Group's Spanish subsidiaries have appealed against this ruling.

The decision of 24 November 2017 also held the Spanish subsidiaries of General Cable liable for breach of local antitrust law. However, they have obtained immunity from paying the related fine (quantified at about Euro 12.6 million) having filed for leniency and collaborated with the local antitrust authority in its investigations. The Spanish subsidiaries of General Cable also appealed against the decision of the local antitrust authority. The appeals have recently been rejected in rulings dated 19 May and 1 June 2023 respectively. These appeals have also been dismissed by the Spanish Supreme Court, as notified to the companies concerned on 19 January 2023.
In view of the circumstances described and the developments in the proceedings, the Directors, assisted also by legal counsel, have recognised what they consider to be an adequate level of provisions to cover the potential liabilities related to the matters in question.

In addition, in January 2022, an investigation was initiated by the German antitrust authority (Federal Cartel Office) concerning alleged coordination in setting the standard metal surcharges applied by the industry in Germany. The Group's local subsidiaries have challenged before the courts the search and seizure orders under which the German authorities carried out inspections at their offices and seized company documents.

During June 2022, the competition authorities of the Czech Republic and Slovakia conducted inspections at the offices of the Group's local subsidiaries with regard to alleged anti-competitive practices in setting metal surcharges. Subsequently, in August 2022 and March 2023, the competition authorities of the Czech Republic and Slovakia respectively announced the opening of an investigation into this matter involving, among others, the Group's local subsidiaries.

Given the high degree of uncertainty as to the timing and outcome of these ongoing investigations, the Directors currently feel unable to estimate the related risk.

Antitrust - Claims for damages ensuing from other investigations
In February 2020, a writ of summons was served on a number of cable manufacturers, including Prysmian's Spanish subsidiaries, under which companies belonging to the Iberdrola Group have claimed compensation for damages supposedly suffered as a result of the alleged anti-competitive practices sanctioned by the Spanish antitrust authority in its decision of 24 November 2017. The proceedings are pending before the Court of Barcelona.

In July 2020, a writ of summons was served on a number of cable manufacturers, including Prysmian's Spanish subsidiaries, under which companies belonging to the Endesa Group have claimed compensation for damages supposedly suffered as a result of the alleged anti-competitive practices sanctioned by the Spanish antitrust authority in its decision of 24 November 2017. The proceedings are pending before the Court of Barcelona.

During 2022, other third-party lawsuits were filed against certain cable manufacturers, including the Group's Spanish subsidiaries, to obtain compensation for damages supposedly suffered as a result of the alleged anti-competitive conduct sanctioned by the Spanish antitrust authority in its decision of 24 November 2017. The proceedings are pending before the Court of Barcelona.

In view of the circumstances described and the developments in the proceedings, the Directors, assisted also by legal counsel and maintaining a consistent accounting policy, have adjusted the related provisions for risks to a level deemed appropriate to cover the potential liabilities for the matters in question.

With reference to the above matters, certain Group companies have received a number of notices in which third parties have claimed compensation for damages, albeit not quantified, supposedly suffered as a result of Prysmian's involvement in the anti-competitive practices sanctioned by the European Commission and the antitrust authorities in Brazil and Spain.

Based on the information currently available, and believing it unlikely that these potential or unquantifiable liabilities will arise, the Directors have decided not to make any provision.

Despite the uncertainty of the outcome of the investigations and legal actions in progress, the amount of the provision set aside, the substance of which explained above, is considered to represent the best estimate of the liability based on the information available to date and the developments in the proceedings described above.

15. Employee benefit obligations

The Group provides a number of post-employment benefits through schemes that include defined benefit plans and defined contribution plans.

The defined contribution plans require the Group to pay, under legal or contractual obligations, contributions into public or private insurance institutions. The Group fulfils its obligations through payment of the contributions. At the financial reporting date, any amounts accrued but not yet paid to such institutions are recorded in "Other payables", while the related costs, accrued on the basis of employee service, are recognised in "Personnel costs".

The defined benefit plans mainly refer to Pension plans, Statutory severance benefit (for Italian companies), Medical benefit plans and other benefits such as seniority bonuses.

The liabilities arising under these plans, net of any assets serving such plans, are recognised in Employee benefit obligations and are measured using actuarial techniques.

Employee benefit obligations are analysed as follows:

(Euro/million)	31.12.2023	31.12.2022
Pension plans	271	262
Italian statutory severance benefit	12	12
Medical benefit plans	14	20
Termination and other benefits	36	35
Total	**333**	**329**

Pension plan amendments in 2023

There were no significant amendments to existing pension plans during 2023. The following notes provide more details about the three main types of benefit: pension plans, statutory severance benefit and medical benefit plans.

PENSION PLANS

Pension plans relate to defined benefit pension schemes that can be "*Funded*" or "*Unfunded*".

Pension plan liabilities are generally calculated according to employee length of service with the company and the remuneration paid in the period preceding cessation of employment.

Liabilities for "*Funded pension plans*" are funded by contributions paid by the employer and, in some cases, by employees, into a separately managed pension fund. The fund independently manages and administers the amounts received, investing in financial assets and paying benefits directly to employees. The Group's contributions to such funds are defined according to the requirements established in the individual countries.

Liabilities for "Unfunded pension plans" are managed directly by the employer who sees to paying the benefits to employees. These plans have no assets covering the liabilities.

Pension plan obligations and assets at 31 December 2023 and 31 December 2022 are analysed as follows:

(Euro/million)	31.12.2023					
	Germany	Great Britain	France	United States	Other countries	Total
Funded pension obligations:						
Present value of obligation	-	133	1	80	58	272
Fair value of plan assets	-	(101)	(1)	(69)	(74)	(245)
Asset ceiling	-	-	-	-	5	5
Unfunded pension obligations:						
Present value of obligations	186	-	25	4	24	239
Total	**186**	**32**	**25**	**15**	**13**	**271**

(Euro/million)	31.12.2022					
	Germany	Great Britain	France	United States	Other countries	Total
Funded pension obligations:						
Present value of obligation	-	130	2	85	66	283
Fair value of plan assets	-	(94)	(2)	(76)	(71)	(243)
Asset ceiling	-	-	-	-	3	3
Unfunded pension obligations:						
Present value of obligations	177	-	25	4	13	219
Total	**177**	**36**	**25**	**13**	**11**	**262**

At 31 December 2023, the net value of funded plans in "Other countries" is practically zero and mainly refers to Canada, Mexico and Spain.
At 31 December 2023, unfunded plans in "Other countries" primarily refer to Sweden and Chile.

Changes during the year in pension plan obligations are analysed as follows:

(Euro/million)	2023	2022
Opening defined benefit obligation	**502**	**729**
Current service costs	4	6
Interest costs	22	14
Administrative costs and taxes	3	2
Actuarial (gains)/losses recognised in equity - experience	4	12
Actuarial (gains)/losses recognised in equity - demographic assumptions	(4)	(3)
Actuarial (gains)/losses recognised in equity - financial assumptions	18	(194)
Disbursements from plan assets	(20)	(27)
Disbursements paid directly by the employer	(15)	(13)
Plan settlements	-	(28)
Currency translation differences	(3)	4
Closing defined benefit obligation	**511**	**502**

Changes during the year in pension plan assets are analysed as follows:

(Euro/million)	2023	2022
Opening plan assets	**243**	**370**
Interest income on plan assets	12	9
Actuarial gains/(losses) recognised in equity	4	(90)
Contributions paid in by the employer	22	21
Disbursements	(35)	(40)
Plan settlements	-	(30)
Currency translation differences	(1)	3
Closing plan assets	**245**	**243**

At 31 December 2023, pension plan assets consisted of equities (25% versus 22% in 2022), government bonds (31% versus 15% in 2022), corporate bonds (16% versus 23% in 2022), and other assets (28% versus 39% in 2022).

The asset ceiling recorded a value of Euro 5 million at 31 December 2023 (Euro 3 million at 31 December 2022).

Pension plan costs and income recognised in the income statement are analysed as follows:

(Euro/million)	2023					
	Germany	Great Britain	France	United States	Other countries	Total
Personnel costs	1	-	-	2	4	7
Interest costs	6	6	1	4	5	22
Expected returns on plan assets	-	(5)	-	(4)	(3)	(12)
Total pension plan costs	**7**	**1**	**1**	**2**	**6**	**17**

(Euro/million)	2022					
	Germany	Great Britain	France	United States	Other countries	Total
Personnel costs	1	-	1	3	3	8
Interest costs	3	4	-	4	3	14
Expected returns on plan assets	-	(3)	-	(4)	(2)	(9)
Total pension plan costs	**4**	**1**	**1**	**3**	**4**	**13**

More details can be found in Note 21. Personnel costs.

As evident from the preceding tables, the most significant plans at 31 December 2023 in terms of accrued employee benefit obligations are those managed in the following countries:

- Germany;
- Great Britain;
- France;
- United States.

Pension plans in these countries account for more than 90% of the related liability. The principal risks to which they are exposed are described below:

Germany

There are eight pension plans in Germany, most of which final salary plans with the retirement age generally set at 65. Although most plans are closed to new members, additional costs may need to be recognised in the future. As at 31 December 2023, the plans had an average duration of 11 years (the same as at 31 December 2022).

Total plan membership is made up as follows:

	31.12.2023	31.12.2022
	Number of participants	Number of participants
Active	1,442	1,200
Deferred	793	820
Pensioners	2,295	2,271
Total membership	**4,530**	**4,291**

The German plans do not have any assets that fund the liabilities, in line with the practice in this country; the Group pays these benefits directly.

The benefits payable in 2024 will amount to Euro 11 million (Euro 10 million at 31 December 2022 for 2023).

Changes in benefits, and so in the recorded liability and service costs, mainly depend on inflation, salary growth and the life expectancy of plan members. Another variable to consider when determining the amount of the liability and service costs is the discount rate, identified by reference to market yields of AA corporate bonds denominated in Euro.

Great Britain

Two defined benefit plans were in operation at 31 December 2023: the Draka pension fund and the Prysmian pension fund. Both are final salary plans, in which the retirement age is generally set at 65 for the majority of plan participants. Neither plan has admitted any new members or incurred any new liabilities since 2013. Currently all employees participate in defined contribution plans.

As at 31 December 2023, the plans had an average duration of approximately 14 years (19 years at 31 December 2022).

Total plan membership is made up as follows:

	31.12.2023			31.12.2022		
	Draka pension fund	Prysmian pension fund	Total	Draka pension fund	Prysmian pension fund	Total
	Number of participants	Number of participants	Number of participants	Number of participants	Number of participants	Number of participants
Active	-	-	-	-	-	-
Deferred	367	409	776	443	521	964
Pensioners	517	432	949	478	385	863
Total membership	**884**	**841**	**1,725**	**921**	**906**	**1,827**

Both plans operate under trust law and are managed and administered by a *Board of Trustees* on behalf of members and in accordance with the terms of the *Trust Deed and Rules* and current legislation. The assets that fund the liabilities are held by the Trust, for both plans.

For the purposes of determining the level of funding, the Trustees appoint an actuary to value the plans every three years, with annual updates. The latest valuation of the Draka pension fund and the Prysmian pension fund was conducted at 31 December 2021 and finalised on 31 March 2023. The contribution levels are also set every three years when performing the valuations to determine the level of plan funding, but can be revised annually.

The Trustees decide on the investment strategy in agreement with the company. The strategies differ for both plans. In particular, the Draka pension fund has invested its assets as follows: 11% in equities, 53% in bonds and 36% in other financial instruments. The Prysmian pension fund has invested its assets as follows: 6% in equities, 72% in bonds and 22% in other financial instruments.

In Great Britain, one of the main risks for the Group is that mismatches between the expected return and the actual return on plan assets would require contribution levels to be revised.

The liabilities and service costs are sensitive to the following variables: life expectancy of plan participants and future growth in benefit levels. Another variable to consider when determining the amount of the liability is the discount rate, identified according to market yields of AA-rated corporate bonds denominated in pounds sterling.

The benefits payable in 2024 will amount to Euro 5 million (Euro 9 million at 31 December 2022 for 2023).

France

There were five pension plans in operation in France at 31 December 2023, of which four are unfunded retirement benefit plans and one is a partially funded pension plan.

All plans have a retirement age generally set between 62 and 64 according to the date of birth. They are all open to new members, except for the funded plan which does not admit new members or incur new liabilities.

As at 31 December 2023, the plans had an average duration of approximately 11 years, in line with the previous year.

Total plan membership is made up as follows:

	31.12.2023	31.12.2022
	Number of participants	Number of participants
Active	2,457	2,457
Deferred	-	-
Pensioners	21	21
Total membership	**2,478**	**2,478**

In France, the principal risk for the Group is salary growth, which affects the benefits that the company has to pay the employee. In the case of the retirement benefit plans, the benefits vest only upon attaining retirement age; consequently, the cost to the company will depend on the probability that an employee does not leave the company before that date. There are no life expectancy risks relating to these plans. The liabilities and service costs are sensitive to the following variables: inflation, salary growth and the discount rate, determined according to market yields of AA corporate bonds denominated in Euro.

The main risks for the funded plan are those associated with inflation and life expectancy, both of which affect contribution levels. The plan's assets are entirely invested in insurance funds, whose main risk is that a mismatch between the expected return and the actual return on plan assets would require a revision of contribution levels.

United States

There were four pension plans in operation in the United States at 31 December 2023, of which two are funded plans that pay an income upon retirement; one is a supplementary unfunded plan and another is an unfunded deferred compensation plan.

All the plans generally set the retirement age at 65. They are all closed to new members and do not admit new members or incur new liabilities, except for the "Master Pension Plan" into which it is still possible to pay.

As at 31 December 2023, the plans had an average duration of approximately 10 years, in line with the previous year.

Total plan membership is made up as follows:

	31.12.2023	31.12.2022
	Number of participants	Number of participants
Active	319	346
Deferred	547	603
Pensioners	1,003	1,013
Total membership	**1,869**	**1,962**

The benefits and contributions payable in 2024 will amount to Euro 1 million (Euro 1 million at 31 December 2022 for 2023).

The weighted average actuarial assumptions used to value the pension plans in the principal countries (Germany, Great Britain, France and United States) are as follows:

	31.12.2023							
	Germany		Great Britain		France		United States	
Interest rate	3.20%		4.50%		3.20%		5.00%	
Expected future salary increase	2.87%		N/A		2.47%		2.50%	
Expected increase in pensions	2.33%		3.20%		2.20%		3.00%	
Inflation rate	2.50%		N/A		2.40%		N/A	
Life expectancy at age 65:	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
People currently aged 65	20.80	24.20	19.82	23.28	25.86	29.41	20.23	22.15
People currently aged 50	22.90	25.90	20.33	20.33	27.94	31.62	21.38	23.26

	31.12.2022							
	Germany		Great Britain		France		United States	
Interest rate	3.70%		4.75%		3.75%		5.35%	
Expected future salary increase	3.07%		-		2.47%		2.50%	
Expected increase in pensions	2.60%		3.44%		1.65%		-	
Inflation rate	2.60%		3.25%		2.40%		3.00%	
Life expectancy at age 65:	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
People currently aged 65	20.70	22.70	20.35	23.08	25.86	29.41	20.17	22.09
People currently aged 50	24.10	25.80	20.93	23.98	27.94	31.62	21.30	23.19

The following table presents a sensitivity analysis of the effects of an increase/decrease in the most significant actuarial assumptions used to determine the present value of benefit obligations, namely the interest rate, inflation rate and life expectancy.

Inflation rate sensitivity includes those effects relating to assumptions about salary increases and increases in benefits.

	31.12.2023							
		Germany		Great Britain		France		United States
Interest rate	**- 0.50%**	**+ 0.50%**	**- 0.50%**	**+0.50%**	**- 0.50%**	**+ 0.50%**	**- 0.50%**	**+ 0.50%**
Change in pension plans	5.56%	-5.22%	7.08%	-6.37%	5.38%	-5.09%	4.65%	-3.95%
Inflation rate	**- 0.25%**	**+ 0.25%**	**- 0.25%**	**+ 0.25%**	**- 0.25%**	**+ 0.25%**	**- 0.25%**	**+ 0.25%**
Change in pension plans	-2.61%	1.31%	-1.78%	1.84%	-2.69%	2.51%	N/A	N/A

	31.12.2023			
	Germany	Great Britain	France	United States
1-year increase in life expectancy	4.76%	4.14%	0.77%	3.48%

	31.12.2022							
		Germany		Great Britain		France		United States
Interest rate	**- 0.50%**	**+ 0.50%**	**- 0.50%**	**+0.50%**	**- 0.50%**	**+ 0.50%**	**- 0.50%**	**+ 0.50%**
Change in pension plans	5.63%	-5.15%	9.62%	-8.58%	5.21%	-4.93%	4.20%	-3.42%
Inflation rate	**- 0.25%**	**+ 0.25%**	**- 0.25%**	**+ 0.25%**	**- 0.25%**	**+ 0.25%**	**- 0.25%**	**+ 0.25%**
Change in pension plans	-2.41%	2.49%	-2.21%	2.26%	-2.61%	2.68%	0.73%	0.73%

	31.12.2022			
	Germany	Great Britain	France	United States
1-year increase in life expectancy	5.06%	5.44%	0.75%	3.04%

STATUTORY SEVERANCE BENEFIT

Statutory severance benefit, which refers to Italian companies only, is analysed as follows:

(Euro/million)	2023	2022
Opening balance	**12**	**15**
Current service costs	1	1
Actuarial (gains)/losses recognised in equity	-	(3)
Disbursements	(1)	(1)
Closing balance	**12**	**12**

No actuarial gains or losses were recorded at 31 December 2023. Actuarial gains and losses basically reflect variations in the associated economic parameters (the discount and inflation rates).

Under Italian law, the amount due to each employee accrues with service and is paid when the employee leaves the company. The amount due upon termination of employment is calculated on the basis of the length of service and the taxable remuneration of each employee. The liability is adjusted annually for the official cost of living index and statutory interest, and is not subject to any vesting conditions or periods, or any funding obligation; there are therefore no assets that fund this liability.

The benefits are paid in the form of a lump sum, in accordance with the related rules. In certain circumstances, the benefit plan also allows the payment of partial advances against the full amount of the accrued benefit.

The main risk is the volatility of the inflation rate and the interest rate, as determined by the market yield on AA corporate bonds denominated in Euro.

The actuarial assumptions used to value statutory severance benefit are as follows:

	31.12.2023	31.12.2022
Interest rate	3.20%	3.80%
Expected future salary increase	2.20%	2.40%
Inflation rate	2.20%	2.40%

The following table presents a sensitivity analysis of the effects of an increase/decrease in the most significant actuarial assumptions used to determine the present value of benefit obligations, namely the interest rate and inflation rate:

	31.12.2023		31.12.2022	
Interest rate	**- 0.50%**	**+ 0.50%**	**- 0.50%**	**+ 0.50%**
Change in statutory severance benefit	4.39%	-4.19%	4.33%	-4.14%
Inflation rate	**- 0.25%**	**+ 0.25%**	**- 0.25%**	**+ 0.25%**
Change in statutory severance benefit	-1.42%	1.43%	-1.38%	1.41%

MEDICAL BENEFIT PLANS

Some Group companies provide medical benefit plans for retired employees. In particular, the Group funds medical benefit plans in Brazil, Canada and the United States. The US plans account for more than 90% of the total obligation for medical benefit plans.

Apart from interest rate and life expectancy risks, medical benefit plans are particularly susceptible to increases in the cost of meeting claims. None of the medical benefit plans has any assets to fund the associated obligations, with benefits paid directly by the employer.

The obligation in respect of medical benefit plans is analysed as follows:

(Euro/million)	2023	2022
Opening balance	**20**	**31**
Current service costs	1	2
Interest costs	1	-
Actuarial (gains)/losses recognised in equity - experience	(6)	(14)
Disbursements	(1)	(1)
Currency translation differences	(1)	2
Closing balance	**14**	**20**

The actuarial assumptions used to value medical benefit plans are as follows:

	31.12.2023		31.12.2022	
Interest rate	5.26%		5.50%	
Expected future salary increase	-		-	
Increase in claims	3.50%		3.50%	
Life expectancy at age 65:	**Uomini**	**Donne**	**Uomini**	**Donne**
People currently aged 65	20.70	22.75	20.55	22.63
People currently aged 50	21.81	23.78	21.67	23.67

The following table presents a sensitivity analysis of the effects of an increase/decrease in the most significant actuarial assumptions used to determine the present value of benefit obligations, such as the interest rate, inflation rate/growth in healthcare costs and life expectancy.

	31.12.2023		31.12.2022	
Interest rate	**-0.50%**	**+0.50%**	**-0.50%**	**+0.50%**
Change in medical benefit plans	5.47%	-5.11%	6.35%	-5.87%
Medical inflation rate	**-0.25%**	**+0.25%**	**-0.25%**	**+0.25%**
Change in medical benefit plans	-2.40%	2.51%	-1.75%	1.87%

	31.12.2023	31.12.2022
1-year increase in life expectancy	3.47%	3.11%

Number of employees
Average headcount in the period is reported below, compared with closing headcount at the end of each period.

2023	Average	%	Closing	%
Non-desk staff	22,556	74%	21,997	73%
Desk staff and management	8,048	26%	8,091	27%
Total	**30,604**	**100%**	**30,088**	**100%**
2022	**Average**	**%**	**Closing**	**%**
Non-desk staff	22,693	74%	21,966	73%
Desk staff and management	7,911	26%	8,219	27%
Total	**30,604**	**100%**	**30,185**	**100%**

16. Deferred taxes

The balance of deferred tax assets at 31 December 2023 is Euro 299 million (Euro 203 million at 31 December 2022) while that of deferred tax liabilities is Euro 222 million (Euro 187 million at 31 December 2022).

Movements in deferred taxes are analysed as follows:

(Euro/million)	Fixed assets	Provisions[1]	Tax losses	Other	Total
Balance at 31 December 2021*	**(227)**	**196**	**9**	**15**	**(8)**
Currency translation differences	(11)	1	-	-	(10)
Impact on income statement	28	18	(3)	5	48
Impact on equity	-	(26)	-	12	(14)
Balance at 31 December 2022	**(210)**	**189**	**6**	**32**	**16**
Currency translation differences	-	-	-	2	2
Impact on income statement	26	37	41	(64)	39
Impact on equity	-	2	-	19	22
Other and reclassifications	-	(1)	-	(1)	(2)
Balance at 31 December 2023	**(184)**	**227**	**47**	**(13)**	**77**

(1) These comprise Provisions for risks and charges (current and non-current) and Employee benefit obligations.
(*) The previously published comparative Consolidated Financial Statements have been revised after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o.

The Group has not recognised any deferred tax assets on Euro 769 million in carryforward tax losses at 31 December 2023 (Euro 1,017 million at 31 December 2022). Unrecognised deferred tax assets relating to the above carryforward tax losses and to deductible temporary differences amount to Euro 186 million (Euro 237 million at 31 December 2022).

At 31 December 2023, it has however recognised deferred tax assets of Euro 41 million on carryforward tax losses of Euro 234 million (Euro 28 million at 31 December 2022).

The following table presents details of carryforward tax losses:

(Euro/million)	31.12.2023	31.12.2022
Carryforward tax losses	1,003	1,045
of which recognised as deferred tax assets	234	28
Carryforward expires within 1 year	9	9
Carryforward expires between 2-5 years	34	47
Carryforward expires beyond 5 years	10	39
Unlimited carryforward	950	950

17. Sales

Details are as follows:

(Euro/million)	2023	2022
Finished goods	12,455	13,817
Construction contracts	1,996	1,607
Services	108	106
Other	795	537
Total	**15,354**	**16,067**

18. Change in inventories of finished goods and work in progress

Details are as follows:

(Euro/million)	2023	2022
Finished goods	34	(67)
Work in progress	18	37
Total	**52**	**(30)**

19. Other income

Details are as follows:

(Euro/million)	2023	2022
Rental income	2	3
Insurance reimbursements and indemnities	17	17
Gains on disposal of property	1	4
Other revenue and income	50	46
Total	**70**	**70**

20. Raw materials, consumables and supplies

Details are as follows:

(Euro/million)	2023	2022
Raw materials	9,717	10,768
Change in inventories	(12)	(180)
Total	**9,705**	**10,588**

21. Personnel costs

Details are as follows:

(Euro/million)	2023	2022
Wages and salaries and social security	1,574	1,545
Fair value share-based payments	57	104
Pension plans	7	10
Medical benefit costs	-	1
Termination and other benefits	34	28
Business reorganisation	37	5
Other personnel costs	95	65
Total	**1,804**	**1,758**

Share-based payments

At 31 December 2023, Prysmian S.p.A. had share-based payment plans in place for managers and employees of Group companies and executive directors and executives with strategic responsibilities in the Companymembers of the Company's Board of Directors. These plans are described below.

Employee share purchase plan– YES

The YES plan is based on financial instruments and reserved for employees of Prysmian S.p.A. and/or of its subsidiaries. The plan has offered the opportunity to purchase Prysmian's ordinary shares on preferential terms, with a maximum discount of 25% on the stock price, given in the form of treasury shares (the so-called discounted shares), except for certain managers for whom the discount was 15%, and the executive Directors and key management personnel, for whom the discount was 1% on the stock price.
The shares purchased or received free of charge are subject to a retention period, during which they cannot be sold.
The shares purchased by participants, as well as those received by way of discount and entry bonus, are subject to a retention period, during which they cannot be sold and the length of which varies according to relevant local regulations.
All those who signed up to the plan have also received an entry bonus of eightsix free shares, or rather three free shares for employees who have already participated in at least one of the purchase cycles in the previous two years, taken from the Company's portfolio of treasury shares, only available with their first-time purchase during the same financial year. If an employee had already participated in the 2013 plan, they have received eight shares as an entry bonus to the new plan. For those who had already purchased shares in a 2017 purchase window, the entry bonus was three shares.
The shares purchased by participants, as well as those received by way of discount and entry bonus, are subject to a retention period, during which they cannot be sold and the length of which varies according to relevant local regulations. Furthermore, a loyalty bonus of five shares is provided for those who choose to extend the retention period of the shares granted in 2019, 2020, and 2021.

On 28 April 2021, the shareholders of Prysmian S.p.A. approved an extension of the share ownership plan, for Prysmian employees.
In line with past practice, the extension provides the opportunity to purchase Prysmian's ordinary shares on preferential terms, with a maximum discount of 25% on the stock price, given in the form of treasury shares. The shares purchased are subject to a retention period, during which they cannot be sold. The extension which has added new purchase windows in the years 2022, 2023 and 2024.
Beneficiaries of the plan also include the executive directors of Prysmian S.p.A. as well as key management personnel, for whom the discount is 1%. "A total maximum of 600,000 own shares are allocated for the purposes of discounted shares, entry bonus shares, and loyalty bonus shares throughout the duration of the plan (2022-2024)".
Costs of Euro 2 million have been recognised as "Personnel costs" in the income statement at 31 December 2023 for the fair value of shares that will be allotted under this plan.

The fair value of the shares has been determined using the Montecarlo binomial pricing model, based on the following assumptions:

	Windows
Grant date	12 April 2022
Share purchase date	from 16 June 2022 to 16 September 2025
End of retention period	from 16 June 2025 to 16 September 2027
Residual life (in years)	1.74
Share price at grant date (Euro)	€30.87
Risk-free interest rate	from 0.32% to 0.54%
Expected dividend %	1.80%
Share fair value at grant date (Euro)	from €23.94 to €19.27

The Report on Remuneration Policy and Compensation Paid andT the information memorandum, prepared under art. 114-bis of Legislative Decree 58/98 and describing the characteristics of the above plan, is publicly available on the Company's website at http://www.prysmian.com/, from its registered offices and from Borsa Italiana S.p.A.

2020-2022 Long-term incentive plan

The results achieved under the Group's 2020-2022 LTI Plan were approved by the Board of Directors on 9 March 2023 after receiving the Remuneration and Nominations Committee's favourable opinion, confirming the grant of a total of 8,593,072 shares.

"Grow" 2023-2025 long-term incentive plan

On 19 April 2023, the shareholders' meeting of Prysmian S.p.A. approved a long-term incentive plan (2023-2025) that will cover approximately 1,100 beneficiaries among management and other key Prysmian resources, including Prysmian S.p.A.'s Executive Directors and Key Management Personnel. The Plan involves the grant of new-issue ordinary shares obtained from a bonus issue funded by profits or retained earnings in accordance with art. 2349 of the Italian Civil Code, or a combination of new-issue shares and treasury shares. By means of this plan, Prysmian intends to strengthen the Company's and management's commitment to creating sustainable value over time for all stakeholders, including by involving a wide range of key people in over 40 countries who play an important role in the Group's sustainable success. The plan spans a three-year period and provides for the award of shares, Performance share, upon achievement of economic and financial performance conditions, Total Shareholders Return and ESG targets. The plan also allows 50% of the annual bonus, where due, for the years 2023, 2024, 2025 to be deferred in the form of shares, Deferred share. The annual bonus is also linked to the achievement of ESG targets, as well as to economic-financial targets. The deferral of the annual bonus also entails an additional award of 0.50 "matching" shares which, in the case of the Group's some 50 top managers, is also dependent on the achievement of ESG targets by 2025. The plan has the following objectives:

- to motivate participants to achieve long-term results geared towards sustainable value creation over time;
- to align the interests of management with those of shareholders through the use of share-based incentive instruments;
- to foster stable management ownership of the Company's share capital;
- to ensure the long-term sustainability of the Group's annual performance, by boosting staff engagement and retention, including through the mechanism of deferring part of the annual bonus in shares.

The shareholders of Prysmian S.p.A. also authorised a bonus share capital increase to be reserved for Prysmian employees in execution of the plan. This capital increase may reach a maximum nominal amount of Euro 950,000 through apportionment, pursuant to art. 2349 of the Italian Civil Code, of a corresponding amount from profits or retained earnings, with the issue of no more than 9,500,000 ordinary shares of nominal value Euro 0.10 each.

The actual allocation of shares, in particular with reference to the Performance Shares, is subject to the level of achievement of the following performance conditions: cumulative Adjusted EBITDA, cumulative Free Cash Flow, average ROCE, relative TSR measured against a 11-member peer group and ESG, measured by a set of indicators.

The following table provides details about movements in the plan:

31.12.2023	Number of shares
Shares vested at start of year	-
Change in expected participations	-
Shares vesting in period	1,479,462
Total shares vested at end of year	1,479,462

Costs of Euro 32 million have been recognised as "Personnel costs" in the income statement at 31 December 2023 for the fair value of shares that will be allotted under this plan.

In accordance with IFRS 2, the shares that will be allotted have been measured at their grant date fair value. The fair value of options related to performance shares, for the entire period of the plan, and to deferred and matching shares vesting in 2023 has been calculated using the following assumptions:

Grant date	19 April 2023
Residual life at grant date (in years)	2.33
Exercise price (Euro)	38.25
Risk-free interest rate	2.73%
Expected dividend %	2.00%
Share fair value (not market based) at grant date	28.43
Share fair value (market based) at grant date	21.99

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BE-IN plan

On 12 April 2022, the shareholders of Prysmian S.p.A. approved an equity-settled stock grant plan for employees of Prysmian S.p.A. and Prysmian companies, except for managers already covered by individual incentive schemes; the plan aims to foster wide participation in future value creation and to strengthen the level of employee engagement; the plan is subject to local consultation with the relevant trade union representatives, where required.

The plan, participation in which is voluntary, envisages three allotment cycles for 2022, 2023 and 2024 and provides for the allotment of a maximum of 3,000,000 shares.

By voluntarily joining the plan, the employee agrees to receive, in lieu of payment of part of their monetary bonus, or in some cases even without converting a monetary bonus, a value equating to a number of shares, to be calculated on the basis of the allotment value, defined as the average share price over the 30 trading days preceding definition of the incentive's value. The number of shares allotted may be increased by an additional number of shares, up to a maximum of 50% of the shares allotted.

The number of shares received by each participant is determined according to the amount of the incentive's value.

Allotted shares are freely transferable from the grant date. If these shares are held for the entire holding period, 12 months, the employee is entitled to receive a number of additional "loyalty shares". If, during the holding period, the employee sells all or part of the shares received, they will no longer be entitled to receive additional shares.

The shares are credited to participants annually within specific time frames, identified on a local basis when rolling out the plan.

Shares credited to participants in 2023, 2024 and 2025 relate to performance in 2022, 2023 and 2024, respectively, with the respective additional shares credited in 2024, 2025 and 2026.

During the plan's rollout, some of these provisions may be adjusted not only to ensure that the plan nonetheless complies with applicable local rules, legislation and tax and social security regulations but also to facilitate its implementation for the sake of wider participation.

Costs of Euro 23 million have been recognised as "Personnel costs" in the income statement at 31 December 2023 for the fair value of shares that will be allotted under this plan.

The fair value of shares that will be allotted under this plan has been determined using the following assumptions:

Grant date	12 April 2022
Residual life at grant date (in years)	1.35
Exercise price (Euro)	0
Risk-free interest rate	2.14% - 2.52%
Expected dividend %	1.80%
Fair value at grant date of conversion and premium shares	32.93
Fair value at grant date of loyalty shares	28.38

Grant date	30 April 2023
Residual life at grant date (in years)	1.35
Exercise price (Euro)	37.07
Risk-free interest rate	2.73%
Expected dividend %	2.00%
Fair value at grant date of conversion and premium shares	30.10
Fair value at grant date of loyalty shares	23.45

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22. Amortisation, depreciation, impairment and impairment reversals

Details are as follows:

(Euro/million)	2023	2022
Depreciation of buildings, plant, machinery and equipment	196	210
Depreciation of other property, plant and equipment	18	22
Amortisation of intangible assets	78	78
Depreciation and impairment of right-of-use assets (IFRS 16)	68	59
Impairment of property, plant and equipment	46	34
Impairment of equity-accounted investments	168	-
Total	**574**	**403**

23. Other expenses

Details are as follows:

(Euro/million)	2023	2022
Professional services	135	133
Insurance	74	45
Maintenance costs	164	151
Selling costs	42	129
Utilities	311	367
Travel costs	51	42
Rentals and vessel charter	68	73
Increases in/(releases of) provisions for risks	113	130
Losses on disposal of fixed assets	1	3
Sundry expenses	158	123
Other costs	1,454	1,322
Business reorganisation	1	7
Total	**2,572**	**2,525**

Other costs mainly refer to those incurred for project execution.

The Group expensed Euro 107 million in research and development costs in 2023 (Euro 101 million in 2022), insofar as there were no qualifying conditions to justify their capitalisation.

24. Share of net profit/(loss) of equity-accounted companies

Details are as follows:

(Euro/million)	2023	2022
Share of net profit/(loss) of associates	33	47
Total	**33**	**47**

Further information can be found in Note 3. Equity-accounted investments.

25. Finance costs

Details are as follows:

(Euro/million)	2023	2022
Interest on loans	85	19
Interest on non-convertible bond	-	5
Interest on Convertible Bond 2021 - non-monetary component	9	9
Interest Rate Swaps	-	12
Interest on lease liabilities	11	6
Amortisation of bank and financial fees and other expenses	5	6
Employee benefit interest costs net of interest on plan assets	13	6
Other bank interest	6	7
Costs for undrawn credit lines	3	3
Sundry bank fees	25	21
Other	9	23
Finance costs	**166**	**117**
Foreign currency exchange losses	927	999
Foreign currency exchange losses	**927**	**999**
Total finance costs	**1,093**	**1,116**

26. Finance income

Details are as follows:

(Euro/million)	2023	2022
Interest income from banks and other financial institutions	36	13
Interest Rate Swaps	26	-
Non-recurring finance income	2	-
Finance income related to hyperinflation	18	7
Other finance income	1	6
Finance income	**83**	**26**
Net gains on forex derivatives	-	14
Gains on derivatives	**-**	**14**
Foreign currency exchange gains	914	966
Total finance income	**997**	**1,006**

27. Taxes

Details are as follows:

(Euro/million)	2023	2022
Current income taxes	256	278
Deferred income taxes	(39)	(48)
Total	**217**	**230**

The following table reconciles the effective tax rate with the Parent Company's theoretical tax rate:

(Euro/million)	2023	Tax rate	2022	Tax rate
Profit/(loss) before taxes	764		739	
Theoretical tax expense	183	24.0%	177	24.0%
Differences in nominal tax rates of foreign subsidiaries	(14)	-1.8%	(9)	-1.2%
Taxes on distributable reserves	55	7.2%	27	3.6%
Taxes on dividends	11	1.4%	7	0.9%
Accrual (Release) of Antitrust provision	1	0.1%	6	0.8%
Asset impairment	(2)	-0.3%	-	0.0%
WHT expensed/corporate income tax branch	4	0.5%	3	0.4%
IRAP (Italian regional business tax) and US State tax	25	3.3%	24	3.3%
Prior year current taxes	(11)	-1.4%	-	0.0%
Deferred tax effect on carryforward tax losses	(41)	-5.4%	8	1.1%
Non-deductible costs/ (non-taxable income) and other	6	0.8%	(13)	-1.8%
Effective income taxes	**217**	**28.4%**	**230**	**31.1%**

"Deferred tax effect on carryforward tax losses " include deferred tax assets recognised for companies located in countries that, according to a multi-year business plan, will be able to utilise the benefit in future years against positive future earnings.

"Taxes on distributable reserves" include the recognition of deferred tax liabilities on profits that could be distributed by subsidiaries in future years. The increase from the previous year is mainly attributable to potential profit distributions by US companies.

28. Earnings/(loss) and dividends per share

Both basic and diluted earnings (loss) per share have been calculated by dividing the net result for the period attributable to owners of the parent by the average number of the Company's outstanding shares.

Diluted earnings/(loss) per share have been affected by the options under the Convertible Bond, whose conversion was in the money as at 31 December 2023, and by the options under the employee share purchase plan (YES Plan).

(Euro/million)	2023	2022
Net profit/(loss) attributable to owners of the parent	529	504
Weighted average number of ordinary shares (thousands)	272,679	263,497
Basic earnings per share (in Euro)	**1.94**	**1.91**
Net profit/(loss) attributable to owners of the parent for purposes of diluted earnings per share(*)	537	504
Weighted average number of ordinary shares (thousands)	272,679	263,497
Adjustments for:		
New shares from conversion of bonds into shares	18,640	-
Dilution from incremental shares arising from exercise of share-based payment plans and employee share purchase plans (thousands)	69	2,062
Weighted average number of ordinary shares to calculate diluted earnings per share (thousands)	291,388	265,558
Diluted earnings per share (in Euro)	**1.84**	**1.90**

(*) This figure has been adjusted for interest accruing on the Convertible Bond, net of the related tax effect.

The dividend paid in 2023 amounted to approximately Euro 158 million (Euro 0.60 per share). With reference to the year ended 31 December 2023, a recommendation to pay a dividend of Euro 0.70 per share, totalling approximately Euro 191 million, based on the number of outstanding shares, will be presented to the shareholders for approval in the meeting convened in single call for 18 April 2024.

29. Contingent liabilities

As a global operator, the Group is exposed to legal risks primarily, by way of example, in the areas of product liability and environmental, antitrust and tax rules and regulations. The outcome of legal disputes and proceedings currently in progress cannot be predicted with certainty. An adverse outcome in one or more of these proceedings could result in the payment of costs that are not covered, or not fully covered, by insurance, which would therefore have a direct effect on the Group's financial position and results.

As at 31 December 2023, contingent liabilities for which the Group has not recognised any provision for risks and charges, on the grounds that an outflow of resources is considered unlikely, but for which reliable estimates are available, amount to approximately Euro 57 million and mainly refer to legal and tax issues.

30. Commitments to purchase property, plant and equipment and intangible assets

Contractual commitments already entered into with third parties as at 31 December 2023 and not yet reflected in the financial statements amounted to Euro 566 million for investments in property, plant and equipment (Euro 416 million at 31 December 2022); commitments to third parties for investments in intangible assets amounted to Euro 2 million at 31 December 2023 (Euro 2 million at 31 December 2022).

31. Receivables factoring

The Group has factored some of its trade receivables on a without-recourse basis. Receivables factored but not yet paid by customers amounted to Euro 157 million at 31 December 2023 (Euro 296 million at 31 December 2022).

32. Financial covenants

The credit agreements in place at 31 December 2023, details of which are presented in Note 12. Borrowings from banks and other lenders, require the Group to comply with a series of covenants on a consolidated basis. The main covenants, classified by type, are listed below:

[a] Financial covenants

- Ratio between EBITDA and Net finance costs (as defined in the relevant agreements). This covenant does not apply to the Revolving Credit Facility 2023 as long as Prysmian S.p.A. maintains a long-term “Investment Grade” credit rating;
- Ratio between Net Financial Debt and EBITDA (as defined in the relevant agreements).

The covenants contained in the relevant credit agreements are as follows:

	EBITDA/ Net finance costs[1] not less than:	Net financial debt/ EBITDA[1] not more than:
	4.00x	3.00x

(1) The ratios are calculated on the basis of the definitions contained in the relevant credit agreements. The Net Financial Debt/EBITDA ratio can go as high as 3.5 following extraordinary transactions like acquisitions, no more than three times, including on non-consecutive occasions.

[b] Non-financial covenants

A number of non-financial covenants have been established in line with market practice applying to transactions of a similar nature and size. These covenants involve restrictions on the grant of secured guarantees to third parties and on amendments to the Company’s by-laws.

Default events

The main default events are as follows:

- default on loan repayment obligations;
- breach of financial covenants;
- breach of some of the non-financial covenants;
- declaration of bankruptcy by some relevant Group companies or their involvement in other insolvency proceedings;
- issuing of particularly significant court orders;
- occurrence of events that may adversely and significantly affect the business, the assets or the financial conditions of the Group.

Should a default event occur, the lenders are entitled to demand full or partial repayment of the amounts lent and not yet repaid, together with interest and any other amount due. No collateral security is required.

Actual financial ratios reported at 31 December 2023 and 31 December 2022 are as follows:

	31.12.2023	31.12.2022
EBITDA / Net finance costs[1][2]	26.90x	27.26x
Net financial debt / EBITDA[1]	0.56x	0.83x

(1) The ratios are calculated on the basis of the definitions contained in the relevant credit agreements.
(2) This covenant does not apply to the Revolving Credit Facility 2023.

The above financial ratios comply with both covenants contained in the relevant credit agreements and there are no instances of non-compliance with the financial and non-financial covenants indicated above.

33. Related party transactions

Transactions by Prysmian S.p.A. and its subsidiaries with associates mainly refer to:

- trade relations involving purchases and sales of raw materials and finished goods;
- services (technical, organisational and general) provided by head office for the benefit of group companies;
- recharge of royalties for the use of trademarks, patents and technological know-how by group companies.

The related party disclosures also include the compensation paid to Directors, Statutory Auditors and Key Management Personnel.

All the above transactions form part of the Group's continuing operations.

The following tables provide a summary of related party transactions and balances for the years ended 31 December 2023 and 31 December 2022:

	31.12.2023				
(Euro/million)	**Equity-accounted companies**	**Compensation of directors, statutory auditors and key management personnel**	**Total related parties**	**Total reported amount**	**Related party % total**
Equity-accounted investments	218	-	**218**	218	100.0%
Trade receivables	3	-	**3**	1,987	0.2%
Other receivables	2	-	**2**	1,090	0.2%
Trade payables	4	-	**4**	2,199	0.2%
Other payables	-	5	**5**	2,522	0.2%
Provisions for risks and charges	-	5	**5**	811	0.6%

	31.12.2022				
(Euro/million)	**Equity-accounted companies**	**Compensation of directors, statutory auditors and key management personnel**	**Total related parties**	**Total reported amount**	**Related party % total**
Equity-accounted investments	387	-	**387**	387	100.0%
Trade receivables	-	-	**-**	1,942	0.0%
Other receivables	3	-	**3**	1,012	0.3%
Trade payables	17	-	**17**	2,718	0.6%
Other payables	-	2	**2**	1,722	0.1%
Provisions for risks and charges	-	8	**8**	696	1.1%

(Euro/million)	2023				
	Equity-accounted companies	Compensation of directors, statutory auditors and key management personnel	Total related parties	Total reported amount	Related party % total
Other income	6	-	**6**	70	8.6%
Personnel costs	-	(13)	**(13)**	(1,804)	0.7%
Other expenses	(6)	(1)	**(7)**	(2,572)	0.3%
Share of net profit/(loss) of equity-accounted companies	33	-	**33**	33	100.0%

(Euro/million)	2022				
	Equity-accounted companies	Compensation of directors, statutory auditors and key management personnel	Total related parties	Total reported amount	Related party % total
Other income	7	-	**7**	70	10.0%
Personnel costs	-	(16)	**(16)**	(1,758)	0.9%
Other expenses	(6)	(2)	**(8)**	(2,525)	0.3%
Share of net profit/(loss) of equity-accounted companies	47	-	**47**	47	100.0%

Transactions with associates

Trade and other payables refer to goods and services provided in the ordinary course of the Group's business. Trade and other receivables refer to transactions carried out in the ordinary course of the Group's business.

Top management compensation

Top management compensation is analysed as follows:

(Euro/million)	2023	2022
Salaries and other short-term benefits - fixed part	4,482	4,540
Salaries and other short-term benefits - variable part	2,161	2,726
Other benefits	2,141	290
Share-based payments	3,937	8,923
Other costs	1,300	1,833
Total	**14,021**	**18,312**
of which Directors	6,965	11,233

The amounts shown in the table are the costs recognised in profit or loss for the year.
At 31 December 2023, employee benefit obligations pertaining to top managers amounted to Euro 5 million.

34. Compensation of directors and statutory auditors

The compensation of the executive and non-executive Directors of Prysmian S.p.A. came to Euro 6.96 million in 2023 (Euro 11.2 million in 2022).

The compensation of the Statutory Auditors of Prysmian S.p.A. came to Euro 0.2 million in 2023, the same as the year before. Compensation includes emoluments, and any other types of remuneration, pension and medical benefits, received for their service as Directors or Statutory Auditors of Prysmian S.p.A. and other companies included in the scope of consolidation, and that have constituted an expense for Prysmian.

35. Atypical and/or unusual transactions

In accordance with the disclosures required by Consob Communication DEM/6064293 dated 28 July 2006, it is reported that no atypical and/or unusual transactions took place during 2023.

36. Significant non-recurring events and transactions

As required by Consob Communication DEM/6064293 dated 28 July 2006 and in accordance with the ESMA Guidelines/2015/1415, the following table presents the effects of non-recurring events and transactions on profit or loss:

(Euro/million)	2023	2022
Non-recurring other income/(expenses)		
Antitrust	(9)	(47)
Non-recurring other finance income/(costs)		
Non-recurring other finance income/(costs)	2	-
Total	**(7)**	**(47)**

37. Statement of cash flows

The decrease in net working capital provided Euro 197 million in cash flow. After Euro 328 million in tax payments and Euro 13 million in dividend receipts, operating activities in 2023 therefore generated a net cash inflow of Euro 1,416 million, which included Euro 4 million for antitrust matters.

Net operating capital expenditure used Euro 624 million in cash in 2023, a large part of which relating to projects to increase and rationalise production capacity and to develop new products. More details can be found in Note 1. Property, plant and equipment of these Explanatory Notes.

Cash flow from financing activities was influenced by the distribution of dividends, amounting to Euro 165 million. Finance costs paid, net of finance income received, came to Euro 72 million.

38. Information pursuant to art.149-Duodecies of the consob issuer regulations

Pursuant to art. 149-duodecies of the Consob Issuer Regulations, the following table shows the fees in 2023 for audit work and other services provided by the independent auditors EY S.p.A. and companies in the EY network:

(Euro/million)	Recipient	Supplier of services	Fees for 2023	Fees for 2022
Audit services	Parent Company - Prysmian S.p.A.	EY S.p.A	821	798
	Italian subsidiaries	EY S.p.A	496	461
	Foreign subsidiaries	EY S.p.A	1,315	1,360
	Foreign subsidiaries	Rete EY	2,000	1,925
Certification services	Parent Company - Prysmian S.p.A.	EY S.p.A	230	303
	Italian subsidiaries	EY S.p.A	12	15
	Foreign subsidiaries (1)	EY network	47	
Other services	Parent Company - Prysmian S.p.A.	EY S.p.A	60	60
	Italian subsidiaries	EY S.p.A	-	20
	Foreign subsidiaries (1)	EY network	125	161
Total			**5,106**	**5,103**

(1) Tax and other services.

39. Basis of consolidation and accounting policies

The financial statements of the Group's consolidated operating companies have been prepared for the financial years ended 31 December 2023 and 31 December 2022, and have been specifically and appropriately adjusted, where necessary, to bring them into line with the Group's accounting policies and principles.

Subsidiaries

The Group consolidated financial statements include the financial statements of Prysmian S.p.A. (the Parent Company) and the subsidiaries over which the Parent Company exercises direct or indirect control. Subsidiaries are consolidated from the date control is acquired until the date such control ceases. Specifically, control exists when the parent Prysmian S.p.A. has all of the following:

- decision-making power, meaning the ability to direct the investee's relevant activities, i.e. the activities that significantly affect the investee's returns;
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power.

The existence of potential voting rights exercisable at the reporting date is also taken into consideration for the purposes of determining control.

Subsidiaries are consolidated on a line-by-line basis commencing from the date control is effectively obtained by the Group; at the date of obtaining control, the carrying amount of an investment is eliminated against the corresponding portion of the investee's equity by allocating its fair value to individual assets, liabilities and contingent liabilities. Any residual difference, if positive, is recognised as "Goodwill". If the acquisition is achieved in stages, the entire investment is remeasured at fair value on the date control is obtained; after this date, any additional acquisitions or disposals of equity interests, without a change of control, are treated as transactions between owners recognised in equity. Costs incurred for the acquisition are always expensed immediately to profit or loss; changes in contingent consideration are recognised in profit or loss. The share of equity and share of the result for the period attributable to non-controlling interests are presented separately within the financial statements. Subsidiaries cease to be consolidated from the date control is transferred to third parties; the disposal of an equity interest involving a loss of control results in recognising in profit or loss

1. the gain or loss arising on the difference between the consideration received and the respective share of equity transferred to third parties,
2. any amounts relating to the subsidiary recognised in other comprehensive income that may be reclassified to profit or loss and
3. the gain or loss from adjusting any non-controlling interest retained by Prysmian to its fair value calculated at the date control is lost.

Associates and joint arrangements: joint ventures and joint operations

Associates are those entities over which the Group has significant influence. Investments in associates are accounted for using the equity method and are initially recorded at cost.

Companies managed under contractual arrangements whereby two or more parties, who share control through unanimous consent, have the power to make relevant decisions and govern the exposure to variable future returns, qualify as joint operations and as such are accounted for in the joint operator's accounts directly in proportion to the interest held in the joint operation. In addition to recording the relevant share of assets, liabilities, revenues and expenses, a joint operator also recognises its obligations under the related arrangement. Equally, if a party participates in, but does not have joint control of, a joint operation, it nonetheless recognises in its own financial statements its share of the joint operation's assets and liabilities, revenues and expenses as well as its contractual obligations under the arrangement.

Other investments in joint ventures, over which significant influence is exercised but which do not qualify as joint operations, are accounted for using the equity method.
Like in the 2022 consolidated financial statements, the Indian company Ravin Cables Limited is not under the Group's control for the reasons described in more detail below.

Ravin Cables Limited

In January 2010, Prysmian acquired a 51% interest in the Indian company Ravin Cables Limited ("Ravin"), with the remaining 49% held by other shareholders directly or indirectly associated with the Karia family (the "Local Shareholders"). Under the agreements signed with the Local Shareholders, after a limited transition period, management of Ravin would be transferred to a Chief Executive Officer appointed by Prysmian. However, this failed to happen and, in breach of the agreements, Ravin's management remained in the hands of the Local Shareholders and their representatives. Consequently, having now lost control, Prysmian ceased to consolidate Ravin and its subsidiary Power Plus Cable Co. LLC. with effect from 1 April 2012. In February 2012, Prysmian found itself forced to initiate arbitration proceedings before the London Court of International Arbitration (LCIA), requesting that the Local Shareholders be declared in breach of contract and ordered to sell the shares representing 49% of Ravin's share capital to Prysmian. In a ruling handed down in April 2017, the LCIA upheld Prysmian's claims and ordered the Local Shareholders to sell the shares representing 49% of Ravin's share capital to Prysmian. However, the Local Shareholders did not voluntarily enforce the arbitration award and so Prysmian had to initiate proceedings in the Indian courts in order to have the arbitration award recognised in India. Having gone through two levels of the court system, these proceedings were finally concluded on 13 February 2020 with the pronouncement of a ruling by the Indian Supreme Court under which the latter definitively declared the arbitration award enforceable in India.

In view of the continuing failure of the Local Shareholders to comply voluntarily, Prysmian has requested the Mumbai court to enforce the arbitration award so as to purchase the shares representing 49% of Ravin's share capital as soon as possible. This case is currently still in progress and so control of the company is considered to have not yet been acquired.

Translation of foreign operation financial statements

The assets and liabilities of consolidated foreign operations expressed in currencies other than the Euro are translated using the closing exchange rate on the reporting date; revenues and expenses are translated at the average exchange rate prevailing in the reporting period. The resulting translation differences are presented in equity, specifically in the "Currency translation reserve" included in other comprehensive income, until disposal of the related foreign operation.

Foreign currency transactions are recorded at the exchange rate prevailing on the transaction date. Monetary assets and liabilities are translated at the closing exchange rate on the reporting date. Exchange differences arising on translation and those realised on the settlement of transactions are recorded in finance income and costs.

Hyperinflationary economies

IAS 29 - Financial Reporting in Hyperinflationary Economies establishes that if a foreign entity operates in a hyperinflationary economy, revenues and expenses are translated using the exchange rate current at the reporting date; accordingly, all amounts in the income statement are restated by applying the change in the general price index between the date when income and expenses were initially recorded in the financial statements and the reporting date.

The Group controls companies based in Turkey, a country that has qualified since 2022 for treatment as a hyperinflationary economic environment, in accordance with international accounting standards. Cumulative consumer price inflation over the past 3 years reached 268% in December 2023.

In accordance with IAS 29, the restatement of financial statements as a whole requires the application of specific procedures as well as judgement. With reference to the income statement, income and expenses have been restated by applying the change in the general price index. The income statement thus restated has been translated into Euro at the closing rate on 31 December 2023 instead of at the reporting period's average rate. The application of the standard to the Turkish subsidiaries has had a negative impact of Euro 3 million on net sales and a negative impact of Euro 6 million on net profit.

With reference to the statement of financial position, monetary items have not been restated because they are already expressed in terms of the monetary unit current at the end of the reporting period; non-monetary assets and liabilities have been revalued from the date the assets and liabilities were originally recorded through until the reporting date. This has resulted in the recognition of an overall expense of Euro 7 million, reported in the income statement under net Finance income (costs).

This standard accounting has been applied to the subsidiary in Argentina since 1 July 2018. Inflation in Argentina has accelerated even more in 2023, causing cumulative consumer price inflation over the last 3 years to reach 816%. The income statement thus restated has been translated into Euro at the closing rate on 31 December 2023 instead of at the average rate for the reporting period. The effects coming from the application of the standard for the Argentine subsidiary resulted in a negative change in sales of Euro 43 million and a negative impact on net income of Euro 28 million. With regard to the balance sheet, the monetary items have not been restated as they are already expressed in the unit of measurement current at the end of the period; Non-cash assets and liabilities were revalued from the date on which the assets and liabilities were initially recognised until the end of the period. This resulted in the recognition of a total income of Euro 8 million, which was recognised in the profit and loss under net financial income (expense).

It should be noted that as of 1 January 2024, the Argentine company switched its functional currency from the Argentine peso to the US dollar. IAS 29 will therefore no longer be applied to the Argentine subsidiary.

The exchange rates applied are as follows:

	Closing rates at		Period average rates	
	31.12.2023	31.12.2022	2023	2022
Europe				
British Pound	0.869	0.887	0.870	0.853
Swiss Franc	0.926	0.985	0.972	1.005
Hungarian Forint	382.80	400.87	381.85	391.29
Norwegian Krone	11.241	10.514	11.425	10.103
Swedish Krona	11.096	11.122	11.479	10.630
Czech Koruna	24.724	24.116	24.004	24.566
Danish Krone	7.453	7.437	7.451	7.440
Romanian Leu	4.976	4.950	4.947	4.931
Turkish Lira	32.633	19.971	25.732	17.396
Polish Zloty	4.340	4.681	4.542	4.686
Russian Rouble	99.192	75.655	92.241	72.549
North America				
US Dollar	1.105	1.067	1.081	1.053
Canadian Dollar	1.464	1.444	1.459	1.369

	Closing rates at		Period average rates	
	31.12.2023	31.12.2022	2023	2022
South America				
Colombian Peso	4,268	5,172	4,675	4,474
Brazilian Real	5.350	5.565	5.401	5.439
Argentine Peso	893.337	188.959	319.536	137.751
Chilean Peso	977.070	913.820	908.197	917.925
Costa Rican Colón	575.561	631.449	586.940	680.721
Mexican Peso	18.723	20.856	19.183	21.187
Peruvian Sol	4.082	4.046	4.047	4.038
Oceania				
Australian Dollar	1.626	1.569	1.629	1.517
New Zealand Dollar	1.750	1.680	1.762	1.658
Africa				
CFA Franc	655.957	655.957	655.957	655.957
Angolan Kwanza	920.402	541.198	746.207	486.921
Tunisian Dinar	3.394	3.322	3.356	3.251
South African Rand	20.348	18.099	19.955	17.209
Asia				
Chinese Renminbi (Yuan)	7.851	7.358	7.660	7.079
United Arab Emirates Dirham	4.058	3.917	3.971	3.868
Bahraini Dinar	0.415	0.401	0.407	0.396
Hong Kong Dollar	8.631	8.316	8.465	8.245
Singapore Dollar	1.459	1.430	1.452	1.451
Indian Rupee	91.905	88.171	89.300	82.686
Indonesian Rupiah	17.080	16.520	16.480	15.625
Japanese Yen	156.330	140.660	151.990	138.027
Thai Baht	37.973	36.835	37.631	36.856
Philippine Peso	61.283	59.320	60.163	57.314
Omani Rial	0.425	0.410	0.416	0.405
Malaysian Ringgit	5.078	4.698	4.932	4.628
Qatari Riyal	4.022	3.882	3.936	3.834
Saudi Riyal	4.144	4.000	4.055	3.949

39.1 TRANSLATION OF TRANSACTIONS IN CURRENCIES OTHER THAN THE FUNCTIONAL CURRENCY

Transactions in currencies other than the functional currency of the company which undertakes the transaction are translated using the exchange rate applicable at the transaction date.

Draka NK Cables (Asia) Pte Ltd (Singapore), Draka Philippines Inc. (Philippines), Draka Durango S. de R.L. de C.V., Draka Mexico Holdings S.A. de C.V., Prysmian Cables y Sistemas de Mexico S. de R.L. de C.V., Cobre Cerrillos S.A. (Cile) and NK Mexico Holdings S.A. de C.V. (Mexico) present their financial statements in a currency other than that of the country they operate in, as their main transactions are not conducted in the local currency but in their reporting currency.

Foreign currency exchange gains and losses arising on completion of transactions or on the year-end translation of assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Exchange differences arising on any loans between group companies that form part of the reporting entity's net investment in a foreign operation are recognised in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

39.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at the cost of acquisition or production, net of accumulated depreciation and any impairment. Cost includes expenditure directly incurred to prepare the assets for use, as well as any costs for their dismantling and removal which will be incurred as a consequence of contractual or legal obligations requiring the asset to be restored to its original condition.

Depreciation is charged on a straight-line, monthly basis using rates that allow assets to be depreciated until the end of their useful lives. When assets consist of different identifiable components, whose useful lives differ significantly from each other, each component is depreciated separately using the component approach.

The indicative useful lives estimated by the Group for the various categories of property, plant and equipment are as follows:

Land	Not depreciated
Buildings	25-50 years
Plant	10-25 years
Machinery	10-25 years
Equipment and Other assets	3-10 years

The residual values and useful lives of property, plant and equipment are reviewed and adjusted, if appropriate, at least at the end of each full-year reporting period.

From time to time the Group is required to dry dock its cable-laying vessels in order to carry out inspections and maintenance. Dry-docking costs include the replacement of parts and major repairs and maintenance. These costs are incurred as part of periodically scheduled inspections and result in future economic benefits.

For this reason, the Group capitalises dry-docking costs as they occur and depreciates them on a straight-line basis over a period of 3 to 5 years, which is generally the period until the next scheduled dry-docking.

If the period until the next scheduled dry-docking is shorter than expected, any undepreciated dry-docking costs are immediately expensed to profit or loss before the next scheduled dry-docking.

Right-of-use assets under IFRS 16

A lease is a contract that guarantees the right to use an asset (the leased asset) for a period of time in exchange for a payment or a series of payments.

At the date leased assets become available for use, lessees shall recognise the rights of use as non-current assets and a corresponding financial liability.

Lease payments are divided into interest expense, recognised in profit or loss, and repayment of principal, accounted for as a reduction in the financial liability. Right-of-use assets are depreciated every month on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.
Right-of-use assets and lease liabilities are initially measured at the present value of future lease payments.

The present value of lease liabilities includes the following payments:

- fixed payments;
- variable lease payments that depend on an index or a rate;
- exercise price of a purchase option reasonably certain to be exercised;
- payments of penalties for terminating the lease if the termination option is reasonably certain to be exercised;
- optional payments after the non-cancellable period, if the lease is reasonably certain to be extended beyond the non-cancellable period.

Future lease payments are discounted using the incremental borrowing rate. This is based on the risk-free rate of the country in which the contract is negotiated and on the term of the lease, and is also adjusted for the Group's credit spread.

Lease extension options are considered for the purposes of determining the lease term, if reasonably certain to be exercised.
Right-of-use assets are measured at cost, whose initial amount is equal to the lease liability.

The Group applies the exemption for short-term leases since their accounting under IFRS 16 is not considered to have a significant impact on the overall lease liability.

The financial liability recognised under IFRS 16, amounting to Euro 304 million, is analysed by maturity as follows:

	31.12.2023			
(Euro/million)	Less than 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years
Debiti per leasing	70	43	95	96

The following table reports movements in right-of-use assets recognised in Property, plant and equipment in accordance with IFRS 16:

(Euro/million)	Land	Buildings	Plant and machinery	Equipment	Other assets	Total
Balance at 31 December 2022	**14**	**106**	**14**	**9**	**55**	**198**
Movements in 2023:						
- Investments	2	37	1	2	111	153
- Depreciation and impairment	(1)	(27)	(2)	(5)	(33)	(68)
- Currency translation differences	-	(1)	2	-	(1)	-
Balance at 31 December 2023	**15**	**115**	**15**	**6**	**132**	**283**
Of which:						
- Historical cost	18	182	21	19	219	459
- Accumulated depreciation	(3)	(67)	(6)	(13)	(87)	(176)
Net book value	**15**	**115**	**15**	**6**	**132**	**283**

(Euro/million)	Land	Buildings	Plant and machinery	Equipment	Other assets	Total
Balance at 31 December 2021	**14**	**93**	**11**	**11**	**67**	**196**
Movements in 2022:						
- Investments	-	35	5	2	16	58
- Depreciation	1	1	-	-	1	3
- Currency translation differences	(1)	(23)	(1)	(5)	(29)	(59)
- Other	-	-	(1)	1	-	-
Balance at 31 December 2022	**14**	**106**	**14**	**9**	**55**	**198**
Of which:						
- Historical cost	17	164	19	20	128	348
- Accumulated depreciation	(3)	(58)	(5)	(11)	(73)	(150)
Net book value	**14**	**106**	**14**	**9**	**55**	**198**

39.3 GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill
Goodwill represents the difference between the cost incurred for acquiring a controlling interest (in a business) and the fair value of the assets and liabilities identified at the acquisition date. Goodwill is not amortised, but is tested for impairment at least annually to identify any impairment losses. This test is carried out with reference to the cash-generating unit ("CGU") or group of CGUs to which goodwill is allocated and at which level it is monitored. More information can be found in Note 2. Goodwill and Other intangible assets.

Other intangible assets
Other intangible assets are recognised in the financial statements at acquisition cost and/or production cost, including all costs directly attributable to make the assets available for use, net of accumulated amortisation and any impairment. Amortisation commences when the asset is available for use and is calculated on a straight-line basis over the asset's estimated useful life. Other intangible assets have a finite useful life.

Other intangible assets include Patents, concessions, licences, trademarks and similar rights and Software. These assets are recognised at acquisition cost and amortised on a straight-line basis over their useful lives.

39.4 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND FINITE-LIFE INTANGIBLE ASSETS

Property, plant and equipment, rights to use such assets and finite-life intangible assets are analysed at each reporting date for any evidence of impairment. If such evidence is identified, the recoverable amount of these assets is estimated and any impairment loss relative to carrying amount is recognised in profit or loss. The recoverable amount is the higher of the fair value of an asset, less costs to sell, and its value in use, where the latter is the present value of the estimated future cash flows of the asset, also taking into account the issues described in the paragraph on "Risks related to climate change". The recoverable amount of an asset which does not generate largely independent cash flows is determined in relation to the cash-generating unit to which the asset belongs. In calculating an asset's value in use, the expected future cash flows are discounted using a discount rate reflecting current market assessments of the time value of money, in relation to the period of the investment and the specific risks associated with the asset. Additional information about the measurement of cash-generating units can be found in Note 40. Estimates and assumptions.

39.5 FINANCIAL ASSETS

In accordance with *IFRS 9 - Financial instruments*, financial assets are initially recorded at fair value and classified in one of the following categories on the basis of their nature and the purpose for which they were acquired:

a. Financial assets at amortised cost;
b. Financial assets at fair value through profit or loss (FVPL);
c. Financial assets at fair value through other comprehensive income (FVOCI).

Financial assets are derecognised when the right to receive cash flows from the instrument expires and the Group has substantially transferred all the risks and rewards of ownership of the instrument and the related control.

(a) Financial assets at amortised cost
The Group classifies in this category receivables and securities that it expects to hold to maturity, meaning that it receives payments of interest and principal from such assets on specified due dates.

Assets at amortised cost are classified in the statement of financial position under “Financial assets at amortised cost” and presented as current or non-current assets depending on whether their contractual maturity is less or more than twelve months from the reporting date.

These assets are reported at amortised cost and written down if any impairment is identified.

(b) Financial assets at fair value through profit or loss (FVPL)
Financial assets classified in this category are represented by instruments held for trading, having been acquired for the purpose of selling in the near term and/or complex instruments whose cash flows cannot be identified simply as principal and interest.

Financial assets at fair value through profit or loss are measured at fair value, with gains and losses from changes in fair value reported in the income statement under “Finance income” and “Finance costs”, in the period in which they arise.

Assets in this category are classified as current assets.

(c) Financial assets at fair value through other comprehensive income (FVOCI)
The Group uses this category to record equity investments it does not expect to dispose of in the near term and with which it has no controlling relationship, classified as non-current assets, and financial assets in which it invests its liquidity and whose disposal date is not known, classified as current assets.

The above equity investments are measured at fair value through OCI. Dividends from such investments are recognised in finance income.

Financial assets classified in this category are measured at fair value through OCI. Interest from financial assets classified at fair value through OCI is recognised in finance income. When these instruments are sold, the related equity reserve is recycled to profit or loss.

39.6 DERIVATIVES

Metal derivatives
Metal derivatives not designated as hedging instruments are recognised at fair value through profit or loss. The related income and expenses are classified in operating income and expenses. They are recognised as current assets or liabilities in the statement of financial position if they mature within twelve months, otherwise they are classified as non-current assets or liabilities.

The Group has designated certain derivatives denominated in EUR, GBP, USD and RMB entered into with brokers and aimed at mitigating the risk of copper and aluminium price fluctuations, as cash flow hedges, being hedging instruments associated with highly probable transactions.

In addition, since the qualifying conditions have been met, the Group has extended cash flow hedge accounting to derivatives contracted from 1 January 2023 and intended to hedge the risk of fluctuations in gas, electricity and lead prices.

All derivatives designated as cash flow hedges are recognised at fair value through equity, and therefore designated as hedging instruments. These derivative financial instruments, which qualify for recognition as hedging instruments, are designed to hedge the price risk of commodities that are the subject of highly probable future purchase transactions (hedged items).

A derivative that sets the commodity's purchase price is designated as a hedging instrument, since it relates to a physical commodity purchase that will be made. When the physical purchase is made, the Group unwinds the buy derivatives with sell derivatives.

The effectiveness of the hedging relationships is assessed from the inception of each derivative instrument until it is closed out. The fair values of the various derivative financial instruments used as hedging instruments and movements in the "Cash flow hedge reserve" forming part of equity are presented in Note 8. Derivatives.

Interest rate derivatives
Interest rate derivatives not designated as hedging instruments are recognised at fair value through profit or loss. The related income and expenses are classified in finance income and costs. They are recognised as current assets or liabilities in the statement of financial position if they mature within twelve months, otherwise they are classified as non-current assets or liabilities.

Interest rate derivatives designated as hedging instruments are recognised at fair value through other comprehensive income. When the derivative matures, the related reserve is recycled to profit or loss as finance income and costs.

The relationship between the hedged item and the designated interest rate hedge must be documented. The effectiveness of each hedge is reviewed both at the derivative's inception and during its life cycle. In particular, interest rate derivatives designated as hedging instruments are intended to hedge the risk of cash flow volatility linked to finance costs originating from variable rate debt.

Forex derivatives
Forex derivatives not designated as hedging instruments are recognised at fair value through profit or loss. The related income and expenses are classified in finance income and costs. They are recognised as current assets or liabilities in the statement of financial position if they mature within twelve months, otherwise they are classified as non-current assets or liabilities.

Forex derivatives designated as hedging instruments are recognised at fair value through other comprehensive income. When the derivative matures, the related reserve is recycled to profit or loss.

The relationship between the hedged item and the designated forex hedge must be documented. The effectiveness of each hedge is reviewed both at the derivative's inception and during its life cycle. In particular, forex derivatives designated as hedging instruments are intended to hedge exchange rate risk on contracts or orders.

These hedging relationships aim to reduce cash flow volatility due to exchange rate fluctuations affecting future transactions. In particular, the hedged item is the value in the company's unit of account of a cash flow expressed in another currency that is expected to be received/paid under a contract or an order whose amount exceeds the minimum thresholds set by the Group: all cash flows thus identified are therefore designated as hedged items in the hedging relationship. The reserve originating from changes in the fair value of derivative instruments is transferred to profit or loss according to the stage of completion of the contract itself, where it is classified as contract revenue/costs.

39.7 TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, net of the allowance for doubtful accounts. Impairment of receivables is recognised on the basis of Expected Credit Loss (ECL). ECLs are based on the difference between the cash flows due by contract and all the cash flows that the Group expects to receive, discounted at an original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages.

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group adopts a simplified approach to calculating ECLs for trade receivables and contract assets: it does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group makes use of without-recourse factoring of trade receivables. These receivables are derecognised because such transactions transfer substantially all the related risks and rewards of the receivables to the factor.

39.8 INVENTORIES

Inventories are recorded at the lower of purchase or production cost and net realisable value, defined as the amount the Group expects to obtain from their sale in the normal course of business, net of selling costs. The cost of inventories of raw materials, ancillaries and consumables, as well as finished products and goods is determined using the FIFO (first-in, first-out) method.

The exception is inventories of non-ferrous metals (copper, aluminium and lead) and quantities of such metals contained in semi-finished and finished products, which are valued using the weighted average cost method.
The cost of finished and semi-finished products includes design costs, raw materials, direct labour costs and other production costs (calculated on the basis of normal operating capacity).

39.9 CONSTRUCTION CONTRACTS

Construction contracts (hereafter also “contracts”) are recognised at the value agreed in the contract, in accordance with the percentage of completion method, taking into account the progress of the project and the expected contractual risks. The progress of a project is measured by reference to the contract costs incurred at the reporting date in relation to the total estimated costs for each contract. When the outcome of a contract cannot be estimated reliably, the contract revenue is recognised only to the extent that the costs incurred are likely to be recovered. When the outcome of a contract can be estimated reliably, and it is probable that the contract will be profitable, contract revenue is recognised over the term of the contract. When it is probable that total contract costs will exceed total contract revenue, the potential loss is recognised immediately as an expense.
If the contract contains a warranty other than those used in standard market practice, this warranty is recognised separately.

The Group reports as assets the gross amount due from customers for construction contracts, where the costs incurred, plus recognised profits (less recognised losses), exceed the billing of work-in-progress; such assets are reported in “Other receivables”. Amounts billed but not yet paid by customers are reported under “Trade receivables”.

The Group records as liabilities the gross amount due to customers for all construction contracts where billing exceeds the costs incurred plus recognised profits (less recognised losses). Such liabilities are reported under “Other payables”.

39.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash, demand bank deposits and other short-term investments, with a maturity of three months or less. Current account overdrafts are classified as financial payables under current liabilities in the statement of financial position.

39.11 TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost.

39.12 BORROWINGS FROM BANKS AND OTHER LENDERS

Borrowings from banks and other lenders are initially recognised at fair value, less directly attributable costs. Subsequently, they are measured at amortised cost, using the effective interest method.

If the estimated expected cash flows should change, the value of the liabilities is recalculated to reflect this change using the present value of the expected new cash flows and the effective internal rate originally established. Borrowings from banks and other lenders are classified as current liabilities, unless the Group has an unconditional right to defer their payment for at least twelve months after the reporting date.

Borrowings from banks and other lenders are derecognised when they are extinguished and when the Group has transferred all the risks and expense relating to such instruments.

39.13 EMPLOYEE BENEFITS

The Group operates both defined contribution plans and defined benefit plans.

Defined contribution plans
A defined contribution plan is a plan under which the Group pays fixed contributions to third-party fund managers and to which there are no legal or other obligations to pay further contributions should the fund not have sufficient assets to meet the obligations to employees for current and prior periods.

In the case of defined contribution plans, the Group pays contributions, voluntarily or as established by contract, to public and private pension insurance funds. The Group has no obligations subsequent to payment of such contributions, which are recognised as personnel costs on an accrual basis. Prepaid contributions are recognised as an asset which will be repaid or used to offset future payments, if due.

Defined benefit plans
In defined benefit plans, the total benefit payable to the employee can be quantified only after the employment relationship ceases, and is linked to one or more factors, such as age, years of service and remuneration; the related cost is therefore charged to the period's income statement on the basis of an actuarial calculation. The liability recognised for defined benefit plans corresponds to the present value of the obligation at the reporting date, less the fair value of the plan assets, where applicable.

Obligations for defined benefit plans are determined annually by an independent actuary using the projected unit credit method. The present value of a defined benefit plan is determined by discounting the future cash flows at an interest rate equal to that of high-quality corporate bonds issued in the liability's settlement currency and which reflects the duration of the related pension plan. Actuarial gains and losses arising from the above adjustments and changes in actuarial assumptions are recorded among the components of other comprehensive income.

Past service costs resulting from a plan amendment are recognised immediately as an expense in the period the plan amendment occurs.

Other post-employment obligations
Some Group companies provide medical benefit plans for retired employees. The expected cost of these benefits is accrued over the period of employment using the same accounting method as for defined benefit plans. Actuarial gains and losses arising from the valuation and the effects of changes in the actuarial assumptions are accounted for in equity. These liabilities are valued annually by a qualified independent actuary.

Termination benefits
The Group recognises termination benefits when it can be shown that the termination of employment complies with a formal plan communicated to the parties concerned that establishes termination of employment, or when payment of the benefit is the result of voluntary redundancy incentives. Termination benefits payable more than twelve months after the reporting date are discounted to present value.

39.14 PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised for losses and charges of a definite nature, whose existence is certain or probable, but the amount and/or timing of which cannot be determined reliably. A provision is recognised only when there is a current (legal or constructive) obligation for a future outflow of economic resources as the result of past events and it is likely that this outflow is required to settle the obligation. Such amount is the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is material and the obligation settlement date can be estimated reliably, the provisions are stated at the present value of the expected outlay, using a rate that reflects market conditions, the variation in the time value of money, and risks specific to the obligation.

Increases in the provision due to changes in the time value of money are accounted for as interest expense.

Risks for which the emergence of a liability is only possible but not remote are reported in the disclosures about commitments and contingencies and no provision is recognised.

Any contingent liabilities accounted for separately when allocating the cost of a business combination, are measured at the higher of the amount obtained under the method described above for calculating provisions for risks and charges and the liability's original present value.
Additional details can be found in Note 29. Contingent liabilities.

Provisions for risks and charges include an estimate of legal costs to be incurred if such costs are incidental to the discharge of the provision to which they refer.

39.15 REVENUE RECOGNITION

Revenue is recognised at the fair value of the consideration received for the sale of goods and services in the ordinary course of the Group's business. Revenue is recognised net of value-added tax, rebates, discounts and expected returns. Revenue is accounted for as follows:

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, normally coinciding with shipment or delivery of the goods and acceptance by the customer.

The Group checks whether there are conditions in the contract that represent separate performance obligations to which a portion of the transaction price must be allocated (e.g., warranties), as well as the effects arising from the presence of any variable consideration, significant financing components or non-cash consideration payable to the customer. In the case of variable consideration, this is estimated based on the amount to which the Group will be entitled when the goods are transferred to the customer; such consideration is estimated at contract inception and is recognised only when it is highly probable.

The Group grants discounts to certain customers when the quantity of products purchased during the period exceeds a threshold specified in the contract.

Discounts are offset against amounts payable by the customer. To estimate the variable consideration for expected discounts, the Group applies the "most likely amount" method for contracts with a single-volume discount threshold and the "expected value" method for contracts with multiple thresholds. Generally, the Group receives short-term advances from its customers and the agreed amount of consideration is not adjusted for the effects of a significant financing component if it expects, at contract inception, that the period between transfer of the promised good or service to the customer and related customer payment will not exceed one year.

The method of recognising revenue for construction contracts is outlined in Note 39.9 Construction contracts.

39.16 GOVERNMENT GRANTS

Government grants are recognised on an accrual basis in direct relation to the costs incurred when there is a formal resolution approving the grant and, when the right to the grant is assured since it is reasonably certain that the Group will comply with the conditions for its receipt and that the grant will be received.

[a] Grants related to assets
Government grants for property, plant and equipment are recorded as deferred income under "Other payables", classified as current or non-current liabilities for the respective long-term and short-term portion of such grants. Deferred income is recognised in "Other income" in the income statement on a straight-line basis over the useful life of the asset to which the grant refers.

[b] Grants related to income
Grants other than those related to assets are credited to the income statement as "Other income".

39.17 COST RECOGNITION

Costs are recognised for goods and services acquired or consumed during the reporting period or to make a systematic allocation to match costs with revenues.

39.18 TAXES

Current taxes are calculated on the basis of taxable income for the year, applying the tax rates in force at the reporting date.

Deferred taxes are calculated on all differences arising between the tax base of an asset or liability and the carrying amount, except for goodwill and differences arising from investments in subsidiaries, where the timing of the reversal of such differences is controlled by the Group and they are unlikely to reverse in a reasonably foreseeable future. Deferred tax assets, including those relating to past tax losses, not offset by deferred tax liabilities, are recognised to the extent it is likely that future taxable profit will be available against which they can be recovered.

Deferred taxes are determined using tax rates that are expected to apply in the years when the differences are realised or extinguished, on the basis of tax rates that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised in the income statement with the exception of those relating to items recognised directly in equity, in which case the tax effect is accounted for directly in equity. Income taxes are offset if they are levied by the same taxation authority, if there is a legally enforceable right to offset them and if the net balance is expected to be settled. Other taxes not related to income, such as property tax, are accounted for in "Other expenses".

39.19 EARNINGS PER SHARE

[a] Basic earnings per share
Basic earnings per share are calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the reporting period, excluding treasury shares.

[b] Diluted earnings per share
Diluted earnings per share are calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the reporting period, excluding treasury shares. For the purposes of calculating diluted earnings per share, the weighted average number of outstanding shares is adjusted so as to include the exercise, by all those entitled, of existing rights with a potentially dilutive effect, while the profit attributable to owners of the parent is adjusted to account for any post-tax effects of exercising such rights.

39.20 TREASURY SHARES

Treasury shares are reported as a deduction from equity. The original cost of treasury shares and revenue arising from any subsequent sales are treated as movements in equity.

39.21 FINANCE INCOME AND COSTS

For all financial assets and liabilities measured at amortised cost and interest-bearing financial assets classified as at fair value through other comprehensive income, interest income and interest expense are recognised using the effective interest rate method. Interest income is recognised to the extent that it is probable that the economic benefits will flow to the Group and its amount can be reliably measured.

40. Estimates and assumptions

The preparation of financial statements requires Management to apply accounting policies and methods which, at times, rely on judgements and estimates based on past experience and assumptions deemed to be reasonable and realistic under the circumstances. The application of these estimates and assumptions affects the amounts reported in the financial statements, meaning the statement of financial position, the income statement, the statement of comprehensive income and the statement of cash flows, as well as the accompanying disclosures. Ultimate amounts, previously reported on the basis of estimates and assumptions, may differ from original estimates because of uncertainty surrounding the assumptions and conditions on which the estimates were based.

The following is a brief description of the accounting policies that require Prysmian's Management to exercise greater subjectivity of judgement in making estimates and a change in whose underlying assumptions could have a material impact on the consolidated financial statements.

[a] Provisions for risks and charges
Provisions are recognised for legal and tax risks to reflect the risk of an adverse outcome. The value of the provisions recorded in the financial statements against such risks represents the best estimate by Management at the reporting date. This estimate requires the use of assumptions that depend on factors which may change over time and which could, therefore, materially impact the current estimates made by Management when preparing the Group consolidated financial statements.

[b] Impairment of assets

Goodwill
The Group's activities are organised in three operating segments: Projects, Energy and Telecom. The Projects segment consists of the High Voltage, Submarine Power, Submarine Telecom and Offshore Specialties CGUs; the Energy segment consists of a number of CGUs corresponding to the Regions or Countries in keeping with the organisation structure; lastly, the Telecom segment consists of a single CGU that coincides with the operating segment itself. Goodwill, acquired on the occasion of business combinations, has been allocated to groups of CGUs, corresponding to the operating segments, which are expected to benefit from the synergies of such combinations and which represent

the lowest level at which Management monitors business performance. In accordance with the accounting standards adopted and related impairment testing procedures, the Group tests annually whether Goodwill has suffered any impairment loss. The recoverable amount is determined by calculating value in use, which requires the use of estimates. More details about the Goodwill impairment test can be found in Note 2. Goodwill and Other intangible assets.

Property, plant and equipment and finite-life intangible assets
In accordance with the Group's accounting policies and impairment testing procedures, property, plant and equipment and intangible assets with finite useful lives are tested for impairment, recognised through write-down, when there are indicators that their carrying amount may be difficult to recover through use. To verify the existence of these indicators Management has to make subjective judgements based on information available within the Group and from the market, as well as on past experience. If an impairment loss is identified, the Group will determine the amount of the loss using suitable valuation techniques. Correct identification of indicators of potential impairment, as well as its very measurement, depend on factors that may vary over time, thus influencing the judgements and estimates made by Management. Prysmian has assessed during the course of 2023 whether there was any evidence that its CGUs might be impaired. Further information can be found in Note 1. Property, plant and equipment.

[c] Climate change
The estimates and assumptions impacted by climate change are discussed in the relevant section of the Directors' Report. The opportunities and impacts arising from climate change are also considered in the impairment tests.

[d] Depreciation and amortisation
The cost of property, plant and equipment and intangible assets is depreciated/amortised on a straight-line basis over the estimated useful lives of the assets concerned. The useful economic life of Group property, plant and equipment and intangible assets is determined by Management when the asset is acquired. This is based on past experience for similar assets, market conditions and expectations regarding future events that could impact useful life, including developments in technology. Therefore, actual economic life may differ from estimated useful life. The Group periodically reviews technological and industry developments to update residual useful lives. This periodic review may result in a revision of the depreciation/amortisation period and consequently of the depreciation/amortisation charge for future years.

[e] Recognition of revenues and costs from construction contracts
The Group uses the percentage of completion method to account for long-term contracts. The margins recognised in the income statement depend on the progress of the contract and its estimated margins upon completion. This means that if work-in-progress and margins on as yet incomplete work are to be correctly recognised, Management must have correctly estimated contract revenue and completion costs, including any contract variations and any cost overruns and penalties that might reduce the expected margin. The percentage of completion method requires the Group to estimate contract completion costs and involves making estimates dependent on factors that could potentially change over time and could therefore have a significant impact on the recognition of revenue and margins in the pipeline.

[f] Taxes
Consolidated companies are subject to different tax jurisdictions. A high level of judgement is needed to establish the estimated global tax charge, also because of uncertain tax treatments. There are many transactions for which the relevant tax liability is difficult to estimate at year end. The Group recognises liabilities for ongoing tax risks on the basis of estimates, possibly made with the assistance of outside experts.

[g] Inventory valuation
Inventories are recorded at the lower of purchase cost (measured using the weighted average cost formula for non-ferrous metals and the FIFO formula for all others) and net realisable value, net of selling costs. Net realisable value is in turn represented by the value of firm sales orders in the order book, or failing that by the replacement cost of the asset or raw material. If significant reductions in the price of non-ferrous metals were to be followed by order cancellations, the loss in the value of inventories might not be fully offset by the penalties charged to customers for cancelling their orders.

[h] Employee benefit obligations
The present value of the pension plans reported in the financial statements depends on an independent actuarial calculation and on a number of different assumptions. Any changes in assumptions and in the discount rate used are duly reflected in the present value calculation and may have a significant impact on the consolidated figures. The assumptions used for the actuarial calculation are examined by the Group annually.
Present value is calculated by discounting future cash flows at an interest rate equal to that on high-quality corporate bonds issued in the currency in which the liability will be settled and which takes account of the duration of the related pension plan. Further information can be found in Note 15. Employee benefit obligations and Note 21. Personnel costs.

[i] Incentive and share purchase plans
The employee share purchase plan, open to almost all the Group's employees, offers them an opportunity to obtain shares under preferential terms and conditions. The operation of this plan is described in Note 21. Personnel costs.

The grant of shares is subject to continued employment with the Group in the months between signing up to one of the plan's purchase windows and the purchase of the shares themselves on the equity market. The plan's financial and economic impact has therefore been estimated on the basis of the best possible estimates and information currently available. The 2023-2025 incentive plan involves the allocation of a number of options calculated according to the achievement of operational, economic and financial performance conditions. The plan's financial and economic impact has therefore been estimated on the basis of the best possible estimates and information available at the valuation date. More details can be found in Note 21. Personnel costs.
The "BE IN" incentive plan provides for the grant of a number of options. Sometimes this number is determined on the basis of the achievement of performance targets, as well as on the basis of employee participation. The plan's financial and economic impact has therefore been estimated on the basis of the best possible estimates and information available at the valuation date. More details can be found in Note 21. Personnel costs.

41. Events after the reporting period

Prysmian and Telstra partner to expand optical cable manufacturing plant

On 30 January 2024, Telstra and Prysmian announced an expansion of Prysmian's optical cable manufacturing plant in Australia in order to produce the industry-leading fibre optic cable required for Telstra's intercity fibre network, using advanced technology aimed at reducing the project's environmental impact. Telstra InfraCo is building the intercity fibre network in response to the ever-growing demand for fast and capable digital networks. Sustainability has continued to be a critical focus when developing manufacturing technology. The new fibre optic cable is 59% smaller and 54% lighter than the previous design employed across Telstra's existing fibre network. The reduced size and weight allow an estimated 35,000 tonnes of CO_2 emissions to be saved during cable production and transport over the life of the project. To support the rollout of this major project, Prysmian has invested in three key areas of production to significantly increase the capacity of its Dee Why plant.

Prysmian launches innovative Sirocco Extreme 864-fibre cable

On 12 February 2024, Prysmian announced the launch of its revolutionary Sirocco Extreme 864f microduct cable, setting a new standard of innovation for the industry. This groundbreaking cable features record diameters and fibre density for blown microduct cables. The Sirocco Extreme 864f microduct cable contains 864 fibres in a 9.8mm diameter, providing an unprecedented fibre density of 11.5 fibres per mm2. It can be installed in a 12 mm duct, pushing the boundaries of what is possible in the telecom cable systems industry. Prysmian's Sirocco Extreme microduct cables use state-of-the-art BendBrightXS 180µm single-mode (ITU-T G.657.D, G.657.A2) bend-insensitive fibre, ensuring compatibility with existing G.652 fibres and application in advanced systems.

Prysmian signs contracts with Amprion worth a total of around Euro 5 billion

On 15 February 2024, Prysmian signed contracts for three projects worth a total of around Euro 5 billion with Amprion, one of Europe's leading TSOs, for two offshore grid connection systems (BalWin1 and BalWin2), and the DC34 underground cable project. The contracts, which have now entered Prysmian's order backlog, follow its selection as preferred bidder in August 2023. This is the largest "bundle of contracts" ever awarded to Prysmian in terms of both value and kilometres of cable. It involves a total of some 4,400 km of ±525 kV HVDC cables and DMR (Dedicated Metallic Return) cables, of which around 3,400 km are land cables and 1,000 km submarine cables.

Prysmian signs a contract worth around €1.9 billion with eastern green link 2 limited

On 27 February 2024, Prysmian has finalized the contract worth in the region of €1.9 billion by Eastern Green Link 2 Limited, a joint venture between SSEN Transmission and National Grid Electricity Transmission plc, the UK electricity transmission network owners. Under the contact, Prysmian will deliver a major HVDC cable system for the Eastern Green Link 2 (EGL2) network development project that shall connect Scotland and England. The award of the EGL2 contract, which can now be added to the Prysmian order backlog, follows the earlier selection of Prysmian as the exclusive preferred bidder in May 2023 and a subsequent commitment made in June 2023 to assure Prysmian's continued capacity availability for the project. The new connection is due to be operational in 2029.

Milan, 28 February 2024

ON BEHALF OF THE BOARD OF DIRECTORS
THE CHAIRMAN
Claudio De Conto

Scope of consolidation – Appendix A

The following companies have been consolidated line-by-line:

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Europe					
Austria					
Prysmian OEKW GmbH	Wien	Euro	2,053,008	100.00%	Prysmian Cavi e Sistemi S.r.l.
Belgium					
Draka Belgium N.V.	Leuven	Euro	61,973	98.52%	Draka Holding B.V.
				1.48%	Draka Kabel B.V.
Denmark					
Prysmian Group Denmark A/S	Albertslund	Danish Krone	40,001,000	100.00%	Draka Holding B.V.
Estonia					
Prysmian Group Baltics AS	Keila	Euro	1,664,000	100.00%	Prysmian Group Finland OY
Finland					
Prysmian Group Finland OY	Kirkkonummi	Euro	100,000	77.7972%	Prysmian Cavi e Sistemi S.r.l.
				19.9301%	Draka Holding B.V.
				2.2727%	Draka Comteq B.V.
Francia					
Prysmian (French) Holdings S.A.S.	Paron	Euro	129,026,210	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Cables et Systèmes France S.A.S.	Sens	Euro	136,800,000	100.00%	Prysmian (French) Holdings S.A.S.
Draka Comteq France S.A.S.	Paron	Euro	246,554,316	100.00%	Draka France S.A.S.
Draka Fileca S.A.S.	Sainte Geneviève	Euro	5,439,700	100.00%	Draka France S.A.S.
Draka Paricable S.A.S.	Marne La Vallée	Euro	5,177,985	100.00%	Draka France S.A.S.
Draka France S.A.S.	Marne La Vallée	Euro	261,551,700	100.00%	Draka Holding B.V.
P.O.R. S.A.S.	Marne La Vallée	Euro	100,000	100.00%	Draka France S.A.S.
Silec Cable, S. A. S.	Montreau-Fault-Yonne	Euro	60,037,000	100.00%	Grupo General Cable Sistemas, S.L.
EHC France S.A.R.L.	Sainte Geneviève	Euro	310,717	100.00%	EHC Global Inc.
Germany					
Prysmian Kabel und Systeme GmbH	Berlin	Euro	15,000,000	93.75%	Draka Deutschland GmbH
				6.25%	Prysmian S.p.A.
Prysmian Cable Industrial GmbH	Berlin	Euro	25,000	100.00%	Prysmian Cavi e Sistemi s.r.l.
Prysmian Unterstuetzungseinrichtung Lynen GmbH	Eschweiler	Deutsche Mark	50,000	100.00%	Prysmian Kabel und Systeme GmbH

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Draka Comteq Berlin GmbH & Co. KG	Berlin	Deutsche Mark	46,000,000	50.10%	Prysmian Netherlands B.V.
		Euro	1	49.90%	Draka Deutschland GmbH
Draka Comteq Germany Verwaltungs GmbH	Koln	Euro	25,000	100.00%	Draka Comteq B.V.
Draka Comteq Germany GmbH & Co. KG	Koln	Euro	5,000,000	100.00%	Draka Comteq B.V.
Draka Deutschland Erste Beteiligungs GmbH	Wuppertal	Euro	25,000	100.00%	Draka Holding B.V.
Draka Deutschland GmbH	Wuppertal	Euro	25,000	90.00%	Draka Deutschland Erste Beteiligungs GmbH
				10.00%	Draka Deutschland Zweite Beteiligungs GmbH
Draka Deutschland Verwaltungs GmbH	Wuppertal	Deutsche Mark	50,000	100.00%	Prysmian Kabel und Systeme GmbH
Draka Deutschland Zweite Beteiligungs GmbH	Wuppertal	Euro	25,000	100.00%	Prysmian Netherlands B.V.
Prysmian Projects Germany GmbH	Nordenham	Euro	25,000	100.00%	Draka Deutschland GmbH
Höhn GmbH	Wuppertal	Deutsche Mark	1,000,000	100.00%	Draka Deutschland GmbH
Kaiser Kabel GmbH	Wuppertal	Deutsche Mark	9,000,000	100.00%	Draka Deutschland GmbH
NKF Holding (Deutschland) GmbH i.L	Wuppertal	Euro	25,000	100.00%	Prysmian Netherlands B.V.
Norddeutsche Seekabelwerke GmbH	Nordenham	Euro	50,025,000	100.00%	Grupo General Cable Sistemas, S.L.
EHC Germany GmbH	Baesweiler	Euro	25,200	100.00%	EHC Global Inc
U.K.					
Prysmian Cables & Systems Ltd.	Eastleigh	British Pound	113,901,120	100.00%	Prysmian UK Group Ltd.
Prysmian Construction Company Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (2000) Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Cable Makers Properties & Services Ltd.	Esher	British Pound	39.08	63.84%	Prysmian Cables & Systems Ltd.
				36.16%	Third Parties
Comergy Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Pension Scheme Trustee Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian S.p.A.
Prysmian UK Group Ltd.	Eastleigh	British Pound	70,011,000	100.00%	Draka Holding B.V.
Draka Comteq UK Ltd.	Eastleigh	British Pound	14,000,002	100.00%	Prysmian UK Group Ltd.
Draka UK Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian UK Group Ltd.
Prysmian PowerLink Services Ltd.	Eastleigh	British Pound	46,000,100	100.00%	Prysmian UK Group Ltd.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Escalator Handrail (UK) Ltd.	Eastleigh	British Pound	2	100.00%	EHC Global Inc.
Ireland					
Prysmian Re Company Designated Activity Company	Dublin	Euro	20,000,000	100.00%	Prysmian Servizi S.p.A.
Italy					
Prysmian Cavi e Sistemi S.r.l.	Milan	Euro	50,000,000	100.00%	Prysmian S.p.A.
Prysmian Cavi e Sistemi Italia S.r.l.	Milan	Euro	77,143,249	100.00%	Prysmian S.p.A.
Prysmian Treasury S.r.l.	Milan	Euro	80,000,000	100.00%	Prysmian S.p.A.
Prysmian PowerLink S.r.l.	Milan	Euro	100,000,000	100.00%	Prysmian S.p.A.
Fibre Ottiche Sud - F.O.S. S.r.l.	Battipaglia	Euro	47,700,000	100.00%	Prysmian S.p.A.
Electronic and Optical Sensing Solutions S.r.l.	Milan	Euro	5,000,000	100.00%	Prysmian S.p.A.
Prysmian Servizi S.p.A.	Milan	Euro	3,000,000	100.00%	Prysmian S.p.A.
Norway					
Prysmian Group Norge AS	Drammen	Norwegian Krone	22,500,000	100.00%	Draka Holding B.V.
The Netherlands					
Draka Comteq B.V.	Amsterdam	Euro	1,000,000	100.00%	Draka Holding B.V.
Draka Comteq Fibre B.V.	Eindhoven	Euro	18,000	100.00%	Prysmian Netherlands Holding B.V.
Draka Holding B.V.	Amsterdam	Euro	52,229,320.50	100.000%	Prysmian S.p.A.
Draka Kabel B.V.	Amsterdam	Euro	2,277,976.68	100.00%	Prysmian Netherlands B.V.
Donne Draad B.V.	Nieuw Bergen	Euro	28,134.37	100.00%	Prysmian Netherlands B.V.
NKF Vastgoed I B.V.	Delft	Euro	18,151.21	99.00%	Draka Holding B.V.
				1.00%	Prysmian Netherlands B.V.
NKF Vastgoed III B.V.	Delft	Euro	18,151.21	99.00%	Draka Deutschland GmbH
				1.00%	Prysmian Netherlands B.V.
Prysmian Netherlands B.V.	Delft	Euro	1	100.00%	Prysmian Netherlands Holding B.V.
Prysmian Netherlands Holding B.V.	Amsterdam	Euro	1	100.00%	Draka Holding B.V.
Poland					
Prysmian Poland sp. z o.o.	Sokolów	Polish Zloty	394,000	100.000%	Draka Holding B.V.
Portugal					
General Cable Investments, SGPS, Sociedade Unipessoal, S.A.	Funchal	Euro	8,500,020	100.00%	Draka Holding B.V.
General Cable Celcat, Energia e Telecomunicaçoes S.A.	Pero Pinheiro	Euro	13,500,000	100.00%	General Cable Investments, SGPS, Sociedade Unipessoal, S.A.
Czech Republic					
Prysmian Kabely, s.r.o.	Velké Meziříčí	Czech Koruna	255,000,000	100.00%	Draka Holding B.V.
Romania					
Prysmian Cabluri Si Sisteme S.A.	Slatina	Leu rumeno	403,850,920	99.99987%	Draka Holding B.V.
				0.00013%	Prysmian Cavi e Sistemi S.r.l.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Russia					
Limited Liability Company Prysmian RUS	Rybinsk city	Russian Rouble	230,000,000	99.00%	Draka Holding B.V.
				1.00%	Prysmian Cavi e Sistemi S.r.l.
Limited Liability Company "Rybinskelektrokabel"	Rybinsk city	Russian Rouble	90,312,000	100.00%	Limited Liability Company Prysmian RUS
Slovakia					
Prysmian Kablo s.r.o.	Bratislava	Euro	21,246,001	99.995%	Prysmian Cavi e Sistemi S.r.l.
				0.005%	Prysmian S.p.A.
Spain					
Prysmian Cables Spain, S.A. (Sociedad Unipersonal)	Vilanova I la Geltrù	Euro	58,178,234.22	100.00%	Draka Holding, S.L.
Draka Holding, S.L. (Sociedad Unipersonal)	Santa Perpetua de Mogoda	Euro	24,000,000	100.00%	Draka Holding B.V.
GC Latin America Holdings, S.L.	Abrera	Euro	151,042,030	100.00%	General Cable Holdings (Spain), S.L.
General Cable Holdings (Spain), S.L.	Abrera	Euro	138,304,698.48	100.00%	General Cable Corporation
Grupo General Cable Sistemas, S.L.	Abrera	Euro	22,116,018.70	100.00%	Draka Holding B.V.
EHC Spain and Portugal, S.L.	Sevilla	Euro	3,897,315.20	100.00%	EHC Global Inc.
Sweden					
Prysmian Group Sverige AB	Nässjö	Swedish Krona	100,000	100.00%	Draka Holding B.V.
Switzerland					
Omnisens S.A.	Morges	Swiss Franc	11,811,719	100.00%	Electronic and Optical Sensing Solutions S.r.l.
Turkey					
Turk Prysmian Kablo Ve Sistemleri A.S.	Mudanya	Turkish new Lira	216,733,652	83.7464%	Draka Holding B.V.
				0.4614%	Turk Prysmian Kablo Ve Sistemleri A.S.
				15.7922%	Terzi
Hungary					
Prysmian MKM Magyar Kabel Muvek Kft.	Budapest	Hungarian Forint	5,000,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
North America					
Canada					
Prysmian Cables and Systems Canada Ltd.	New Brunswick	Canadian Dollar	1,000,000	100.00%	Draka Holding B.V.
Draka Elevator Products Incorporated	New Brunswick	Canadian Dollar	n/a	100.00%	Prysmian Cables and Systems USA, LLC
General Cable Company Ltd.	Halifax	Canadian Dollar	295,768	100.00%	Prysmian Cables and Systems USA, LLC
EHC Global Inc.	Oshawa	Canadian Dollar	1,511,769	100.00%	Prysmian Cables and Systems Canada Ltd.
EHC Canada Inc.	Oshawa	Canadian Dollar	39,409	100.00%	EHC Global Inc.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Dominican Repuplic					
General Cable Caribbean, S.R.L	Santa Domingo Oeste	Dominican Peso	2,100,000	99.995%	General Cable Corporation
				0.005%	Prysmian Cables and Systems USA, LLC
U.S.A.					
Prysmian Cables and Systems (US) Inc.	Carson City	US Dollar	330,517,608	100.00%	Draka Holding B.V.
Prysmian Cables and Systems USA, LLC	Wilmington	US Dollar	10	100.00%	General Cable Corporation
Prysmian Construction Services Inc.	Wilmington	US Dollar	1,000	100.00%	Prysmian Cables and Systems USA, LLC
Draka Elevator Products, Inc.	Boston	US Dollar	1	100.00%	Prysmian Cables and Systems USA, LLC
Draka Transport USA, LLC	Boston	US Dollar	0	100.00%	Prysmian Cables and Systems USA, LLC
General Cable Corporation	Wilmington	US Dollar	1	100.00%	Prysmian Cables and Systems (US) Inc.
General Cable Technologies Corporation	Wilmington	US Dollar	1,884	53.0786%	Prysmian Cables and Systems USA, LLC
				46.9214%	General Cable Corporation
Phelps Dodge Enfield Corporation	Wilmington	US Dollar	800,000	100.00%	Prysmian Cables and Systems USA, LLC
Phelps Dodge National Cables Corporation	Wilmington	US Dollar	10	100.00%	Prysmian Cables and Systems USA, LLC
EHC USA Inc.	New York	US Dollar	1	100.00%	EHC Global Inc.
Prysmian Group Speciality Cables, LLC	Wilmington	US Dollar		100.00%	Prysmian Cables and Systems USA, LLC
Prysmian Projects North America, LLC	Wilmington	US Dollar		100.00%	Prysmian Cables and Systems USA, LLC
Central/South America					
Argentina					
Prysmian Energia Cables y Sistemas de Argentina S.A.	Buenos Aires	Argentine Peso	993,992,914	97.75%	Draka Holding B.V.
				2.01%	Prysmian Cavi e Sistemi S.r.l.
				0.13%	Terzi
				0.11%	Prysmian Cabos e Sistemas do Brasil S.A.
Brazil					
Prysmian Cabos e Sistemas do Brasil S.A.	Sorocaba	Brazilian Real	910,044,391	94.543%	Prysmian Cavi e Sistemi S.r.l.
				0.027%	Prysmian S.p.A.
				1.129%	Draka Holding B.V.
				4.301%	Draka Comteq B.V.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Draka Comteq Cabos Brasil S.A.	Santa Catarina	Brazilian Real	27,467,522	49.352%	Draka Comteq B.V.
				50.65%	Prysmian Cabos e Sistemas do Brasil S.A.
Omnisens do Brasil sercicos de solucoes de monitoracao em fibra otica Ltda	Rio de Janeiro	Brazilian Real	626,050	100.00%	Omnisens S.A.
Chile					
Cobre Cerrillos S.A.	Cerrillos	US Dollar	74,574,400	99.80%	General Cable Holdings (Spain), S.L.
				0.20%	Terzi
Colombia					
Productora de Cables Procables S.A.S.	Bogotà	Colombian Peso	1,902,964,285	99.96%	GC Latin America Holdings, S.L.
				0.04%	General Cable Corporation
Costa Rica					
Conducen, S.R.L.	Heredia	Costa Rican Colón	1,845,117,800	100.00%	GC Latin America Holdings, SL
Ecuador					
Cables Electricos Ecuatorianos C.A. CABLEC	Quito	US Dollar	243,957	67.14%	General Cable Holdings (Spain), S.L.
				24.86%	Cables Electricos Ecuatorianos C.A. CABLEC
				8.00%	Terzi
Guatemala					
Proveedora de Cables y Alambres PDCA Guatemala, S.A.	Guatemala City	Guatemalan Quetzal	100,000	99.00%	Conducen, S.R.L.
				1.00%	Terzi
Honduras					
Electroconductores de Honduras, S.A. de C.V.	Tegucigalpa	Honduran Lempira	3,436,400	59.39%	General Cable Holdings (Spain), S.L.
				40.61%	GC Latin America Holdings, S.L.
Mexico					
Draka Durango S. de R.L. de C.V.	Durango	Mexican Peso	163,471,787	99.996%	Draka Mexico Holdings S.A. de C.V.
				0.004%	Draka Holding B.V.
Draka Mexico Holdings S.A. de C.V.	Durango	Mexican Peso	57,036,501	99.999998%	Draka Holding B.V.
				0.000002%	Draka Comteq B.V.
NK Mexico Holdings S.A. de C.V.	Città del Messico	Mexican Peso	n/a	100.00%	Prysmian Group Finland OY
Prysmian Cables y Sistemas de Mexico S. de R. L. de C. V.	Durango	Mexican Peso	173,050,500	99.9983%	Draka Holding B.V.
				0.0017%	Draka Mexico Holdings S.A. de C.V.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
General Cable de Mexico, S.A de C.V.	Tetla	Mexican Peso	1,329,621,471	80.41733609%	Prysmian Cables and Systems USA, LLC
				19.58266361%	Conducen, S.R.L.
				0.00000030%	General Cable Technologies Corporation
General de Cable de Mexico del Norte, S.A. de C.V.	Piedras Negras	Mexican Peso	10,000	99.80%	General Cable Technologies Corporation
				0.20%	Prysmian Cables and Systems USA, LLC
Prestolite de Mexico, S.A. de C.V.	Sonora	Mexican Peso	50,000	99.80%	Prysmian Cables and Systems USA, LLC
				0.20%	General Cable Technologies Corporation
Servicios Latinoamericanos GC, S.A. de C.V.	Puebla	Mexican Peso	50,000	99.998%	General Cable de Mexico, S.A de C.V.
				0.002%	General Cable Technologies Corporation
Perù					
General Cable Peru S.A.C.	Santiago de Surco (Lima)	Nuevo sol peruviano	90,327,867.50	99.99999%	GC Latin America Holdings, S.L.
				0.00001%	Terzi
Africa					
Angola					
General Cable Condel, Cabos de Energia e Telecomunicaçoes S.A.	Luanda	Kwanza angolano	20,000,000	99.80%	General Cable Celcat, Energia e Telecomunicaçoes S.A.
				0.20%	Terzi
Ivory Coast					
SICABLE - Sociète Ivoirienne de Cables S.A.	Abidjan	CFA Franc	740,000,000	51.00%	Prysmian Cables et Systèmes France S.A.S.
				49.00%	Terzi
South Africa					
National Cables (Pty) Ltd.	Illovo	South African Rand	101	100.00%	Phelps Dodge National Cables Corporation
Tunisia					
Auto Cables Tunisie S.A.	Grombalia	Tunisian Dinar	4,050,000	50.998%	Prysmian Cables et Systèmes France S.A.S.
				49.002%	Terzi
Prysmian Cables and Systems Tunisia S.A.	Menzel Bouzelfa	Tunisian Dinar	1,850,000	99.965%	Prysmian Cables et Systèmes France S.A.S.
				0.005%	Prysmian (French) Holdings S.A.S.
				0.005%	Prysmian Cavi e Sistemi S.r.l.
				0.025%	Terzi
Oceania					
Australia					
Prysmian Australia Pty Ltd.	Liverpool	Australian Dollar	56,485,736	100.00%	Prysmian Cavi e Sistemi S.r.l.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
New Zeland					
Prysmian New Zealand Ltd.	Auckland	New Zeland Dollar	10,000	100.00%	Prysmian Australia Pty Ltd.
Asia					
Saudi Arabia					
Prysmian Powerlink Saudi LLC	Al Khoabar	Saudi Arabian Riyal	500,000	95.00%	Prysmian PowerLink S.r.l.
				5.00%	Terzi
China					
Prysmian Tianjin Cables Co. Ltd.	Tianjin	US Dollar	36,790,000	67.00%	Prysmian (China) Investment Company Ltd.
				33.00%	Terzi
Prysmian Cable (Shanghai) Co. Ltd.	Shanghai	Chinese Renminbi (Yuan)	34,867,510	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Wuxi Cable Co. Ltd.	Yixing (Jiangsu Province)	Chinese Renminbi (Yuan)	240,863,720	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Hong Kong Holding Ltd.	Hong Kong	Euro	72,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian (China) Investment Company Ltd.	Pechino	Euro	74,152,961	100.00%	Prysmian Hong Kong Holding Ltd.
Nantong Haixun Draka Elevator Products Co. LTD	Nantong	US Dollar	2,400,000	75.00%	Draka Elevator Products, Inc.
				25.00%	Terzi
Nantong Zhongyao Draka Elevator Products Co. LTD	Nantong	US Dollar	2,000,000	60.00%	Draka Elevator Products, Inc.
				40.00%	Terzi
Suzhou Draka Cable Co. Ltd.	Suzhou	Chinese Renminbi (Yuan)	304,500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Prysmian Technology Jiangsu Co. Ltd.	Yixing	Chinese Renminbi (Yuan)	495,323,466	100.00%	Prysmian (China) Investment Company Ltd.
EHC Escalator Handrail (Shanghai) Co. Ltd.	Shanghai	US Dollar	2,100,000	100.00%	EHC Global Inc.
EHC Engineered Polymer (Shanghai) Co. Ltd.	Shanghai	US Dollar	1,600,000	100.00%	EHC Global Inc.
EHC Lift Components (Shanghai) Co. Ltd.	Shanghai	US Dollar	200,000	100.00%	EHC Global Inc.
Philippines					
Draka Philippines Inc.	Cebu	Philippine Peso	253,652,000	99.9999975%	Draka Holding B.V.
				0.0000025%	Terzi
India					
Associated Cables Pvt. Ltd.	Mumbai	Indian Rupee	183,785,700	99.999946%	Oman Cables Industry (SAOG)
				0.000054%	Terzi

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Jaguar Communication Consultancy Services Private Ltd.	Mumbai	Indian Rupee	157,388,218	99.99999%	Prysmian Cavi e Sistemi S.r.l.
				0.000001%	Prysmian S.p.A.
Indonesia					
PT.Prysmian Cables Indonesia	Cikampek	US Dollar	67,300,000	99.48%	Draka Holding B.V.
				0.52%	Prysmian Cavi e Sistemi S.r.l.
Malaysia					
Sindutch Cable Manufacturer Sdn Bhd	Malacca	Malaysian Ringgit	500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Draka (Malaysia) Sdn Bhd	Malacca	Malaysian Ringgit	8,000,002	100.00%	Cable Supply and Consulting Company Pte Ltd.
Oman					
Oman Cables Industry (SAOG)	Al Rusayl	Omani Riyal	8,970,000	51.17%	Draka Holding B.V.
				48.83%	Terzi
Oman Aluminium Processing Industries (SPC)	Sohar	Omani Riyal	4,366,000	100.00%	Oman Cables Industry (SAOG)
Singapore					
Prysmian Cables Asia-Pacific Pte Ltd.	Singapore	Singapore Dollar	174,324,290	100.00%	Draka Holding B.V.
Draka Cableteq Asia Pacific Holding Pte Ltd.	Singapore	Singapore Dollar	28,630,503.70	100.00%	Draka Holding B.V.
Singapore Cables Manufacturers Pte Ltd.	Singapore	Singapore Dollar	1,500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Cable Supply and Consulting Company Private Limited	Singapore	Singapore Dollar	50,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Thailand					
MCI-Draka Cable Co. Ltd.	Bangkok	Thai Baht	435,900,000	99.999931%	Draka Cableteq Asia Pacific Holding Pte Ltd.
				0.000023%	Draka (Malaysia) Sdn Bhd
				0.000023%	Sindutch Cable Manufacturer Sdn Bhd
				0.000023%	Singapore Cables Manufacturers Pte Ltd.

The following companies have been accounted for using the equity method:

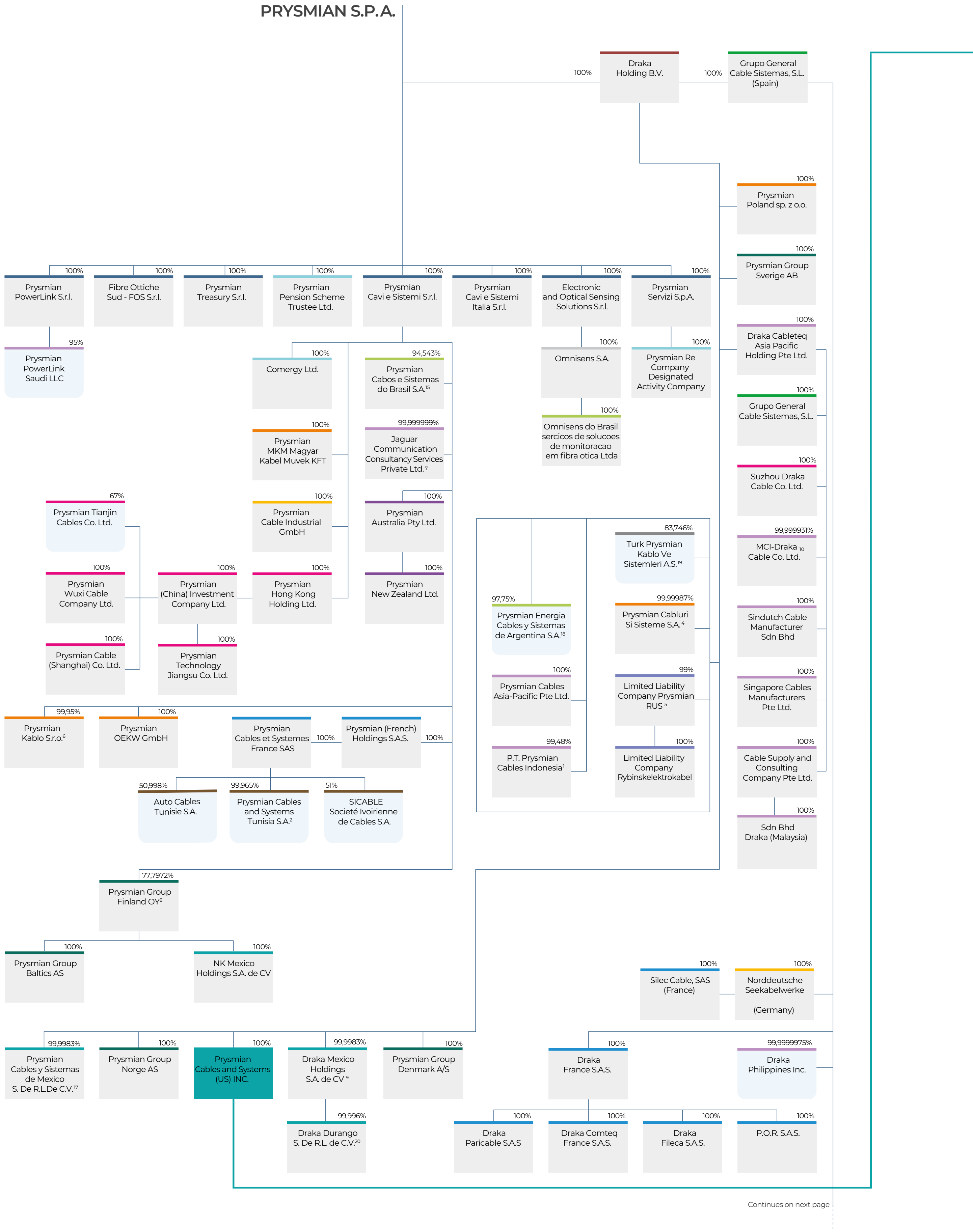
Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Europe					
Germany					
Kabeltrommel GmbH & Co.KG	Troisdorf	Euro	10,225,837.65	43.18%	Prysmian Kabel und Systeme GmbH
				1.75%	Norddeutsche Seekabelwerke GmbH
				55.07%	Third parties
Kabeltrommel GmbH	Troisdorf	Deutsche Mark	51,000	41.18%	Prysmian Kabel und Systeme GmbH
				5.82%	Norddeutsche Seekabelwerke GmbH
				53.00%	Third parties
Nostag GmbH & Co. KG	Oldenburg	Euro	540,000	33.00%	Norddeutsche Seekabelwerke GmbH
				67.00%	Third parties
U.K.					
Rodco Ltd.	Woking	British Pound	5	40.00%	Prysmian Cables & Systems Ltd.
				60.00%	Third parties
Russia					
Elkat Ltd.	Moscow	Russian Rouble	10,000	40.00%	Prysmian Group Finland OY
				60.00%	Third parties
Central/South America					
Chile					
Colada Continua Chilena S.A.	Quilicura (Santiago)	Chile Peso	100	41.00%	Cobre Cerrillos S.A.
				59.00%	Third parties
Asia					
China					
Yangtze Optical Fibre and Cable Joint Stock Limited Co.	Wuhan	Chinese Renminbi (Yuan)	757,905,108	23.73%	Draka Comteq B.V.
				76.27%	Third parties
Yangtze Optical Fibre and Cable (Shanghai) Co. Ltd.	Shanghai	Chinese Renminbi (Yuan)	100,300,000	75.00%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
				25.00%	Draka Comteq B.V.
Malaysia					
Power Cables Malaysia Sdn Bhd	Selangor Darul Eshan	Malaysian Ringgit	18,000,000	40.00%	Draka Holding B.V.
				60.00%	Third parties

Elenco delle altre partecipazioni non consolidate ai sensi dell'IFRS 10:

Legal name	% ownership	Direct parent company
India		
Ravin Cables Limited	51,00%	Prysmian Cavi e Sistemi S.r.l.
	49,00%	Third Parties
United Arab Emirates		
Power Plus Cable CO. LLC	49,00%	Ravin Cables Limited
	51,00%	Third Parties

Corporate structure – Appendix B

The companies consolidated on a line-by-line basis at 31 December 2023 are shown below.



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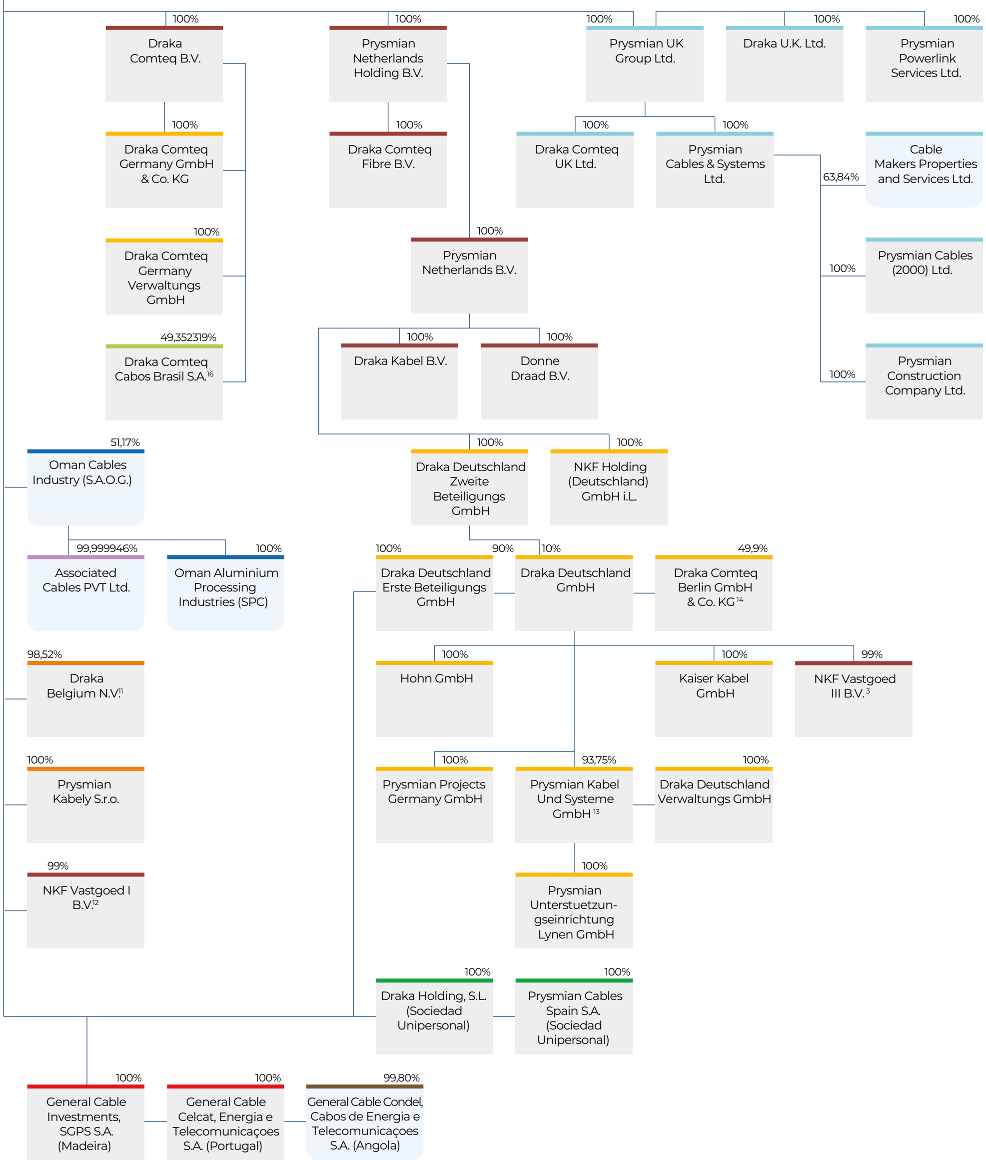

- Wholly owned
- Third-party ownership
- Italy
- UK - Ireland
- France
- Netherlands
- Nordics
- Germany
- Spain
- Portugal
- Danubian Area
- Switzerland
- Oceania
- ASEAN
- China
- Russia
- South America
- North America
- Turkey
- Africa
- Oman

1. Prysmian Cavi e Sistemi S.r.l. 0,52%
2. Prysmian (French) Holdings S.A.S. 0,005%
   Prysmian Cavi and Sistemi S.r.l. 0,005%
3. Prysmian Netherlands B.V. 1%
4. Prysmian Cavi and Sistemi S.r.l. 0,00013%
5. Prysmian Cavi and Sistemi S.r.l. 1%
6. Prysmian S.p.A. 0,005%
7. Prysmian S.p.A. 0,000001%
8. Draka Comteq B.V. 2,27%
   Draka Holding B.V. 19,9301%
9. Draka Comteq B.V. 0,000002%
10. Draka (Malaysia) Sdn Bhd 0,000023%,
    Sindutch Cable Manufacturer Sdn Bhd 0,000023%
    Singapore Cables Manufacturers Pte Ltd 0,000023%
11. Draka Kabel B.V. 1,48%
12. Prysmian Netherlands B.V. 1%
13. Prysmian S.p.A. 6,25%
14. Prysmian Netherlands B.V. 50,10%
15. Prysmian S.p.A. 0,026882%
    Draka Holding B.V. 1,129032%
    Draka Comteq B.V. 4,301075%
16. Prysmian Cabos and Sistemas do Brasil S.A. 50,647681%
17. Draka Mexico Holdings S.A. de CV 0.0017%
18. Prysmian Cavi e Sistemi S.r.l., 2,01%
    Prysmian Cabos e Sistemas do Brasil S.A., 0,11%
19. Turk Prysmian Kablo Ve Sistemleri A.S 0,4614%
20. Draka Holding B.V. 0,004%

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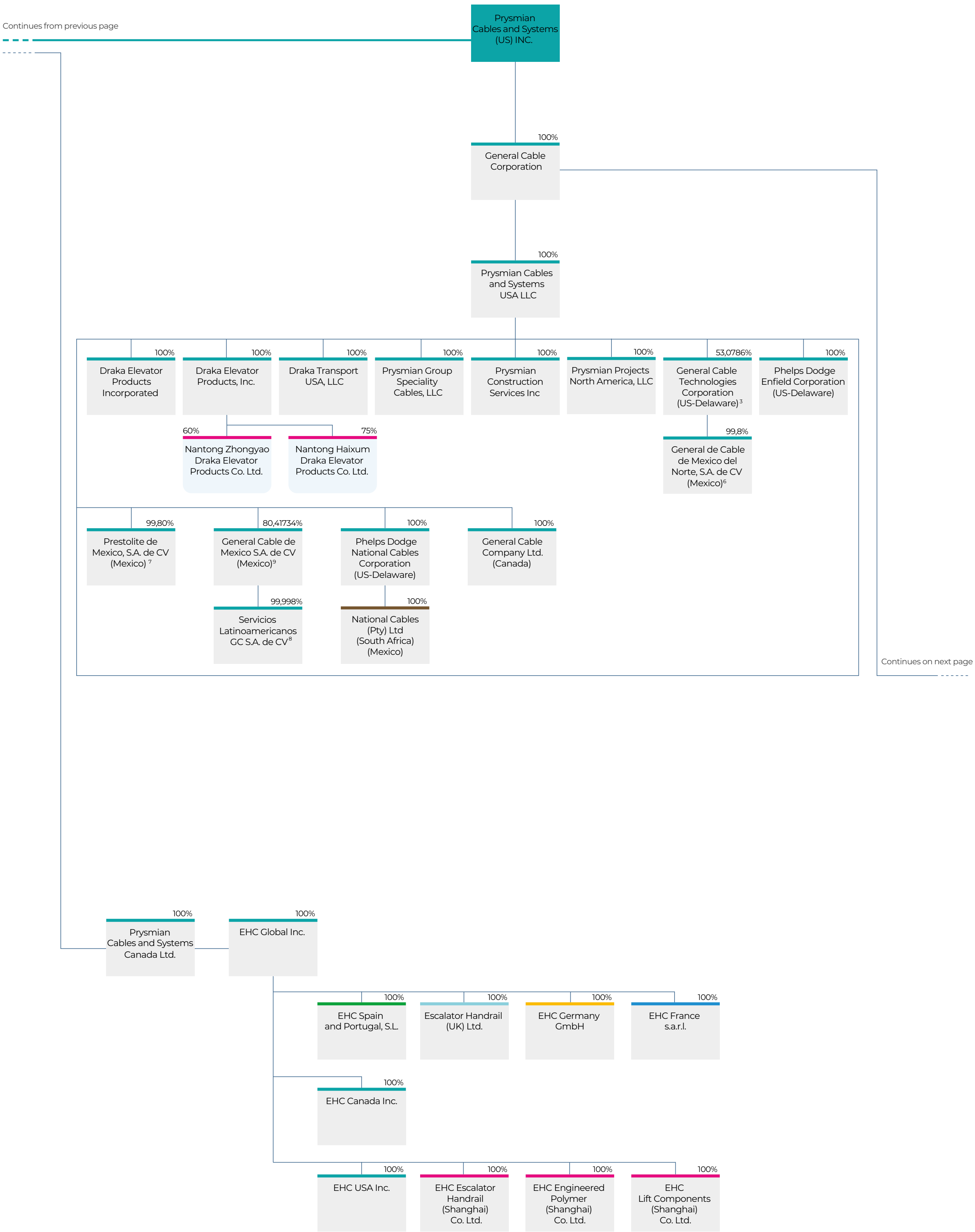

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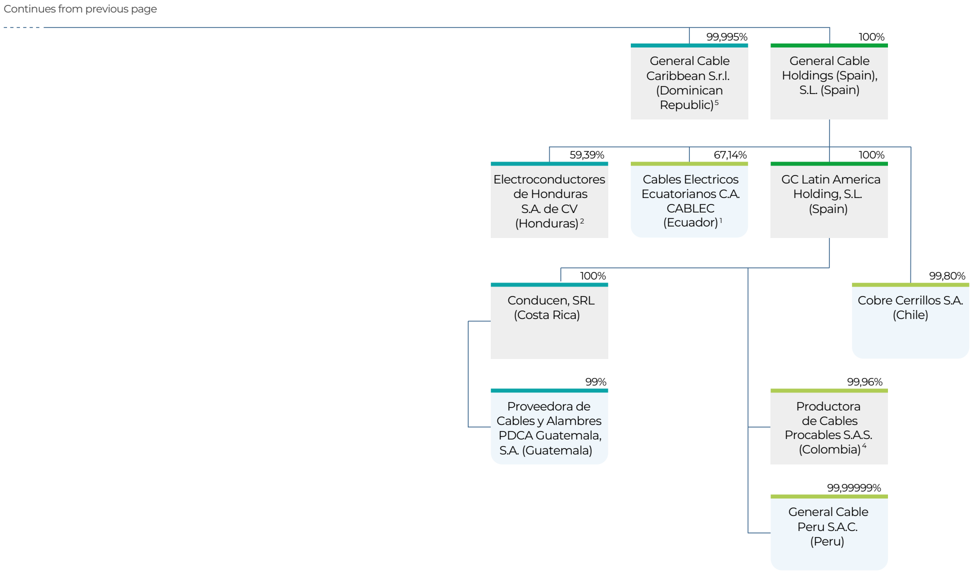

1. Cables Electricos Ecuatorianos C.A. CABLEC, 24,86%
2. GC Latin America Holdings, S.L. 40,61%
3. General Cable Corporation, 46,9214%
4. General Cable Corporation 0,04%
5. Prysmian Cables and Systems USA, LLC 0,005%
6. Prysmian Cables and Systems USA, LLC 0,2%
7. General Cable Technologies Corporation 0,2%
8. General Cable Technologies Corporation (US-Delaware) 0,002%
9. Conducen, S.R.L. 19,58266361%
   General Cable Technologies Corporation 0,0000003%

3. Certification of the Consolidated Financial Statements

pursuant to Art. 81-ter of CONSOB Regulation 11971 dated 14 May 1999 as amended

1. The undersigned Valerio Battista, as Chief Executive Officer, and Stefano Invernici and Alessandro Brunetti, as managers responsible for preparing the financial reports of Prysmian S.p.A., certify, also taking account of the provisions of paragraphs 3 and 4, art. 154-bis of Italian Legislative Decree 58 dated 24 February 1998, that during 2023 the accounting and administrative processes for preparing the consolidated financial statements:

- have been adequate in relation to the business's characteristics and
- have been effectively applied.

2. The adequacy of the accounting and administrative processes for preparing the consolidated financial statements at 31 December 2023 has been assessed on the basis of a procedure established by Prysmian in compliance with the internal control framework established by the Committee of Sponsoring Organizations of the Treadway Commission, which serves as a generally accepted standard model internationally.

It is nonetheless reported that:

- during 2023, several of Prysmian's companies were involved in the information system changeover project. The process of fine-tuning the new system's operating and accounting functions is still in progress for some of them; in any case, the system of controls in place ensures uniformity with the Group's system of procedures and controls.

3. It is also certified that:

3.1 The consolidated financial statements at 31 December 2023:

a) have been prepared in accordance with applicable international accounting standards recognised by the European Union under Regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;
b) correspond to the underlying accounting records and books of account;
c) are able to provide a true and fair view of the issuer's statement of financial position and results of operations and of the group of companies included in the consolidation.

3.2 The directors' report contains a fair review of performance and the results of operations, and of the situation of the issuer and the group of companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Milan, 28 February 2024

Valerio Battista	**Stefano Invernici**	**Alessandro Brunetti**
Chief Executive Officer	Managers responsible for preparing company financial reports	

EY S.p.A.
Tel: +39 02 722121

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the shareholders of
Prysmian S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Prysmian Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2023, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and illustrative notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Prysmian S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	Audit Response
Recognition of revenues and margins from construction contracts and risks related to ongoing and completed contracts	
The consolidated financial statements include revenues related to the "Projects" segment for Euro 2,508 million. These revenues, and the related margins, are mainly derived from construction contracts and are recognized in the income statement considering the progress of the projects, in accordance with the percentage of completion method, which is determined on the basis of actual costs, as compared to expected costs. Processes and method of revenue recognition and evaluation of construction contracts and the valuation of liabilities related to ongoing and completed contracts are based on assumptions, sometimes complex, which imply, by their nature, estimates by Directors, especially with regard to forecasted costs to complete each project, including the estimate of risks and penalties where applicable and for warranty repairs on completed projects, as well as to contract modifications either expected or under negotiation as well as to changes in estimates from prior periods. Considering the complexity of assumptions adopted in forecasting costs to complete the projects, in accounting for contract modifications under negotiation and in the valuation of risks related to ongoing and completed contracts as well as the potential significant impact of changes in estimates on the net result of the fiscal year we assessed this matter as a key audit matter. Financial statements disclosures related to this matter are reported in the notes "14. Provisions for risks and charges", "39.9 Construction contracts" and "40. Estimates and assumptions" of the consolidated financial statements.	Our audit procedures related to the key audit matter included, among the others, the analysis of the accounting treatment adopted by Prysmian Group, as well as the analysis of the procedures and key controls implemented by management to assess the criteria for recognition of revenues and margins from construction contracts. We performed a detailed analysis of assumptions involving a significant judgment by directors, in particular with regard to the estimate of costs to complete significant projects, including expected risks and penalties and contract modifications expected or under negotiation. This analysis included also the valuation of liabilities related to completed contracts and the expected costs for warranty repairs. The analysis has been performed through the analysis of the contracts and project documentation, the inquiries with project managers and the analysis of significant events occurred after the reporting period. We performed a comparative analysis of material variances of projects results in comparison with the original budget, and, where applicable, with prior period. As part of our procedures, we also performed substantive testing on a sample of costs recognized in the fiscal year. We also requested external confirmations to a sample of contractors, in order to test the existence and completeness of specific contract clauses. Finally, we analyzed the disclosures provided in the consolidated financial statements of Prysmian Group as of 31 December 2023.

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Recoverability of goodwill

The goodwill recognized in the consolidated financial statements of Prysmian Group as of 31 December 2023 amounts to Euro 1,660 million.
Goodwill has been allocated to groups of CGUs, corresponding to the operating segments (Projects, Energy, Telecom), which are expected to benefit from the synergies of business combinations and which represent the lowest level at which management monitors segment business performance.
The process as well as the methods of evaluation and calculation of the recoverable amount of each operating segment are based on assumptions, sometimes complex, which imply, by their nature, estimates by the directors, especially with regard to the forecast of future results, to the identification of long-term growth and discount rates applied on forecasted future cash flows.
Considering the complexity of assumptions adopted in the estimation of the recoverable amount of goodwill we assessed this matter as a key audit matter.
Financial statements disclosures related to this matter are reported in the notes "2. Goodwill and other intangible assets" of the consolidated financial statements.

Our audit procedures related to the key audit matter included, among the others, the analysis of the policy adopted by the Company with regard to the impairment testing, the analysis of the adequacy of the allocation to each CGU of the assets and liabilities and the analysis of future cash flows, taking into account the impairment testing procedure approved by the Board of Directors.
In addition, our procedures included the reconciliation of forecasted cash flows per each segment with the Group budget prepared for the 2024 fiscal year, the analysis of the consistency of the total forecasted cash flows for the years 2025-2027 with the underlying multi-year plan, the analysis of the quality of the forecasts taking into account the historical accuracy of the previous forecasts and the analysis of the calculation of long-term growth and discount rates.
Our procedures were performed with the support of our experts in valuation techniques who performed independent calculation and sensitivity analysis on the key assumptions in order to identify the change in the assumptions that could have a significant impact on the valuation of the recoverable amount.
Finally, we analyzed the disclosures provided in the consolidated financial statements of Prysmian Group as of 31 December 2023.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Prysmian S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Prysmian S.p.A., in the general meeting held on 16 April 2015, engaged us to perform the audits of the consolidated financial statements for each of the years ending 31 December 2016 to 31 December 2024.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Prysmian S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the Delegated Regulation) to the consolidated financial statements, to be included in the annual financial report.

We have performed the procedures required under auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements at 31 December 2023 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements at 31 December 2023 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information included in the illustrative notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Building a better working world

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Prysmian S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Prysmian Group at 31 December 2023, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under auditing standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements of Prysmian Group at 31 December 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Prysmian Group at 31 December 2023 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

The Directors of Prysmian S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated 30 December 2016. We have verified that non-financial information has been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated 30 December 2016, such non-financial information is subject to a separate compliance report signed by us.

Milan, 15 March 2024

EY S.p.A.
Signed by: Massimo Meloni, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

C

PARENT COMPANY FINANCIAL STATEMENTS

1. Directors' report

Significant events during the year

CDP lends Euro 120 million for innovation and digitalisation

On 6 March 2023, Prysmian S.p.A. announced that it had obtained a new loan of Euro 120 million from Cassa Depositi e Prestiti (CDP) to support R&D focused on deploying innovative technologies and to help consolidate the business's digitalisation processes, while cutting emissions to facilitate the e nergy transition.

Prysmian's R&D programs are also in step with the Paris Agreements, the European Green Deal and Horizon Europe directives for the promotion of clean, renewable energy by developing cable systems that ensure the interconnection of integrated renewable energy systems.

S&P Global Ratings awards Prysmian S.p.A. an investment grade rating

On 6 June 2023, it was announced that Prysmian S.p.A. had been awarded an investment grade rating by S&P Global Ratings, with the receipt of a BBB- long-term issuer credit rating with stable outlook.

Revolving Credit Facility 2023

On 20 June 2023, Prysmian S.p.A. renewed a Euro 1,000 million long-term sustainability-linked revolving credit facility with a syndicate of leading Italian and international banks.

This important five-year credit facility, with a 6- and 7-year extension option, will help further improve the Group's financial structure by lengthening the average maturity of its debt, while retaining the flexibility offered by such an instrument. The credit facility carries optimum terms, also in light of the investment-grade credit rating recently awarded to Prysmian by Standard & Poor's.

In addition, with the aim of deepening the embedding of ESG factors into the Group's strategy, Prysmian has chosen to include important environmental and social KPIs among the parameters determining the terms of credit. The renewed revolving credit facility is in fact Sustainability-Linked, being tied to the decarbonisation targets already set by the Group (annual GHG emissions from 2023 to 2030), to the ratio of female white-collar and executive hires to total Group hires, and to the number of sustainability audits performed within the supply chain.

Approval of financial statements at 31 December 2022 and dividend distribution

On 19 April 2023, the shareholders' meeting of Prysmian S.p.A. approved the 2022 financial statements and the distribution of a gross dividend of Euro 0.60 per share, for a total of some Euro 158 million. The dividend was paid out from 26 April 2023, with record date 25 April 2023 and ex-div date 24 April 2023.

Authorisation to buy and dispose of treasury shares

On 19 April 2023, the shareholders' meeting of Prysmian S.p.A. granted the Board of Directors authorisation to buy back and dispose of treasury shares, concurrently revoking the previous authorisation under the shareholder resolution dated 12 April 2022. Under this authorisation it is possible to make one or more share buybacks such that, at any one time, the total holding of treasury shares does not exceed 10% of share capital.

New long-term incentive plan (2023-2025)

On 19 April 2023, the shareholders' meeting of Prysmian S.p.A. approved a long-term incentive plan (2023-2025) that will involve approximately 1,100 recipients among management and other key Prysmian resources, including Prysmian S.p.A.'s Executive Directors and Key Management Personnel. The Plan involves the grant of new-issue ordinary shares obtained from a bonus issue funded by profits or retained earnings in accordance with art. 2349 of the Italian Civil Code, or a combination of new-issue shares and treasury shares. By means of this plan, Prysmian intends to strengthen the Company's and management's commitment to creating sustainable value over time for all stakeholders, including by involving a wide range of key people in over 40 countries who play an important role in the Group's sustainable success. The plan spans a three-year period and provides for the award of shares upon achievement of economic and financial performance conditions, Total Shareholders Return and ESG targets. The plan also allows 50% of the annual bonus, where due, for the years 2023, 2024, 2025 to be deferred in the form of shares. The annual bonus is also linked to the achievement of ESG targets, as well as to economic-financial targets. The deferral of the annual bonus also entails an additional award of "matching" shares which, in the case of the Group's some 50 top managers, is also dependent on the achievement of ESG targets by 2025. The plan has the following objectives:

- to motivate participants to achieve long-term results geared towards sustainable value creation over time;
- to align the interests of management with those of shareholders through the use of share-based incentive instruments;
- to foster stable management ownership of the Company's share capital;
- to ensure the long-term sustainability of the Group's annual performance, by boosting staff engagement and retention, including through the mechanism of deferring part of the annual bonus in shares.

The shareholders of Prysmian S.p.A. also authorised a bonus share capital increase to be reserved for Prysmian employees in execution of the plan. This capital increase may reach a maximum nominal amount of Euro 950,000 through apportionment, pursuant to art. 2349 of the Italian Civil Code, of a corresponding amount from profits or retained earnings, with the issue of no more than 9,500,000 ordinary shares of nominal value Euro 0.10 each.

Massimo Battaini designated as new Group CEO with effect from the 2024 AGM

On 26 May 2023, the Board of Directors of Prysmian S.p.A. designated Massimo Battaini - a current Director and Group Chief Operating Officer ("COO") - as the candidate for the position of Chief Executive Officer ("CEO") of Prysmian, in line with the Group succession plan, having been informed by current CEO Valerio Battista of his decision not to carry on as CEO for the next three-year mandate (2024-2027). Massimo Battaini will be presented as CEO designate on the slate submitted by the outgoing Board of Directors for its upcoming renewal at the 2024 Annual General Meeting, when Valerio Battista will step down.

Variation of share capital

On 6 June 2023 and 29 November 2023, Prysmian S.p.A. announced the new composition of its share capital as a result of implementing the resolutions for a bonus issue adopted by the Company's Extraordinary General Meeting on 12 April 2022 to service the share-based plans approved by the shareholders' meetings of 28 April 2020 and 12 April 2022, reserved for employees and executive directors of the Company and of Prysmian companies.

More specifically, the following shares were issued:

- on 29 May 2023, 292,511 ordinary shares,
- on 5 June 2023, 8,000,000 ordinary shares;
- on 21 November 2023, 97,691 ordinary shares.

Prysmian renews partnership with Andretti Formula E for a second consecutive season

On 13 December 2023, the Group announced the renewal of its official partnership with the Andretti Formula E team for the 2023/2024 ABB FIA Formula E World Championship, following the sensational Season 9 culminating with Jake Dennis winning the Formula E Drivers' World Championship.

Prysmian will continue to support Andretti Formula E by providing the Team with power transmission and information solutions across all areas of its sustainable electrification. One of the main innovations supplied during Season 9 was the PRY-CAM monitoring system, making it possible to gather valuable data and information on the energy efficiency of the team's pits.

The partnership between Andretti Formula E and Prysmian is based on the core values of innovation, sustainability, challenge and performance, values that will continue to represent a solid basis for collaboration in this second season. With this initiative, Prysmian aims to strengthen its “Sustain to Lead” strategy and the Group’s value proposition by promoting innovation and sustainable development even in the strategic sectors of e-mobility, renewable power transmission and distribution and digital solutions.

Andretti is a pillar of Formula E, having been involved since the inaugural race back in 2014, and heads into the eagerly awaited Season 10 with a track record of 10 wins, 12 pole positions and a Drivers’ World Championship to its credit. The team kicked off Season 10 of the Formula E championship at the opening race in Mexico City on 13 January 2024. Created in 2011, the ABB FIA Formula E World Championship is a single-seater motorsport championship for electric cars. Since the 2020–21 season, Formula E is a FIA World Championship, making it the first single-seater racing series outside of Formula One to be given world championship status.

Financial performance of Prysmian S.p.A.

The financial information presented and discussed below has been prepared by reclassifying the accompanying financial statements for the year ended 31 December 2023, which in turn have been drawn up in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and with the implementation guidance for art. 9 of Legislative Decree 38/2005.

In addition to the standard financial reporting formats and indicators required under IFRS, a number of reclassified statements and alternative performance indicators have also been presented with the intention of helping users of the financial statements better evaluate the Company’s economic and financial performance. Such reclassified statements and performance indicators should not however be treated as substitutes for the accepted ones required by IFRS.

ANDAMENTO ECONOMICO

(Euro/thousand)	2023	2022
Revenues and other income	246,323	245,035
Operating costs	(75,729)	(87,077)
Other expenses	(130,425)	(134,392)
Amortisation, depreciation and impairment	(41,151)	(35,020)
Operating income	**(982)**	**(11,455)**
Net finance income/(costs)	(49,805)	(13,964)
Net income from investments	304,761	176,287
Profit/(loss) before taxes	**253,974**	**150,868**
Taxes	10,292	(7,100)
Net profit/(loss)	**264,266**	**143,768**

In addition to the comments presented below, the more significant changes in individual items within the Prysmian S.p.A. income statement are discussed in the Explanatory Notes to its financial statements, to which reference should be made.

The Parent Company’s income statement for 2023 reports Euro 264,266 thousand in net profit, up Euro 120,498 thousand from the previous year.

Revenues and other income of Euro 246,323 thousand (Euro 245,035 thousand in 2022) include the income of Prysmian S.p.A. from ordinary operations. In accordance with IFRS 15, revenues and other income also include the net margin on buying strategic metals and selling them to other Group companies.

Revenues and other income also include amounts charged by Prysmian S.p.A. to Group companies for coordination and other services provided by head office functions and for royalties on patents, know-how and trademarks licensed to Group companies.

Operating costs of Euro 75,729 thousand in 2023 (Euro 87,077 thousand in 2022) mostly comprise personnel costs (Euro 68,690 thousand in 2023 versus Euro 77,955 thousand in 2022), with the remainder referring to purchases of other consumables (Euro 7,012 thousand in 2023 versus Euro 9,150 thousand in 2022) and the fair value change in metal derivatives (Euro 27 thousand negative in 2023 versus Euro 28 thousand positive in 2022).

In particular, the decrease in personnel costs is largely attributable to the initial costs recorded in 2022 for a new share-based plan. Further details can be found in Note 17. Personnel costs of the Explanatory Notes to the financial statements.

Other expenses of Euro 130,425 thousand in 2023 (Euro 134,392 thousand in 2022) have been affected by fewer non-recurring costs mostly arising from intercompany transactions.

Further details can be found in the Explanatory Notes to the financial statements under Note 19. Other expenses.

Net finance costs of Euro 49,805 thousand (Euro 13,964 thousand in 2022) consist of interest expense on bonds and loans and foreign currency derivative hedge costs, net of finance income earned mostly from fees for guarantees given on behalf of Group companies. The change is mainly attributable to the hike in interest rates.

Net income from investments amounts to Euro 304,761 thousand, compared with Euro 176,287 thousand in the previous year, and mostly comprises a total of Euro 327,382 in dividends paid by the subsidiaries Draka Holding B.V. and Prysmian Treasury S.r.l., minus Euro 35,450 thousand in impairment of the investment in Fibre Ottiche Sud – F.O.S. S.r.l., plus Euro 21,359 thousand for the increase since the grant date in the fair market value of granted shares under the new 2023-2025 long-term incentive (LTI) plan and the BE IN incentive plan, both of which recharged to group companies, and minus Euro 8,530 thousand for costs incurred by the Company for the old LTI plan settled in June 2023.

Income taxes report Euro 10,292 thousand in income (versus a net charge of Euro 7,100 thousand in 2022), of which Euro 9,682 thousand in current tax income and Euro 610 thousand in deferred tax income. More specifically, current taxes reflect the net effect of the tax charge for the period and net income from Italian companies arising from the election by the Company and its Italian subsidiaries for a group tax consolidation. Further information can be found in Note 22. Taxes of the Explanatory Notes to the financial statements.

Research costs are fully expensed to income, while development costs are capitalised if they meet the required qualifying conditions.

R&D costs incurred in 2023 Euro 29,352 thousand have been fully expensed to income (Euro 30,485 thousand in 2022); more details can be found in Note 33. Research and development of the Explanatory Notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

The Parent Company's statement of financial position is summarised as follows:

(Euro/thousand)	31 December 2023	31 December 2022
Net fixed assets	5,922,800	5,913,352
- of which Investments in subsidiaries	*5,719,702*	*5,701,163*
Net working capital	(130,865)	(102,073)
Provisions	(46,122)	(53,208)
Net capital employed	**5,745,813**	**5,758,070**
Employee benefit obligations	6,218	6,085
Total equity	2,586,850	2,460,945
Net financial debt	3,152,745	3,291,040
Total equity and sources of funds	**5,745,813**	**5,758,070**

Note: the composition and method of calculating the above indicators are detailed in the Group's Integrated Annual Report.

In addition to the comments presented below, the more significant changes in individual items within Prysmian S.p.A. statement of financial position are discussed in the Explanatory Notes to its financial statements, to which reference should be made.

Net fixed assets basically comprise the controlling interests in Prysmian Cavi e Sistemi S.r.l., Draka Holding B.V. and the Group's other Italian companies.

The increase of Euro 18,539 thousand in the value of investments in subsidiaries since 2022 is mainly attributable to the net effect of capital contributions paid to the subsidiaries Electronic and Optical Sensing Solutions S.r.l., Prysmian Servizi S.p.A. and Fibre Ottiche Sud – F.O.S. S.r.l., minus impairment recognised against the value of the investment in Fibre Ottiche Sud – F.O.S. S.r.l.. The value of investments has also been impacted by the pay-related component of share-based plans, with underlying Prysmian S.p.A. shares, for employees of other Group companies.

Capital expenditure on "Property, plant and equipment" and "Intangible assets" totalled Euro 29,502 thousand in 2023 (Euro 26,110 thousand in 2022). Expenditure on property, plant and equipment amounted to Euro 6,609 thousand, relating to the purchase of IT infrastructure for the Group and fixed installations for Prysmian headquarters; the overall expenditure also included advances of Euro 4,765 thousand for the purchase of machinery serving the new R&D centre in Quattordio. Expenditure on intangible assets, totalling Euro 18,157 thousand, related to the ongoing upgrade of IT systems and Digital Transformation projects, as well as the purchase of new software. More details can be found in Note 1. Property, plant and equipment and Note 2. Intangible assets of the Explanatory Notes to the financial statements.

In addition to the additions listed above, the closing balance of net fixed assets in 2023 includes net additions of Euro 2,559 thousand to account for leases in accordance with IFRS 16.

Net working capital is a negative Euro 130,865 thousand and comprises:

- Euro 299,434 thousand as the net negative balance between trade receivables and trade payables (see Notes 5 and 11 to the financial statements);
- Euro 168,569 thousand as the net positive balance of other receivables/payables and financial receivables/payables (see Notes 5 and 11 to the financial statements).

Provisions, inclusive of deferred tax provisions, amount to Euro 46,122 thousand at 31 December 2023 (see Notes 4 and 12 to the financial statements) compared with Euro 53,208 thousand at 31 December 2022. The difference mainly reflects adjustments to the deferred tax provision. Further information can be found in Note 14. Current tax payables and Deferred tax liabilities in the Explanatory Notes.

Equity amounts to Euro 2,586,850 thousand at 31 December 2023, reporting a net increase of Euro 125,905 thousand since 31 December 2022, mostly reflecting the net profit for 2023 after the dividend distribution during the year and adjustments to the share-based payment reserve. A more detailed analysis of the changes in equity can be found in the Statement of Changes in Equity forming part of the Financial Statements presented in the following pages.

The Group's consolidated equity at 31 December 2023 and consolidated net profit for 2023 are reconciled with the corresponding figures for the Parent Company Prysmian S.p.A. in a table presented in the Group's Integrated Annual Report.

Net financial debt amounts to Euro 3,152,745 thousand at 31 December 2023, versus Euro 3,291,040 thousand at 31 December 2022.

The following table presents a detailed breakdown of net financial debt.

(Euro/thousand)	Note	31 December 2023	of which related parties (Note 25)	31 December 2022	of which related parties (Note 25)
Long-term financial payables					
CDP Loans	10	194,350		174,685	
Mediobanca Loan	10	-		99,905	
Intesa Loan	10	-		149,781	
EIB Loans	10	134,870		244,798	
Sustainability-Linked Term Loan	10	1,193,356		1,191,474	
Convertible Bond 2021	10	727,830		717,399	
Lease liabilities	10	11,444		14,712	
Other borrowings		1,937		-	
Total long-term financial payables		**2,263,787**		**2,592,754**	
Short-term financial payables					
CDP Loans	10	103,470		520	
Mediobanca Loan	10	100,483		294	
Intesa Loan	10	151,342		836	
EIB Loans	10	113,085		996	
Sustainability-Linked Term Loan	10	24,972		6,114	
Unicredit Loan	10	-		200,457	
Lease liabilities	10	5,418		5,120	
Short-term loans from Group companies	10	440,304	440,304	742,742	742,742
Other borrowings	10	76		9,090	
Total short-term financial payables		**939,149**		**966,169**	
Total financial liabilities		**3,202,935**		**3,558,923**	
Long-term financial receivables	5	235		177	
Long-term bank fees	5	3,621		284	
Non-current interest rate derivatives	7	10,508		59,209	
Current interest rate derivatives	7	20,115		12,676	
Short-term financial receivables	6	12,758		193,417	
Short-term financial receivables from Group companies	5	1,456	1,456	-	
Short-term bank fees	5	1,092		1,185	
Cash and cash equivalents	8	405		935	
Net financial debt		**3,152,745**		**3,291,040**	

Note 10 of the Explanatory Notes to the financial statements contains a reconciliation of the Company's net financial debt to the amount reported in accordance with the requirements of CONSOB communication no. 5/21 of 29 April 2021 concerning compliance with the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 (reference ESMA32-382-1138).
A more detailed analysis of cash flows can be found in the Statement of Cash Flows, forming part of the Financial Statements presented in the following pages.

Human resources, safety and environment

Prysmian S.p.A. had a total of 440 employees at 31 December 2023 (436 at 31 December 2022), of whom 397 management/desk staff (396 at 31 December 2022) and 43 non-desk staff (40 at 31 December 2022).

The Company has taken systematic, ongoing steps to implement all the fundamental activities required to manage issues concerning the environment, and the health and safety of its employees.

More details can be found in the Consolidated Non-Financial Statement forming part of the Group's Integrated Annual Report.

Direction and coordination

Prysmian S.p.A. is not under the direction and coordination of other companies or entities but decides its general and operational strategy in complete autonomy. Pursuant to art. 2497-bis of the Italian Civil Code, the direct and indirect subsidiaries of Prysmian S.p.A. have identified it as the entity which exercises direction and coordination for them. Such direction and coordination entails identifying general and operational strategies for the Group as a whole and defining and implementing internal control systems, models of governance and corporate structure

Intercompany and related party transactions

Information about related party transactions, including that required by the Consob Communication dated 28 July 2006, is presented in Note 25 to the Parent Company Financial Statements.

Secondary locations

The Company does not have any secondary locations.

Share capital and corporate governance

Share capital amounts to Euro 27,653 thousand at 31 December 2023, consisting of 276,534,448 ordinary shares (including 3,718,405 treasury shares), with a nominal value of Euro 0.10 each. The total number of outstanding voting shares is 272,816,043, net of the 10,669 treasury shares held indirectly.

Information about Corporate Governance can be found in Prysmian's Integrated Annual Report.

Atypical and/or unusual transactions

In accordance with the disclosures required by Consob Communication DEM/6064293 dated 28 July 2006, it is reported that no atypical and/or unusual transactions took place during 2023.

Risk factors

Prysmian S.p.A. is exposed in the normal conduct of its business to a number of financial and non-financial risk factors which, should they arise, could have an impact, even material, on its results of operations and financial condition. Prysmian S.p.A. adopts specific procedures to manage the risk factors that might influence its business results. These procedures are the result of corporate policy which has always been directed at maximising value for shareholders by taking all necessary steps to prevent the risks inherent in the Company's business.

Based on its financial performance and cash generation in recent years, as well as its financial resources available at 31 December 2023 and committed undrawn credit lines at that date, the Company believes that, barring any extraordinary events, there are no material uncertainties that could cast significant doubt upon the business's ability to continue to operate on a going concern basis.

More details about risk factors and the system of internal controls can be found in Prysmian's Integrated Annual Report.

Financial risk management policies

Financial risk management policies are discussed in Section C of the Explanatory Notes to the financial statements.

Business outlook

With regard to business outlook, please refer to Prysmian's Integrated Annual Report.

2. Financial statements

Statement of financial position

(in Euro)	Note	31.12.2023	of which related parties (Note 25)	31.12.2022	of which related parties (Note 25)
Non-current assets					
Property, plant and equipment	1	90,327,812		86,356,289	
Intangible assets	2	112,770,729		125,832,341	
Investments in subsidiaries	3	5,719,701,514	5,719,701,514	5,701,163,010	5,701,163,010
Derivatives	7	10,508,194		59,208,767	
Deferred tax assets	4	575,490		-	
Other receivables	5	87,907,198	84,233,856	480,905	
Total non-current assets		**6,021,790,937**		**5,973,041,312**	
Current assets					
Trade receivables	5	274,671,900	266,735,183	267,751,421	261,626,895
Other receivables	5	136,469,129	45,707,254	313,399,028	248,362,065
Financial assets at fair value through profit or loss	6	-		193,419,090	
Derivatives	7	21,650,196	1,495,567	14,184,805	1,508,980
Cash and cash equivalents	8	404,507		935,390	
Total current assets		**433,195,732**		**789,689,734**	
Total assets		**6,454,986,669**		**6,762,731,046**	
Capital and reserves:					
Share capital	9	27,653,445		26,814,425	
Reserves	9	2,294,930,452		2,290,362,325	
Net profit/(loss)	9	264,265,777		143,767,869	
Total equity		**2,586,849,674**		**2,460,944,619**	
Non-current liabilities					
Borrowings from banks and other lenders	10	2,263,786,516		2,592,754,055	
Employee benefit obligations	13	6,217,788	259,680	6,085,009	129,127
Derivatives	7	-		-	
Other payables	11	219,375		-	
Deferred tax liabilities	14	-		10,005,178	
Total non-current liabilities		**2,270,223,679**		**2,608,844,242**	
Current liabilities					
Borrowings from banks and other lenders	10	498,843,643		223,427,951	
Provisions for risks and charges	12	46,697,529	6,390,590	43,203,216	5,373,590
Derivatives	7	1,409,785	1,409,785	1,177,325	1,177,325
Trade payables	11	574,105,794	27,365,736	651,916,269	15,949,796
Other payables	11	476,856,565	446,287,239	771,051,672	745,824,357
Current tax payables	14	-	-	2,165,752	1,297,082
Total current liabilities		**1,597,913,316**		**1,692,942,185**	
Total liabilities		**3,868,136,995**		**4,301,786,427**	
Total equity and liabilities		**6,454,986,669**		**6,762,731,046**	

Income statement

(in Euro)	Note	2023	of which related parties (Note 25)	2022	of which related parties (Note 25)
Revenues and other income	15	246,323,323	233,109,617	245,035,005	230,897,794
Total revenues and other income		**246,323,323**		**245,035,005**	
Raw materials, consumables and supplies	16	(7,011,799)	(1,439,734)	(9,150,196)	(2,641,791)
Fair value change in metal derivatives		(27,074)	(27,074)	27,662	27,662
Personnel costs	17	(68,689,951)	(5,847,938)	(77,954,822)	(10,114,628)
Amortisation, depreciation, impairment and impairment reversals	18	(41,150,888)		(35,020,099)	
Other expenses	19	(130,425,377)	(38,717,870)	(134,392,147)	(37,382,480)
Operating income		**(981,766)**		**(11,454,597)**	
Finance costs	20	(164,332,705)	(42,978,604)	(89,062,002)	(17,080,084)
Finance income	20	114,527,357	69,289,702	75,097,619	68,528,463
Dividends from subsidiaries	21	340,210,884	340,210,884	243,001,115	243,001,115
(Impairment)/revaluation of investments	3	(35,449,980)	(35,449,980)	(66,714,088)	(66,714,088)
Profit before taxes		**253,973,790**		**150,868,047**	
Taxes	22	10,291,987	20,716,356	(7,100,178)	6,696,463
Net profit/(loss)		**264,265,777**		**143,767,869**	

Statement of comprehensive income

(Euro/thousand)	Share capital	Share premium reserve	Capital increase costs	Legal reserve	Treasury shares reserve	Extraord-inary reserve	IAS/IFRS first-time adoption reserve
Balance at 31 December 2021	**26,814**	**1,281,071**	**(14,476)**	**5,363**	**92,461**	**52,688**	**30,177**
Capital increase costs							
Dividend distribution							
Share-based payments					(813)		
Allocation of prior year net profit							
Non-monetary components of convertible bond							
Total comprehensive income/(loss) for the year							
Balance at 31 December 2022	**26,814**	**1,281,071**	**(14,476)**	**5,363**	**91,648**	**52,688**	**30,177**
Capital increase costs							
Dividend distribution							
Share-based payments	839				(17,586)		
Allocation of prior year net profit							
Non-monetary components of convertible bond							
Total comprehensive income/(loss) for the year							
Balance at 31 December 2023	**27,653**	**1,281,071**	**(14,476)**	**5,363**	**74,062**	**52,688**	**30,177**

(*) At 31 December 2023, the number of treasury shares held came to 3,718,405 with a total nominal value of Euro 371,841

Statement of changes in equity

(in Euro)	Note	2023	2022
Net profit/(loss)		**264,265,777**	**143,767,869**
Other comprehensive income:			
A) Change in cash flow hedge reserve:		**(31,440,646)**	**61,334,194**
- Profit/(loss) for the year	9	(41,369,271)	80,702,886
- Taxes	9	9,928,625	(19,368,693)
B) Actuarial gains/(losses) on employee benefits (*)		**(134,520)**	**782,040**
- Profit/(loss) for the year	9	(177,000)	1,029,000
- Taxes	9	42,480	(246,960)
Total other comprehensive income (A+B)		**(31,575,166)**	**62,116,234**
Total comprehensive income/(loss)		**232,690,611**	**205,884,103**

(*) Components of comprehensive income that will not be reclassified to profit or loss in subsequent periods

	Capital contribution reserve	Actuarial gains/(losses) on employee benefits	Convertible bond reserve	Share-based payment reserve	Cash flow hedge reserve	Treasury shares(*)	Share issue reserve	Retained earnings	Net profit/(loss) for the year	Total
	6,113	**(2,177)**	**84,321**	**62,256**	**(6,860)**	**(92,461)**	**1,100**	**629,505**	**138,967**	**2,294,862**
								(5,960)	(138,967)	(144,927)
				104,303		813		822		105,125
										-
			(34,771)					34,771		-
		782			61,334				143,768	205,884
	6,113	**(1,395)**	**49,550**	**166,559**	**54,474**	**(91,648)**	**1,100**	**659,137**	**143,768**	**2,460,945**
										-
								(15,403)	(142,818)	(158,221)
				(85,766)		17,586	111	137,201	(950)	51,436
										-
										-
		(135)			(31,441)				264,266	232,691
	6,113	**(1,530)**	**49,550**	**80,793**	**23,033**	**(74,062)**	**1,211**	**780,935**	**264,266**	**2,586,850**

Statement of cash flows

	(in Euro)	2023	of which related parties (Note 25)	2022	of which related parties (Note 25)
	Profit before taxes	253,973,790		150,868,046	
	Amortisation, depreciation and impairment	41,150,888		35,020,099	
	Impairment/(revaluation) of investments	35,449,980	35,449,980	66,714,088	66,714,088
	Dividends	(340,210,884)	(340,210,884)	(243,001,115)	(243,001,115)
	Share-based payments	6,300,220		20,518,943	
	Fair value change in metal derivatives	27,074	27,074	(27,662)	(27,662)
	Net finance costs	49,805,348	(26,311,098)	13,964,384	(51,448,379)
	Change in trade receivables/payables	(84,730,917)	6,307,653	46,540,467	-
	Change in other receivables/payables	184,010,798	125,531,141	(36,812,672)	552,296,729
	Change in employee benefit obligations	(258,895)	130,533	(292,460)	116,851
	Change in provisions for risks and other movements	3,356,720	-	5,376,403	-
	Taxes collected/(paid)	(10,985,680)	(10,985,680)	(7,273,430)	(7,273,430)
A.	**Cash flow from operating activities**	**137,888,442**		**51,595,090**	
	Investments in property, plant and equipment	(11,374,442)	(4,765,380)	(2,875,388)	
	Investments in intangible assets	(18,157,542)		(23,235,163)	
	Investments in financial assets at fair value through profit or loss	197,768,000		-	
	Investments to recapitalise subsidiaries	(41,430,110)	(41,430,110)	(38,803,000)	(38,803,000)
	Dividends received	327,381,884	327,381,884	179,671,995	179,671,995
B.	**Cash flow from investing activities**	**454,187,790**		**114,758,444**	
	Dividend distribution	(159,782,301)		(144,058,262)	
	Sale of treasury shares	1,341,150		821,714	
	Proceeds of new loans	121,936,924		1,335,000,000	
	Repayment of loans	(200,000,000)		(1,249,823,897)	
	Redemption of bonds	-		(750,000,000)	
	Changes in other net financial receivables/payables	(328,303,204)	(306,114,200)	542,550,077	552,296,729
	Finance costs paid 1	(129,114,408)	(42,710,382)	(71,941,734)	16,169,926
	Finance income received 2	101,314,724	55,425,357	71,936,549	53,233,588
C.	**Cash flow from financing activities**	**(592,607,116)**		**(265,515,552)**	
D.	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**(530,884)**		**(99,162,018)**	
E.	**Cash and cash equivalents at the beginning of the year**	**935,390**		**100,097,408**	
F	**Cash and cash equivalents at the end of the year (D+E)**	**404,507**		**935,390**	

(1) Finance costs paid of Euro 129,114 thousand include both interest expense and bank fees paid in 2023.
(2) Finance income received of Euro 101,314 thousand includes amounts collected from Group companies for recharged fees for guarantees given.

3. Explanatory notes

A. GENERAL INFORMATION

Prysmian S.p.A. ("the Company") is a company incorporated and domiciled in Italy and organised under the laws of the Republic of Italy. The Company was formed on 12 May 2005 and as from 1 March 2017 has its registered office in Via Chiese 6, Milan (Italy).

Through its controlling interests in Italian companies and the sub-holding companies Prysmian Cavi e Sistemi S.r.l. and Draka Holding B.V., the Company indirectly owns equity interests in Prysmian's operating companies. The Company and its subsidiaries produce cables and systems and related accessories for the energy and telecommunications industries and distribute and sell them around the globe.

Prysmian S.p.A. was floated on the Italian Stock Exchange on 3 May 2007 and since September 2007 has been included in the FTSE MIB index, comprising the top 40 Italian companies by capitalisation and stock liquidity.

The financial statements contained herein were approved by the Board of Directors of Prysmian S.p.A. on 28 February 2024, which decided to publish it within the legal deadlines.

B. ACCOUNTING POLICIES

The accounting policies and standards adopted are the same as those used for preparing the consolidated financial statements, to which reference should be made, except as described in Note 34.

B.1 BASIS OF PREPARATION
The 2023 financial statements represent the Separate Financial Statements of Prysmian S.p.A., the Parent Company of Prysmian.

The present financial statements have been prepared on a going concern basis, with the Directors having assessed that there are no financial, operating or other kind of indicators that might provide evidence of material uncertainties as to the Company's ability to meet its obligations in the foreseeable future and particularly in the next 12 months. Section C. Financial risk management and Section C.1 Capital risk management of these Explanatory Notes contain a description of how the Company manages financial risks, including liquidity and capital risks.

Under Legislative Decree 38 of 28 February 2005 "Exercise of the options envisaged by art. 5 of European Regulation 1606/2002 on international accounting standards", issuers are required to prepare not only consolidated financial statements but also separate financial statements for the Parent Company in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and published in the Official Journal of the European Union.

The term "IFRS" refers to all the International Financial Reporting Standards, all the International Accounting Standards ("IAS"), and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

IFRS have been applied consistently to all the periods presented in this document. The Company's financial statements have, therefore, been prepared in accordance with IFRS and related best practice; any future guidance and new interpretations will be reflected in subsequent years, in the manner established from time to time by the relevant accounting standards.

The financial statements have been prepared on the historical cost basis, except for the valuation of certain financial assets and liabilities, including derivatives, for which it is compulsory to apply the fair value method.

REPORTING FORMATS AND DISCLOSURES
The Company has elected to present its income statement according to the nature of expenses, whereas assets and liabilities in the statement of financial position have been classified as either current or non-current. The statement of cash flows has been prepared using the indirect method.

The Company has also applied the provisions of Consob Resolution 15519 dated 27 July 2006 concerning financial statement formats and the requirements of Consob Communication 6064293 dated 28 July 2006 regarding disclosures. All the amounts shown in the tables in the following Notes are expressed in thousands of Euro, unless otherwise stated.

B.2 NEWLY ADOPTED ACCOUNTING STANDARDS AND PRINCIPLES

The accounting principles and policies used to prepare the current financial statements are consistent with those used for the 2022 separate financial statements. This means there are no new standards or interpretations that have been applied for the first time in these financial statements and that have had an impact on them. Full details can be found in the Explanatory Notes to the Consolidated Financial Statements.

A description of the standards and interpretations applicable from 1 January 2023 and of their effects will now follow.

New standards, interpretations and amendments

The following is a list of new standards, interpretations and amendments whose application became mandatory from 1 January 2023 but which, based on the assessments performed, have not had a material impact on the separate financial statements at 31 December 2023:

- *Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9;*
- *Amendments to IAS 12: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;*
- *Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies;*
- *Amendments to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;*
- *Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules.*

B.3 ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED EARLY BY THE COMPANY

The following new accounting standards, amendments and interpretations had been issued at the date of preparing the present report but are not yet applicable and have not been adopted early by the Company.

New accounting standards, amendments and interpretations	Mandatory application as from
Amendments to IAS 1: Presentation of Financial Statements: • Classification of Liabilities as Current or Non-current; • Classification of Liabilities as Current or Non-current: Deferral of Effective Date; • Non-current Liabilities with Covenants.	1 gennaio 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale as Leaseback	1 gennaio 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)	1 gennaio 2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	1 gennaio 2025

Preliminary review has indicated that the new accounting standards, amendments and interpretations listed above are not expected to have a material impact on the Company's financial statements.

C. FINANCIAL RISK MANAGEMENT

Prysmian S.p.A. measures and manages its exposure to financial risks in accordance with the Group's policies.

The main financial risks are centrally coordinated and monitored by the Group Finance Department. Risk management policies are approved by the Group Finance, Administration and Control Department, which provides written guidelines on managing the different kinds of risks and on using financial instruments.

The financial risks to which Prysmian S.p.A. is exposed, directly or indirectly through its subsidiaries, are the same as those of the companies of which it is the Parent Company. Reference should therefore be made to Section C. Financial risk management of the Explanatory Notes to the Group's Consolidated Financial Statements.

The principal types of risks to which the Company is exposed are discussed below:

[a] Exchange rate risk

This arises from foreign currency trade or financial transactions not yet completed and from foreign currency assets and liabilities already recognised in the accounts. The Company mitigates this risk by using forward contracts entered into with the Group's central treasury company (Prysmian Treasury S.r.l.), which manages the various currency positions.

The principal exchange rates affecting the Company are:

- Euro/US Dollar: in relation to business transactions in US dollars;
- Euro/British Pound: in relation to business transactions on the British market and vice versa.

In 2023, trade flows exposed to the above exchange rates accounted for approximately 94% of the exposure to exchange rate risk arising from business transactions.

It is the Company's policy to hedge, where possible, exposures in currencies other than its unit of account. In particular, the Company hedges:

- firm cash flows: invoiced trade flows and exposures arising from loans receivable and payable;
- projected cash flows: trade and financial flows arising from firm or highly probable contractual commitments.

The following sensitivity analysis shows the effects on net profit of a 5% and 10% increase/decrease in exchange rates versus closing exchange rates at 31 December 2023:

(Euro/thousand)	2023		2022	
	-5%	+5%	-5%	+5%
British Pound	(13)	12	(4)	3
US Dollar	(3)	3	(45)	41
Australian Dollar	(15)	14	-	-
Singapore Dollar	-	-	-	-
Chinese Renminbi	(80)	73	(5)	5
Other currencies	(31)	28	(11)	10
Total	**(142)**	**129**	**(65)**	**59**

(Euro/thousand)	2023		2022	
	-10%	+10%	-10%	+10%
British Pound	(28)	23	(8)	6
US Dollar	(6)	5	(95)	77
Australian Dollar	(33)	27	-	-
Singapore Dollar	-	-	(11)	9
Chinese Renminbi	(170)	139	(1)	1
Other currencies	(64)	53	(24)	19
Total	**(301)**	**246**	**(138)**	**113**

When assessing the potential impact of the above, the assets and liabilities in currencies other than their unit of account were considered, net of any derivatives hedging the above-stated cash flows.

The following sensitivity analysis shows the post-tax effects on equity reserves of an increase/decrease in the fair value of designated cash flow hedges following a 5% and 10% increase/decrease in exchange rates versus closing exchange rates at 31 December 2023:

(Euro/thousand)	2023		2022	
	-5%	+5%	-5%	+5%
British Pound	(625)	565	(602)	544
Total	**(625)**	**565**	**(602)**	**544**

(Euro/thousand)	2023		2022	
	-10%	10%	-10%	10%
British Pound	(1,318)	1,079	(1,270)	1,039
Total	**(1,318)**	**1,079**	**(1,270)**	**1,039**

[b] Interest rate risk
The interest rate risk to which the Company is exposed is mainly due to long-term financial liabilities, carrying both fixed and variable rates.

Fixed rate debt exposes the Company to a fair value risk. The Company does not operate any particular hedging policies in relation to the risk arising from such contracts.

The Group Finance Department monitors the exposure to interest rate risk and adopts appropriate hedging strategies to keep the exposure within the limits defined by the Group Administration, Finance and Control Department, arranging derivative contracts, if necessary.

The net liabilities considered for sensitivity analysis include variable rate financial receivables and payables and cash and cash equivalents whose value is influenced by rate volatility. The Company calculates the pre-tax impact of changes in interest rates on the income statement.

The simulations carried out for balances at 31 December 2023 indicate that, with all other variables remaining equal, a 25 b.p. increase/decrease in interest rates would have respectively reduced the level of financial payables by Euro 2,375 thousand (2022: decrease of Euro 986 thousand) or increased them by Euro 2,375 thousand (2022: increase of Euro 986 thousand). This simulation exercise is carried out on a regular basis to ensure that the maximum potential loss remains within the limits set by Management.

[c] Price risk
This risk relates to the possibility of fluctuations in the price of strategic materials, whose purchase price is subject to market volatility and whose procurement from third-party suppliers is managed centrally by the Company, which then sells them on to Group operating companies. The Company is exposed to a residual price risk on those purchasing positions that have not been promptly recharged to Group operating companies. More information about metal derivatives can be found in Note 7. Derivatives.

[d] Credit risk
The Company does not have excessive concentrations of credit risk insofar as almost all its customers are companies belonging to the Group. In addition, there are no material unimpaired past due receivables.

[e] Liquidity risk
Prudent management of the liquidity risk arising from the Company's normal operations involves having adequate levels of cash and cash equivalents and short-term securities and access to funds from a sufficient amount of committed credit lines. The Company's Finance Department prefers flexible forms of funding in the form of committed credit lines.

At 31 December 2023, cash and cash equivalents stood at Euro 405 thousand, compared with Euro 935 thousand at 31 December 2022. The Company is able to draw down on the credit lines granted to the Group in the form of the Revolving Credit Facility 2023 (Euro 1,000 million). More details can be found in the Explanatory Notes to the Consolidated Financial Statements (Section C. Financial risk management).

The following table presents an analysis, by due date, of the payables and liabilities settled on a net basis. The various due date categories refer to the period between the reporting date and the contractual maturity of the obligations.

(Euro/thousand)	31 December 2022			
	Due within 1 year	Due between 1 - 2 years	Due between 2 - 5 years	Due after 5 years
Borrowings from banks and other lenders	489,602	74,765	1,933,603	252,166
Lease liabilities	4,963	2,023	3,220	2,288
Derivatives	1,410	-	-	-
Trade and other payables	1,050,962	-	-	-
Total	**1,546,937**	**76,788**	**1,936,823**	**254,454**

(Euro/thousand)	31 December 2022			
	Due within 1 year	Due between 1 - 2 years	Due between 2 - 5 years	Due after 5 years
Borrowings from banks and other lenders	218,308	459,513	1,983,686	134,843
Lease liabilities	4,512	4,167	2,489	1,158
Derivatives	1,177	-	-	-
Trade and other payables	1,422,968	-	-	-
Total	**1,646,965**	**463,680**	**1,986,175**	**136,001**

In completion of the disclosures about financial risks, the following is a reconciliation between the classes of financial assets and liabilities reported in the Company's statement of financial position and the categories used by IFRS 7 to identify financial assets and liabilities:

(Euro/thousand)	31 December 2023				
	Financial assets at FVPL	Receivables and other assets at amortised cost	Financial liabilities at FVPL	Financial liabilities at amortised cost	CFH derivatives
Financial assets at FVPL					
Trade receivables		274,672			
Other receivables		224,376			
Derivatives (assets)	1,535				30,623
Cash and cash equivalents		405			
Borrowings from banks and other lenders				2,762,630	
Trade payables				574,106	
Other payables				477,076	
Derivatives (liabilities)			1,298		112

(Euro/thousand)	31 December 2022				
	Financial assets at FVPL	Receivables and other assets at amortised cost	Financial liabilities at FVPL	Financial liabilities at amortised cost	CFH Derivatives
Financial assets at FVPL	193,419				
Trade receivables	-	267,751	-	-	-
Other receivables	-	313,880	-	-	-
Derivatives (assets)	1,509	-	-	-	71,885
Cash and cash equivalents	-	935	-	-	-
Borrowings from banks and other lenders	-	-	-	2,816,182	-
Trade payables	-	-	-	1,422,968	-
Other payables	-	-	-	771,052	-
Derivatives (liabilities)	-	-	1,177	-	-

C.1 CAPITAL RISK MANAGEMENT

The Company's objective in capital risk management is primarily to safeguard business continuity in order to guarantee returns for shareholders and benefits for other stakeholders. The Company also aims to maintain an optimal capital structure in order to reduce the cost of debt and to comply with a series of covenants under the various credit agreements (Note 10. Borrowings from banks and other lenders and Note 29. Financial covenants).

The Company also monitors capital on the basis of its gearing ratio (ie. the ratio between net financial debt and capital). Details of the composition of net financial debt can be found in Note 10. Borrowings from banks and other lenders. Capital is defined as the sum of equity and net financial debt.

The gearing ratios at 31 December 2023 and 31 December 2022 are shown below:

(Euro/thousand)	31 December 2023	31 December 2022
Net financial debt	3,152,745	3,291,040
Equity	2,586,850	2,460,945
Total Capital	**5,739,595**	**5,751,985**
Gearing ratio	**55%**	**57%**

C.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

IFRS 13 requires assets and liabilities recognised in the statement of financial position at fair value to be classified according to a hierarchy that reflects the significance of the inputs used in measuring fair value.

Financial instruments are classified according to the following fair value measurement hierarchy:

Level 1: Fair value is determined with reference to quoted prices (unadjusted) in active markets for identical financial instruments. Therefore, the emphasis within Level 1 is on determining both of the following:

a. the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and
b. whether the entity can enter into a transaction for the asset or liability at the price in that market at the measurement date.

Level 2: Fair value is determined using valuation techniques where the input is based on observable market data. The inputs for this level include:

a. quoted prices for similar assets or liabilities in active markets;
b. quoted prices for identical or similar assets or liabilities in markets that are not active;
c. inputs other than quoted prices that are observable for the asset or liability, for example:
  I. interest rate and yield curves observable at commonly quoted intervals;
  II. implied volatilities;
  III. credit spreads;
d. market-corroborated inputs.

Level 3: Fair value is determined using valuation techniques where the input is not based on observable market data.

The following tables present the assets and liabilities that are recurrently measured at fair value:

(Euro/thousand)	31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
Derivatives through profit or loss	-	1,535	-	1,535
Hedging derivatives	-	30,623	-	30,623
Total assets	**-**	**32,158**	**-**	**32,158**
Liabilities				
Financial liabilities at fair value:				
Derivatives through profit or loss	-	1,298	-	1,298
Hedging derivatives	-	112	-	112
Total liabilities	**-**	**1,410**	**-**	**1,410**

(Euro/thousand)	31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value:				
Financial assets at fair value through profit or loss	193,419			193,419
Derivatives through profit or loss	-	1,509	-	1,509
Hedging derivatives	-	71,885	-	71,885
Total assets	**193,419**	**73,394**	**-**	**266,813**
Liabilities				
Financial liabilities at fair value:				
Derivatives through profit or loss	-	1,177	-	1,177
Hedging derivatives	-	-	-	-
Total liabilities	**-**	**1,177**	**-**	**1,177**

All outstanding derivatives have been entered into with the subsidiary Prysmian Treasury S.r.l. and all belong to Level 2 of the fair value hierarchy.

1. Property, plant and equipment

Details of this line item and related movements are as follows:

(Euro/thousand)	Land and buildings	Plant and machinery	Equipment	Other assets	Assets under construction and advances	Total
Balance at 31 December 2022	**51,939**	**14,116**	**2,732**	**13,690**	**3,878**	**86,356**
Movements in 2023:						
- Investments	1,400	-	336	1,604	10,564	13,904
- Depreciation	(2,864)	(733)	(837)	(5,770)	-	(10,204)
- Impairment	-	-	-	-	-	-
- Reclassifications	481	-	244	1,509	(1,962)	272
Total movements	**(983)**	**(733)**	**(257)**	**(2,657)**	**8,602**	**3,972**
Balance at 31 December 2023	**50,956**	**13,383**	**2,475**	**11,033**	**12,480**	**90,328**
Of which:						
- Historical cost	78,341	23,527	12,070	39,401	12,480	165,819
- Accumulated depreciation and impairment	(27,385)	(10,144)	(9,595)	(28,368)	-	(75,491)
Net book value	**50,956**	**13,383**	**2,475**	**11,033**	**12,480**	**90,328**

(Euro/thousand)	Land and buildings	Plant and machinery	Equipment	Other assets	Assets under construction and advances	Total
Balance at 31 December 2021	**53,064**	**14,851**	**2,680**	**15,850**	**4,628**	**91,073**
Movements in 2022:						
- Investments	1,611	-	488	1,794	2,169	6,062
- Depreciation	(2,736)	(735)	(1,179)	(5,350)	-	(10,000)
- Impairment	-	-	-	-	-	-
- Reclassifications	-	-	743	1,396	(2,918)	(779)
- Other	-	-	-	-	-	-
Total movements	**(1,125)**	**(735)**	**52**	**(2,160)**	**(749)**	**(4,717)**
Balance at 31 December 2022	**51,939**	**14,116**	**2,732**	**13,690**	**3,878**	**86,356**
Of which:						
- Historical cost	76,460	23,527	11,490	36,288	3,990	151,755
- Accumulated depreciation and impairment	(24,521)	(9,411)	(8,758)	(22,598)	(111)	(65,399)
Net book value	**51,939**	**14,116**	**2,732**	**13,690**	**3,878**	**86,356**

“Land and buildings”, with a net book value of Euro 50,956 thousand, have recorded a net decrease of Euro 983 thousand in 2023, reflecting the net effect of asset depreciation (Euro 2,864 thousand) and the effect of applying IFRS 16 (Euro 1,400 thousand).

“Plant and machinery” (Euro 13,383 thousand) and “Equipment” (Euro 2,475 thousand) mostly refer to instrumentation used for R&D activities and to various fixed installations within Prysmian’s headquarters.

“Other assets” (Euro 11,033 thousand) mainly consist of office furniture and equipment and computer equipment for Euro 5,800 thousand, and capitalisations under IFRS 16 for Euro 5,233 thousand.

"Assets under construction and advances" (Euro 12,480 thousand) mostly refer to expenditure on plant and machinery for use in R&D and on other equipment intended for the Prysmian headquarters and the new Quattordio site.

2. Intangible assets

Details of this line item and related movements are as follows:

(Euro/thousand)	Patents	Concessions, licences, trademarks and similar rights	Software	Other intangible assets	Intangibles in progress and advances	Total
Balance at 31 December 2022	**37**	**35,732**	**75,274**	**-**	**14,790**	**125,832**
Movements in 2023:						
- Investments	-	881	8,101	-	9,175	18,157
- Disposals	-	-	-	-	-	-
- Amortisation	(5)	(6,016)	(24,926)	-	-	(30,947)
- Reclassifications	-	1,625	12,055	-	(13,952)	(272)
Total movements	**(5)**	**(3,510)**	**(4,770)**	**-**	**(4,777)**	**(13,062)**
Balance at 31 December 2023	**32**	**32,222**	**70,504**	**-**	**10,013**	**112,770**
Of which:						
- Historical cost	11,455	74,046	201,173	787	10,013	297,473
- Accumulated amortisation and impairment	(11,423)	(41,824)	(130,669)	(787)	-	(184,703)
Net book value	**32**	**32,222**	**70,504**	**-**	**10,013**	**112,770**

(Euro/thousand)	Patents	Concessions, licences, trademarks and similar rights	Software	Other intangible assets	Intangibles in progress and advances	Total
Balance at 31 December 2021	**41**	**38,820**	**69,876**	**-**	**18,103**	**126,839**
Movements in 2022:						
- Investments	-	669	8,825	-	13,741	23,235
- Disposals	-	-		-	-	(1,202)
- Amortisation	(4)	(5,477)	(19,541)	-	-	(25,022)
- Reclassifications	-	1,720	16,114	-	(17,055)	779
Total movements	**(4)**	**(3,088)**	**5,398**	**-**	**(3,313)**	**(1,008)**
Balance at 31 December 2022	**37**	**35,732**	**75,274**	**-**	**14,790**	**125,832**
Of which:						
- Historical cost	11,455	71,540	181,017	787	14,790	279,588
- Accumulated amortisation and impairment	(11,418)	(35,808)	(105,743)	(787)	-	(153,756)
Net book value	**37**	**35,732**	**75,274**	**-**	**14,790**	**125,832**

In 2023, the value of gross investments in intangible assets came to Euro 18,157 thousand, most of which attributable to ongoing enhancement of information systems and Digital Transformation projects. In 2023, as part of Prysmian's integration strategy, the Group ERP system (SAP 1C) was rolled out to the Elevators business, bringing the total number of plants to 84, plus 6 corresponding distribution centres, that are managed using the single SAP 1C platform present in over 30 countries.

"Concessions, licences, trademarks and similar rights" amount to Euro 32,222 thousand at 31 December 2023, with the change since the previous year attributable to amortisation (Euro 6,016 thousand), capitalisations in the year (Euro 1,625 thousand) and new investments (Euro 881 thousand).

"Software" amounts to Euro 70,504 thousand at 31 December 2023, with the change since the previous year attributable to amortisation (Euro 24,926 thousand), capitalisations in the year (Euro 12,055 thousand) and new investments (Euro 8,101 thousand).

"Intangibles in progress and advances" of Euro 10,013 thousand mostly refer to expenditure on rolling out the above SAP projects, and on developing other software.

3. Investments in subsidiaries

These present a balance of Euro 5,719,702 thousand at 31 December 2023, having recorded the following movements over the year:

(Euro/thousand)	31.12.2022	Capital contributions	Investment (impairment)/ revaluation	Capital contributions for stock grants	31.12.2023
Prysmian Cavi e Sistemi S.r.l.	404,391	-	-	5,094	409,485
Draka Holding B.V.	4,796,127	-	-	7,222	4,803,349
Prysmian Cavi e Sistemi Italia S.r.l.	116,282	-	-	89	116,371
Prysmian Power Link S.r.l.	219,821	-	-	115	219,936
Fibre Ottiche Sud - F.O.S. S.r.l.	38,752	30,000	(35,450)	36	33,338
Prysmian Treasury Srl	83,552	-	-	3	83,555
Prysmian Kabel und Systeme GmbH	3,434	-	-	-	3,434
Draka Kabely SRO	1	-	-	-	1
Electronic and Optical Sensing Solutions S.r.l.	35,803	10,000	-	-	45,803
Prysmian Servizi S.p.A.	3,000	1,430	-	-	4,430
Total investments in subsidiaries	**5,701,163**	**41,430**	**(35,450)**	**12,559**	**5,719,702**

The net change of Euro 18,539 thousand in the value of Investments in subsidiaries consists of an increase of Euro 53,989 thousand and a decrease of Euro 35,450 thousand for impairment.

The increase is attributable to capital contributions paid to Fibre Ottiche Sud S.r.l., Electronic and Optical Sensing Solutions S.r.l. and Prysmian Servizi S.p.A. and to increases linked to the pay-related component of share-based plans, with underlying Prysmian S.p.A. shares, for employees of other Group companies, as explained in Note 17. Personnel costs. Since it is not recharged, this component has been treated like a capital contribution and so reported as an increase in the value of the investments in the subsidiaries in which the plan beneficiaries are directly or indirectly employed. These increases are matched by a corresponding movement in the specific equity reserve. Further information can be found in Note 9. Share capital and reserves.

At the end of the financial year, the Company reviewed whether there was any evidence of impairment. This review identified the following companies, the investments in which needed to be tested for recoverability: Prysmian Cavi e Sistemi S.r.l., Draka Holding B.V., Fibre Ottiche Sud – F.O.S. S.r.l., Prysmian Cavi e Sistemi Italia S.r.l., Prysmian PowerLink S.r.l. and Electronic and Optical Sensing Solutions S.r.l.. The carrying amount of the investments in these subsidiaries was compared with their recoverable amount, defined as the higher of value in use and fair value less costs to sell.

The cash flow projection used to calculate value in use took the post-tax cash flow in the 2024 budget for year one, projecting this to 2025-2026 consistent with the five-year strategic plans using growth rates ranging between 0.66% and 2.5% depending on the individual company's country of operation. The WACC (Weighted Average Cost of Capital) used to discount cash flows for determining value in use was also determined according to company country of operation. The values of WACC thus determined were in a range of 7.88% to 9.83%. The perpetuity growth rate for projections after 2024 was 2%.

It should also be noted that any reasonably possible change in the relevant assumptions used to determine recoverable amount (+/-0.5% change in the growth rate, and +/-0.5% change in the discount rate) would not produce significantly different results.

Fair value, on the other hand, was calculated on the basis of market inputs, in particular using the multiples method, with reference to companies in the same sector.

These impairment tests revealed the need for a partial write-down of Euro 35,450 thousand against the value of the investment in Fibre Ottiche Sud - F.O.S. S.r.l..

The following table summarises key information about investments held in subsidiaries:

Company name	Registered office	Share capital	% interest 2023	% interest 2022
Prysmian Cavi e Sistemi S.r.l.	Milan	EUR 50,000,000	100	100
Draka Holding B.V.	Amsterdam	EUR 52,229,321	100	100
Prysmian Cavi e Sistemi Italia S.r.l.	Milan	EUR 77,143,249	100	100
Prysmian PowerLink S.r.l.	Milan	EUR 100,000,000	100	100
Fibre Ottiche Sud - F.O.S. S.r.l.	Battipaglia	EUR 47,700,000	100	100
Prysmian Treasury S.r.l.	Milan	EUR 80,000,000	100	100
Prysmian Kabel Und Systeme GmbH	Berlin	EUR 15,000,000	6.25	6.25
Prysmian Pension Scheme Trustee Ltd	Hampshire	GBP 1	100	100
Prysmian Kablo SRO[1]	Bratislava	EUR 21,246,000	0.005	0.005
Electronic and Optical Sensing Solutions S.r.l.	Milan	EUR 5,000,000	100	100
Prysmian Servizi S.p.A.	Milan	EUR 3,000,000	100	100
Jaguar Communication Consultancy Services Private Ltd.[1]	Mumbai	INR 122,268,218	0.000001	0.000001
Prysmian Cabos e Sistemas do Brasil S.A.[1]	Sorocaba	BRL 910,044,391	0.040177	0.040177

(1) Controlled indirectly

4. Deferred tax assets

Deferred tax assets amount to Euro 575 thousand at 31 December 2023 (nil, together with deferred tax liabilities of Euro 10,005 thousand, at 31 December 2022). The change is primarily attributable to interest rate movements, impacting the recognised amount of interest rate swaps and their corresponding tax value.

Details are as follows:

(Euro/thousand)	31 December 2023	31 December 2022
Deferred taxes:		
- Deferred tax assets recoverable beyond 12 months	378	(10,201)
- Deferred tax assets recoverable within 12 months	197	196
Total deferred tax assets (liabilities)	**575**	**(10,005)**

Movements in deferred taxes are analysed as follows:

(Euro/thousand)	Employee benefit obligations	Provisions for risks	Other	Total
Balance at 31 December 2022	**440**	**5,158**	**(15,603)**	**(10,005)**
Impact on income statement	-	316	293	609
Impact on equity	42	-	9,929	9,971
Balance at 31 December 2023	**482**	**5,474**	**(5,381)**	**575**

“Other” mainly includes the tax effect deferred in equity arising on the hedge accounting treatment of Interest Rate Swaps.

5. Trade and other receivables

Details are as follows:

(Euro/thousand)	31.12.2023		
	Non-current	Current	Total
Trade receivables	-	274,779	274,779
Allowance for doubtful accounts	-	(107)	(107)
Total trade receivables	-	**274,672**	**274,672**
Other receivables:			
Tax receivables	-	54,433	54,433
Financial receivables	235	14,213	14,448
Prepaid finance costs	3,621	1,092	4,713
Receivables from employees	16	3,213	3,229
Pension plan receivables	-	143	143
Advances to suppliers	-	12	12
Other	84,035	63,363	147,398
Total other receivables	**87,907**	**136,469**	**224,376**
Total	**87,907**	**411,141**	**499,048**

(Euro/thousand)	31.12.2022		
	Non-current	Current	Total
Trade receivables	-	267,790	267,790
Allowance for doubtful accounts	-	(38)	(38)
Total trade receivables	-	**267,751**	**267,751**
Other receivables:			
Tax receivables	-	49,572	49,572
Financial receivables	173	-	173
Prepaid finance costs	284	1,185	1,469
Receivables from employees	24	1,301	1,325
Pension plan receivables	-	-	-
Advances to suppliers	-	-	-
Other	-	261,340	261,340
Total other receivables	**481**	**313,399**	**313,880**
Total	**481**	**581,150**	**581,631**

The following table breaks down trade and other receivables according to the currency in which they are expressed:

(Euro/thousand)	31 December 2023	31 December 2022
Euro	393,380	429,792
British Pound	22,269	28,869
US Dollar	51,164	75,378
Other currencies	32,235	47,592
Total	**499,048**	**581,631**

"Trade receivables" at 31 December 2023 mainly refer to amounts charged by Prysmian S.p.A. to its subsidiaries for head office services and the resale of strategic materials.

The book value of trade receivables approximates their fair value.

Trade receivables are all due within the next year and do not include any material past due balances.

"Tax receivables" of Euro 54,433 thousand mainly refer to:

- foreign tax credits (Euro 6,104 thousand);
- VAT credits (Euro 18,662 thousand);
- R&D tax credits (Euro 6,282 thousand);
- corporate income tax (IRES) credit for Italian companies participating in the national and world tax consolidation group (Euro 11,077 thousand);
- regional business tax (IRAP) credit (Euro 3,152 thousand);
- other tax receivables (Euro 9,156 thousand).

"Financial receivables" mainly refer to accrued income recognised to align the value of interest rate swaps with market value.

"Prepaid finance costs", amounting to Euro 4,713 thousand, mainly refer to the Company's portion of the costs incurred to arrange the new revolving credit facilitiy, which are being spread over the term of such facilities.

“Receivables from employees”, amounting to Euro 3,229 thousand, refer to employee loans for taxes advanced by the Company.

At 31 December 2023, “Other” receivables of Euro 147,398 thousand mainly comprise:

- Euro 50,604 thousand in receivables from Group companies for recharges of the long-term BE IN 2022-2024 incentive plan;
- Euro 33,655 thousand in receivables from Group companies for recharges of the 2023-2025 long-term incentive plan;
- Euro 25,986 thousand in receivables from Group companies mainly for the billing of patent and know-how licences;
- Euro 19,721 thousand in receivables from Italian Group companies for the transfer of IRES (Italian corporate income tax) under the national tax consolidation (art. 117 et seq of the Italian Income Tax Code);
- Euro 17,334 thousand in prepayments.

The book value of financial receivables and other current receivables approximates the respective fair value.

6. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss report a nil balance at 31 December 2023, versus Euro 193,419 thousand at 31 December 2022.

In fact, the Company sold the two positions held in monetary funds on 2 August 2023 and 8 September 2023 respectively.

7. Derivatives

Details of these balances are presented below:

(Euro/thousand)	31 December 2022	
	Asset	Liability
Non-current		
Interest rate derivatives (CFH)	10,508	-
Total cash flow hedges	**10,508**	**-**
Total non-current	**10,508**	**-**
Current		
Interest rate derivatives (CFH)	20,115	-
Forex derivatives on commercial transactions (CFH)	112	
Total cash flow hedges	**20,227**	**-**
Forex derivatives on commercial transactions	1,383	1,397
Metal derivatives	40	13
Total other derivatives	**1,423**	**1,410**
Total current derivatives	**21,650**	**1,410**
Total	**32,158**	**1,410**

(Euro/thousand)	31 December 2022	
	Asset	Liability
Non-current		
Interest rate derivatives (CFH)	**59,209**	-
Total cash flow hedges	**59,209**	**-**
Total non-current	**59,209**	**-**
Current		
Interest rate derivatives (CFH)	12,676	-
Forex derivatives on commercial transactions (CFH)	-	314
Total cash flow hedges	**12,676**	**314**
Forex derivatives on commercial transactions	1,410	818
Metal derivatives	99	46
Total other derivatives	**1,509**	**864**
Total current derivatives	**14,185**	**1,177**
Total	**73,394**	**1,177**

The above derivatives are mostly arranged with Prysmian Treasury S.r.l., the Group's central treasury company, except for Interest Rates Swaps (IRS) intended to transform the interest rates on certain loans from floating into fixed and which are arranged directly with leading financial institutions.

Forex derivatives have a notional value of Euro 42,877 thousand at 31 December 2023, of which Euro 14,421 thousand designated as cash flow hedges relating to a service agreement and to currency hedges of metal purchase and sale transactions.

Metal derivatives have a notional value of Euro 6,903 thousand.

Information about the notional value of Interest Rate Swaps can be found in Note 9. Share capital and reserves - Cash flow hedge reserve.

8. Cash and cash equivalents

These amount to Euro 405 thousand at 31 December 2023, versus Euro 935 thousand at 31 December 2022, and relate to the cash held on Euro and foreign currency bank current accounts repayable on demand.

The credit risk associated with cash and cash equivalents is limited insofar as the counterparties are major national and international banks.

9. Share capital and reserves

Equity amounts to Euro 2,586,850 thousand at 31 December 2023, reporting an increase of Euro 125,905 thousand since 31 December 2022. The changes over the year are discussed in the following paragraphs on the individual components of equity.

Share capital

Share capital amounts to Euro 27,653 thousand at 31 December 2023, consisting of 276,534,448 ordinary shares (including 3,718,405 treasury shares), with a nominal value of Euro 0.10 each. The total number of outstanding voting shares is 272,816,043, net of the 10,669 treasury shares held indirectly.

Share capital at 31 December 2023 is Euro 839 thousand higher than at 31 December 2022 following capital increases in implementation of the LTI and BE IN plans, the latter approved at the shareholders' meeting on 12 April 2022.

The following table reconciles the number of outstanding shares at 31 December 2021, at 31 December 2022 and 31 December 2023:

	Ordinary shares	Treasury shares	Total
Balance at 31 December 2021	**268,144,246**	**(4,652,868)**	**263,491,378**
Allotments and sales (1)	-	40,837	40,837
Balance at 31 December 2022	**268,144,246**	**(4,612,031)**	**263,532,215**
Capital increases (2)	8,390,202	-	8,390,202
Allotments and sales (3)	-	882,957	882,957
Balance at 31 December 2023	**276,534,448**	**(3,729,074)**	**272,805,374**

(1) Allotment and/or sale of treasury shares under the YES Group employee share purchase plan (40,837 shares).
(2) Issue of new shares serving the long-term incentive plan for Group employees (8,000,000 shares) and the BE IN plan (390,202 shares).
(3) Allotment and/or sale of treasury shares under Group employee share purchase plans.

More details about treasury shares can be found in the subsequent note on "Treasury shares".

Share premium reserve

This reserve amounts to Euro 1,281,071 thousand at 31 December 2023, the same as at 31 December 2022.

Capital increase costs

This reserve, which reports a negative balance of Euro 14,476 thousand at 31 December 2023, mainly relates to the costs incurred for the capital increase serving the public mixed exchange and cash offer for the ordinary shares of Draka Holding B.V., announced on 22 November 2010 and formalised on 5 January 2011, and the costs incurred for the capital increase resolved and approved in 2018.

Legal reserve

This reserve amounts to Euro 5,363 thousand at 31 December 2023, the same as at 31 December 2022.

Treasury shares reserve

This reserve, which amounts to Euro 74,062 thousand at 31 December 2023 (Euro 91,648 thousand at 31 December 2022), complies with statutory requirements (art. 2357-ter of the Italian Civil Code).

Treasury shares

The book value of treasury shares is Euro 74,062 thousand at 31 December 2023 and refers to 3,718,405 ordinary shares with a total nominal value of Euro 371,841.

Movements in treasury shares have been as follows:

	Number of shares	Total nominal value (in Euro)	% of share capital	Average unit value (in Euro)	Total carrying value(in Euro)
At 31 December 2021	**4,642,199**	**464,220**	**1.73%**	**20**	**92,461,024**
- Share buyback					
- Allotments/sales	(40,837)	(4,084)		20	(813,371)
At 31 December 2022	**4,601,362**	**460,136**	**1.72%**	**20**	**91,647,652**
- Share buyback					
- Allotments/sales	(882,957)	(88,296)		20	(17,586,301)
At 31 December 2023	**3,718,405**	**371,841**	**1.34%**	**20**	**74,061,351**

During 2023, the number of treasury shares decreased by a total of 882,957. Of this total, 145,512 and 102,454 shares were allotted to employees who had signed up to the YES share purchase plan and BE IN incentive plan respectively, 41,919 shares were sold on preferential terms to employees of another group company under the same plan, while 593,072 shares related to settlement of the 2020-2022 LTI in June 2023.

Extraordinary reserve

This reserve amounts to Euro 52,688 thousand at 31 December 2023 (the same as at 31 December 2022), and was formed through the apportionment of net profit for 2006, approved by the shareholders on 28 February 2007.

IAS/IFRS first-time adoption reserve

This reserve was created in accordance with IFRS 1 and reflects the differences arising on first-time adoption of IAS/IFRS.

It amounts to Euro 30,177 thousand at 31 December 2023, the same as at 31 December 2022.

Capital contribution reserve

This reserve amounts to Euro 6,113 thousand at 31 December 2023, the same as at 31 December 2022.

Actuarial gains/(losses) on employee benefitsi

The reserve for remeasuring employee benefit plans reports a negative balance of Euro 1,530 thousand at 31 December 2023, reflecting post-tax actuarial losses recognised through other comprehensive income, in accordance with IAS 19.

Convertible bond reserve

This reserve amounts to Euro 49,550 thousand (net of the related tax effect) at 31 December 2023, the same as a year earlier, and refers to the non-monetary components of bonds, discussed in more detail in Note 10. Borrowings from banks and other lenders.

Share-based payment reserve

This reserve amounts to Euro 80,793 thousand at 31 December 2023 (Euro 166,559 thousand at 31 December 2022), reporting a net decrease of Euro 85,766 thousand since 31 December 2022 mainly due to:

- the transfer of Euro 134 thousand in costs to profit or loss for the period (Euro 274 thousand in 2022) in connection with the YES plan, a share-based plan involving Prysmian S.p.A. shares;
- an increase of Euro 2,165 thousand in the carrying amount of investments in subsidiaries, in which beneficiaries of the YES Plan involving Prysmian S.p.A. shares are directly or indirectly employed;
- the release of Euro 140,448 thousand from the reserve upon concluding the 2020-2022 LTI plan;
- an increase of Euro 37,367 thousand for the 2023-2025 LTI plan. Of this total, Euro 7,749 thousand relates to Prysmian S.p.A. personnel, while Euro 29,618 thousand refers to the grant date fair value of shares allotted to LTI plan beneficiaries employed in other Group companies, of which Euro 12,983 thousand not recharged to the subsidiaries;
- an increase of Euro 15,016 thousand for the BE IN incentive plan, more details about which can be found in Note 17. Personnel costs. Of this total, Euro 184 thousand relates to Prysmian S.p.A. personnel, while Euro 14,831 thousand refers to the grant date fair value of shares allotted to LTI plan beneficiaries employed in other Group companies, of which Euro 2,590 thousand not recharged to the subsidiaries.

Further information can be found in Note 17. Personnel costs.

Cash flow hedge reserve

The cash flow hedge reserve, presenting a post-tax positive balance of Euro 23,033 thousand at 31 December 2023 (positive Euro 54,474 thousand at 31 December 2022), reports hedging derivatives that qualify for hedge accounting under IFRS 9.

This reserve refers to the hedge of the Euro 1,200 million Sustainability-Linked Term Loan contracted with a syndicate of leading Italian and international banks on 7 July 2022 and maturing on 7 July 2027. The maturities and amortisation schedule of these derivatives are consistent with the terms of the loan.

The notional value of the interest rate swaps at 31 December 2023 is Euro 1,485,000 thousand.

Share issue reserve

The share issue reserve amounts to Euro 1,211 thousand at 31 December 2023 (Euro 1,100 thousand at 31 December 2022).

Retained earnings

Retained earnings amount to Euro 780,935 thousand at 31 December 2023, reporting an increase of Euro 121,798 thousand since 31 December 2022, of which Euro 15,403 thousand drawn from the reserve to pay the 2022 dividend, an increase of Euro 1,341 thousand from selling YES plan shares to employees of a subsidiary and an increase of Euro 135,860 thousand after releasing the share-based payment reserve at the end of the 2020-2022 LTI plan.

The following table analyses each component of equity, indicating its origin, permitted use and availability for distribution, as well as how it has been used in previous years.

(Euro/thousand)	Nature/description	Amount	Permitted use (A,B,C)	Amount available for distribution	Uses in three previous years	
					to cover losses	other purposes
Share capital		**27,653**				
Capital reserves:						
.	Capital contribution reserve	6,113	A,B,C	6,113		
.	Share premium reserve	1,281,071	A,B,C	1,281,071		
.	Capital increase costs	(14,476)		(14,476)		
Earnings reserves:						
.	Extraordinary reserve	52,688	A,B,C	52,688		
.	IAS/IFRS first-time adoption reserve	30,177	A,B,C	30,177		
.	Legal reserve	5,363	B			
.	Share issue reserve	1,211	A,B,C	1,211		
.	Convertible bond reserve	49,550				
.	Retained earnings	780,935	A,B,C	780,935		57,181
Measurement reserves(*):						
.	Share-based payment reserve	80,793				
.	Cash flow hedge reserve	23,033				
.	Actuarial gains and losses on employee benefits	(1,530)				
Total reserves		**2,294,928**			-	-
Undistributable amount				157,209		
Distributable amount				**2,137,719**		

Key:
A: to increase capital
B: to cover losses
C: distribution to shareholders
(*) These reserves are not available for distribution under art. 6 of Italian Legislative Decree 38/05.

Dividend distribution

On 19 April 2023, the shareholders of Prysmian S.p.A. approved the financial statements for 2022 and the distribution of a gross dividend of Euro 0.60 per share, for a total of some Euro 158 million. The dividend was paid out from 26 April 2023 to shares outstanding on the record date of 25 April 2023, with the shares going ex-dividend on 24 April 2023. A recommendation to pay a dividend of Euro 0.70 per share, for a total of some Euro 191 million in respect of the year ended 31 December 2023, will be presented to shareholders in the meeting convened in single call for 18 April 2024.

10. Borrowings from banks and other lenders

These amount to Euro 2,762,630 thousand at 31 December 2023, compared with Euro 2,816,182 thousand at 31 December 2022.

(Euro/thousand)	31 December 2023		
	Non-current	Current	Total
Long-term financial payables			
Mediobanca Loan	-	100,483	100,483
Intesa Loan	-	151,342	151,342
CDP Loans	194,350	103,494	297,844
EIB Loans	134,870	113,085	247,955
Sustainability-Linked Term Loan	1,193,356	24,972	1,218,328
Convertible Bond 2021	727,830	-	727,830
Lease liabilities	11,444	5,418	16,861
Other payables to banks and other lenders	1,937	51	1,988
Total	**2,263,787**	**498,844**	**2,762,630**

(Euro/thousand)	31 December 2023		
	Non-current	Current	Total
Long-term financial payables			
Mediobanca Loan	99,905	294	100,199
Intesa Loan	149,781	836	150,617
CDP Loans	174,685	520	175,205
EIB Loans	244,798	996	245,794
Unicredit Loan	-	200,457	200,457
Sustainability-Linked Term Loan	1,191,474	6,114	1,197,588
Convertible Bond 2021	717,399	-	717,399
Lease liabilities	14,712	5,120	19,832
Other payables to banks and other lenders	-	9,090	9,090
Total	**2,592,754**	**223,428**	**2,816,182**

Borrowings from banks and other financial institutions and Bonds are analysed as follows:

(Euro/thousand)	31 December 2023	31 December 2022
Mediobanca Loan	100,483	100,199
Intesa Loan	151,342	150,617
CDP Loans	297,844	175,205
EIB Loans	247,955	245,794
Sustainability-Linked Term Loan	1,218,328	1,197,588
Unicredit Loan	-	200,457
Other borrowings	1,988	9,090
Borrowings from banks and other financial institutions	**2,017,939**	**2,078,951**
Convertible Bond 2021	727,830	717,399
Total	**2,745,769**	**2,796,350**

Credit Agreements

Prysmian S.p.A. had the following Credit Agreements in place during the course of 2023:

Revolving Credit Facility 2019 and 2023
On 3 April 2019, the Group renewed a Euro 1,000 million five-year revolving credit facility with a syndicate of leading Italian and international banks. This line was extinguished on 20 June 2023 at the same time as agreeing the new Revolving Credit Facility 2023. The new facility may be drawn down for business and working capital needs, including the refinancing of existing facilities, and to issue guarantees. It has a five-year term, with an option to extend to six and seven years. In addition, with the aim of deepening the embedding of ESG factors into the Group's strategy, Prysmian has chosen to include important environmental and social KPIs among the parameters determining the terms of credit. The renewed revolving credit facility is in fact Sustainability-Linked, being tied to the decarbonisation targets already set by the Group (annual GHG emissions from 2023 to 2030), to the ratio of female white-collar and executive hires to total Group hires, and to the number of sustainability audits performed in the supply chain.
At 31 December 2023, this facility was not being used.

CDP Loans
On 28 October 2019, the Group entered into an agreement with Cassa Depositi e Prestiti S.p.A. (CDP) for a Euro 100 million long-term loan for 4 years and 6 months from the date of signing, with a bullet repayment at maturity.
The purpose of this loan is to finance part of the Group's capital expenditure and expenditure on research, development and innovation in Italy and Europe. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 100 million, with the objective of hedging variable rate interest flows over the period 2020-2024.
On 28 January 2021, a second loan was agreed with CDP for Euro 75 million with a term of 4 years and 6 months, for the purpose of financing part of the Group's expenditure on purchasing the "Leonardo Da Vinci" cable-laying vessel.
This loan, drawn down in full on 9 February 2021, is repayable in a lump sum at maturity on 28 July 2025. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 75 million, with the objective of hedging variable rate interest flows over the period 2021-2025.
On 6 March 2023, another long-term 6-year loan with CDP was announced for Euro 120 million, for the purpose of supporting the Group's R&D programs in Italy and Europe (specifically in France, Germany, Spain and the Netherlands).
The loan, received on 15 February 2023, is repayable in a lump sum at maturity on 15 February 2029.
At 31 December 2023, the fair value of the CDP Loans approximated their carrying amount.

EIB Loans
On 10 November 2017, Prysmian S.p.A. entered into a loan agreement with the European Investment Bank (EIB) for Euro 110 million to support the Group's R&D programs in Europe over the period 2017-2020. The loan was received on 29 November 2017 and is repayable in a lump sum at maturity on 29 November 2024. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 110 million, with the objective of hedging variable rate interest flows over the period 2018-2024.
On 3 February 2022, the Group announced that it had finalised a loan from the EIB for Euro 135 million to support its European R&D program in the energy and telecom cable systems sector over the period 2021-2024.
This loan is specifically intended to support projects to be developed at R&D centres in five European countries: Italy, France, Germany, Spain and the Netherlands.
The loan, received on 28 January 2022, is repayable in a lump sum at maturity on 29 January 2029.
At 31 December 2023, the fair value of the EIB Loans approximated their carrying amount.

Sustainability-Linked Term Loan
On 7 July 2022, the Group entered into a medium-term Sustainability-Linked loan for Euro 1,200 million with a syndicate of leading Italian and international banks. The loan was drawn down in full on 14 July 2022 and primarily used to refinance the Euro 1 billion term loan obtained in 2018, which was thus repaid early on the same date. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 1,200 million, with the objective of hedging variable rate interest flows.
With the aim of strengthening its financial structure and embedding ESG factors in the Group's strategy, Prysmian has chosen to include important environmental and social KPIs among the parameters determining the terms of the loan.
In fact, the Sustainability-Linked Term Loan requires annual compliance with ESG indicators. The indicators to be met for 2023 are as follows:

- Scope 1 and Scope 2 CO_2 emissions, calculated using the market-based method, less than or equal to 654 $ktCO_2eq$ (see the "Scorecard 2023-2025" within the "Non-Financial Statement" included in the Group Directors' Report);
- Performance of at least 34 sustainability audits of its suppliers (see the "Sustainable value chain" chapter of the "Non-Financial Statement" included in the Group Directors' Report);
- 41.1% or more of the Group's total white-collar hires must be women (see "Prysmian's Human Capital" within the "Non-Financial Statement" included in the Group Directors' Report).

The achievement or otherwise of these indicators entails a positive or negative adjustment of the annual spread.

At 31 December 2023, the fair value of the Sustainability-Linked Term Loan approximated its carrying amount.

Unicredit Loan
On 15 November 2018, Prysmian S.p.A. entered into an agreement with Unicredit for a long-term cash loan for a maximum amount of Euro 200 million for 5 years from the date of signing. The loan was drawn down in full on 16 November 2018 and repaid in November 2023.

Mediobanca Loan
On 20 February 2019, the Group entered into an agreement with Mediobanca for a Euro 100 million long-term loan for 5 years from the date of signing. The loan was drawn down in full on 22 February 2019 and is repayable in a lump sum at maturity. The interest rate applied is indexed to 3M and 6M Euribor, as chosen by the company. At 31 December 2023, the fair value of this loan approximated its carrying amount.

Intesa Loan
On 11 October 2019, the Group entered into an agreement with Intesa Sanpaolo for a Euro 150 million long-term loan for 5 years from the date of signing. The loan was drawn down in full on 18 October 2019 and is repayable in a lump sum at maturity. At 31 December 2023, the fair value of this loan approximated its carrying amount.
The fair value of loans has been determined using valuation techniques that refer to observable market data (Level 2 of the fair value hierarchy).
The following tables summarise the committed lines available to the Company at 31 December 2023 and 31 December 2022:

(Euro/thousand)	31 December 2023		
	Total lines	Drawn	Undrawn
Revolving Credit Facility 2023	1,000,000	-	1,000,000
CDP Loans	295,000	(295,000)	
Intesa Loan	150,000	(150,000)	
Mediobanca Loan	100,000	(100,000)	
Sustainability-Linked Term Loan	1,200,000	(1,200,000)	
EIB Loans	245,000	(245,000)	
Total	**2,990,000**	**(1,990,000)**	**1,000,000**

(Euro/thousand)	31 December 2023		
	Total lines	Drawn	Undrawn
Revolving Credit Facility 2019	1,000,000	-	1,000,000
CDP Loans	175,000	(175,000)	
Intesa Loan	150,000	(150,000)	
Mediobanca Loan	100,000	(100,000)	
Sustainability-Linked Term Loan	1,200,000	(1,200,000)	
Unicredit Loan	200,000	(200,000)	
EIB Loans	245,000	(245,000)	
Total	**3,070,000**	**(2,070,000)**	**1,000,000**

More details about the nature and drawdown of the Group-level facilities shown above can be found in the Explanatory Notes to the Consolidated Financial Statements (Note 12. Borrowings from banks and other lenders).

Bonds

As at 31 December 2023, Prysmian S.p.A. had the following bond issue in place:

Convertible Bond 2021
On 26 January 2021, the Group announced the successful placement of an equity-linked bond (the "Bonds") for the sum of Euro 750 million.
The Bonds have a 5-year maturity and denomination of Euro 100,000 each and are zero coupon. The issue price was Euro 102.50, representing a yield to maturity of minus 0.49% per annum. The initial price for the conversion of the Bonds into the Company's ordinary shares is Euro 40.2355, representing a 47.50% premium on the weighted average price by volume of Prysmian ordinary shares on the Milan Stock Exchange between the start and end of the book-building process on 26 January 2021.
The shareholders' meeting held on 28 April 2021 authorised the convertibility of the equity-linked bond and approved the proposal for a share capital increase serving the conversion of the convertible bond for a maximum nominal amount of Euro 1,864,025.50 by issuing up to 18,640,255 ordinary shares with a nominal value of Euro 0.10 each.
As provided for in the Bond regulations, the Group has the option to call all - but not just a part - of the Bonds at their principal amount from 12 February 2024, should the share price exceed 130% of the conversion price for at least 20 days within a period of 30 consecutive trading days.
On 14 June 2021, the Bond was admitted to listing on the multilateral trading facility of the Vienna Stock Exchange.

The following table summarises the values of the Convertible Bond 2021 as at 31 December 2023:

(Euro/thousand)	
Value of Convertible Bond 2021	768,750
Equity reserve for convertible bond	(49,550)
Change in conversion option	(16,130)
Issue date net balance	**703,070**
Interest - non-monetary	26,930
Related costs	(2,170)
Balance at 31 December 2023	**727,830**

At 31 December 2023, the fair value of the Convertible Bond 2021 (equity component and debt component) was Euro 830 million, of which Euro 693 million attributable to the debt component and Euro 137 million to the equity component. In the absence of trading on the relevant market, the fair value of the bond's debt and equity components has been determined using valuation techniques that refer to observable market data (Level 2 of the fair value hierarchy).

Borrowings from banks and other lenders and Lease liabilities

The following tables report movements in Borrowings from banks and other lenders and in Lease liabilities:

(Euro/thousand)	CDP	EIB	Unicredit Mediobanca and Intesa	Conv. bonds	Sustainability-Linked Term Loan	Other borrowings and lease liabilities	Total
Balance 31.12.2022	**175,206**	**245,794**	**451,274**	**717,400**	**1,197,588**	**28,923**	**2,816,180**
New funds	120,000		-			1,937	**121,937**
Repayments/ Conversions			(200,000)				**(200,000)**
Amortisation of bank and financial fees and other expenses	(359)	49	354	1,062	1,882		**2,990**
New IFRS 16 leases						(2,970)	**(2,970)**
Interest and other	3,000	2.111	197	9,368	18,857	(9,040)	**24,494**
Total movements	**122,641**	**2.161**	**(199,449)**	**10,431**	**20,739**	**(10,073)**	**(53,550)**
Balance 31.12.2023	**297,847**	**247,955**	**251,825**	**727,830**	**1,218,328**	**18,850**	**2,762,630**

The following tables provide an analysis by maturity and currency of borrowings from banks and other lenders (excluding lease liabilities) at 31 December 2023 and 2022:

(Euro/thousand)	31 December 2023		
	Variable rate	Fixed rate	Total
Due within 1 year	488,471	5,493	493,964
Due between 1 and 2 years	75,269	688	75,957
Due between 2 and 3 years	426	728,626	729,052
Due between 3 and 4 years	1,198,876	453	1,199,329
Due between 4 and 5 years	-	-	-
Due after more than 5 years	254,470	-	254,470
Total	**2,017,512**	**735,260**	**2,752,772**
Average interest rate in period, as per contract	3.9%	1.3%	3.3%
Average interest rate in period, including IRS effect(*)	2.6%	1.3%	2.3%

(*) Interest rate swaps have been put in place to hedge interest rate risk on variable rate loans in Euro. At 31 December 2023, the total hedged amount equates to 73.4% of Euro-denominated variable-rate debt at that date. Interest rate hedges consist of interest rate swaps which exchange a variable rate (3 or 6-month Euribor for loans in Euro) with an average fixed rate (fixed rate + spread) of 2.1% for Euro-denominated debt. The percentages representing the average fixed rate refer to 31 December 2023.

(Euro/thousand)	31 December 2022		
	Variable rate	Fixed rate	Total
Due within 1 year	203,104	15,204	218,308
Due between 1 and 2 years	459,513	-	459,513
Due between 2 and 3 years	74,813	-	74,813
Due between 3 and 4 years	-	717,399	717,399
Due between 4 and 5 years	1,191,474	-	1,191,474
Due after more than 5 years	134,843	-	134,843
Total	**2,063,746**	**732,603**	**2,796,350**
Average interest rate in period, as per contract	1.0%	1.3%	1.1%
Average interest rate in period, including IRS effect	1.5%	1.3%	1.5%

Net financial debt

(Euro/thousand)	Note	31 December 2023	of which related parties (Note 25)	31 December 2022	of which related parties (Note 25)
Long-term financial payables					
CDP Loans	10	194,350		174,685	
Mediobanca Loan	10	-		99,905	
Intesa Loan	10	-		149,781	
EIB Loans	10	134,870		244,798	
Sustainability-Linked Term Loan	10	1,193,356		1,191,474	
Convertible Bond 2021	10	727,830		717,399	
Lease liabilities	10	11,444		14,712	
Other financial payables		1,937			
Total long-term financial payables		**2,263,787**		**2,592,754**	
Short-term financial payables					
CDP Loans	10	103,470		520	
Mediobanca Loan	10	100,483		294	
Intesa Loan	10	151,342		836	
EIB Loans	10	113,085		996	
Sustainability-Linked Term Loan	10	24,972		6,114	
Unicredit Loan	10	-		200,457	
Lease liabilities	10	5,418		5,120	
Short-term loans from Group companies	10	440,304	440,304	742,742	742,742
Other financial payables	10	76		9,090	
Total short-term financial payables		**939,149**		**966,169**	
Total financial liabilities		**3,202,935**		**3,558,923**	
Long-term financial receivables	5	235		177	
Long-term bank fees	5	3,621		284	
Non-current interest rate derivatives	7	10,508		59,209	
Current interest rate derivatives	7	20,115		12,676	
Short-term financial receivables	6	12,758		193,417	
Short-term financial receivables from Group companies	5	1,456	1,456	-	
Short-term bank fees	5	1,092		1,185	
Cash and cash equivalents	8	405		935	
Net financial debt		**3,152,745**		**3,291,040**	

The following table presents a reconciliation of the Company's net financial debt to the amount reported in accordance with the requirements of Consob Communication no. 5/21 of 29 April 2021 concerning compliance with the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 (reference ESMA32-382-1138):

(Euro/thousand)	Note	31 December 2023	of which related parties (Note 25)	31 December 2022	of which related parties (Note 25)
Net financial debt - as reported above		**3,152,745**		**3,291,040**	
Adjustments to exclude:					
Long-term financial receivables and other assets	5	3.621		177	
Long-term bank fees	5	235		284	
CFH derivatives (assets)		30,623		71,885	
Adjustments to include:					
Net non-CFH forex derivatives on commercial transactions, excluding non-current assets	7	13	13	(592)	(592)
Net non-CFH metal derivatives, excluding non-current assets	7	(27)	(27)	(53)	(53)
Recalculated net financial debt		**3,187,210**		**3,362,741**	

11. Trade and other payables

Details are as follows:

(Euro/thousand)	31 December 2023		
	Non-current	Current	Total
Trade payables	-	574,106	**574,106**
Total trade payables	**-**	**574,106**	**574,106**
Other payables:			
Tax and social security payables	50	16,910	16,960
Advances from customers	-	-	-
Payables to employees	169	12,458	12,627
Accrued expenses	-	402	402
Other	-	6,784	6,784
Financial payables	-	440,303	440,303
Total other payables	**219**	**476,857**	**477,076**
Total	**219**	**1,050,963**	**1,051,182**

(Euro/thousand)	31 December 2022		
	Non-current	Current	Total
Trade payables	-	651,916	651,916
Total trade payables	**-**	**651,916**	**651,916**
Other payables:			
Tax and social security payables	-	9,092	9,092
Advances from customers	-	-	-
Payables to employees	-	10,707	10,707
Accrued expenses	-	492	492
Other	-	8,015	8,015
Financial payables		742,746	742,746
Total other payables	**-**	**771,052**	**771,052**
Total	**-**	**1,422,968**	**1,422,968**

Trade payables mainly comprise invoices received from suppliers of strategic metals and only to a minor extent those received from suppliers of other goods and outside professional services involving organisational, legal and IT advice.

Other payables, totalling Euro 477,076 thousand, mainly comprise:

- social security payables for contributions on employee wages and salaries and amounts payable into supplementary pension funds;
- tax payables mainly for tax withheld from employees and not yet paid to the tax authorities;
- payables to employees for accrued wages and salaries not yet paid;
- other payables, mainly referring to amounts owed to Group companies for various reasons;
- financial payables of Euro 440,303 thousand, mainly relating to the intercompany current accounts with Prysmian Treasury S.r.l. in Euro, US dollars and Chinese Renminbi.

Trade payables include around Euro 365,097 thousand for the supply of strategic metals, for which a payment extension of more than 60 days has been obtained.

The following table breaks down trade and other payables according to the currency in which they are expressed:

(Euro/thousand)	31 December 2023	31 December 2022
Euro	1,018,092	1,396,943
US Dollar	23,313	17,221
British Pound	1,249	1,928
Other currencies	8,528	6,876
Total	**1,051,182**	**1,422,968**

12. Provisions for risks and charges

The following table reports movements in these provisions during the reporting period:

(Euro/thousand)	Legal and contractual risks	Other risks and charges	Total
Balance at 31 December 2022	**33,844**	**9,359**	**43,203**
Movements in 2023:			
- Increases	4,003	164	4,167
- Uses	(270)	-	(270)
- Releases	(403)	-	(403)
- Other	-	-	-
Total movements	**3,330**	**164**	**3,494**
Balance at 31 December 2023	**37,174**	**9,523**	**46,697**

The provisions for risks, amounting to Euro 46,697 thousand at 31 December 2023, report a net increase of Euro 3,494 thousand since 31 December 2022 after adjusting them to an appropriate level to cover the potential liabilities concerned.

These provisions include the provision for the antitrust investigations discussed in the following paragraphs.

Antitrust - European Commission proceedings in the high voltage underground and submarine cables business
By way of introduction, it will be recalled that the European Commission started an investigation in late January 2009 into several European and Asian electrical cable manufacturers to verify the existence of alleged anti-competitive practices in the high voltage underground and submarine cables markets. This investigation was concluded with the decision adopted by the European Commission, also upheld by the European courts, which found Prysmian Cavi e Sistemi S.r.l. ("Prysmian CS") jointly liable with Pirelli & C. S.p.A. ("Pirelli") for the alleged infringement in the period from 18 February 1999 to 28 July 2005, and Prysmian Cavi e Sistemi S.r.l. jointly liable with Prysmian S.p.A. ("Prysmian") and The Goldman Sachs Group Inc. ("Goldman Sachs") for the alleged infringement in the period from 29 July 2005 to 28 January 2009. Following the conclusion of this case, the Group paid the European Commission the amount due within the prescribed term using provisions already set aside in previous years.
Likewise in the case of General Cable, the European courts confirmed the contents of the European Commission's decision of April 2014, thus definitively upholding the fine levied against it under this decision. As a result, the Group went ahead and paid a fine for Euro 2 million.
In November 2014 and October 2019 respectively, Pirelli filed two civil actions, recently combined, against Prysmian CS and Prysmian in the Court of Milan, seeking:

- **I.** to be held harmless from any claim brought by the European Commission in enforcement of its decision and for any expenses incidental to such enforcement;
- **II.** to be held harmless from any third-party claims for damages relating to the conduct forming the subject of the European Commission's decision and
- **III.** to be compensated for the damages allegedly suffered and quantified as a result of Prysmian CS and Prysmian having requested, in certain pending legal actions, that Pirelli be held liable for the unlawful conduct found by the European Commission in the period from 1999 to 2005.

As part of the same proceedings, Prysmian CS and Prysmian, in addition to requesting full dismissal of the claims brought by Pirelli, have filed symmetrical and opposing counterclaims to those of Pirelli in which they have requested

- **I.** to be held harmless from any claim brought by the European Commission in enforcement of its decision and for any expenses incidental to such enforcement;
- **II.** to be held harmless from any third-party claims for damages relating to the conduct forming the subject of the European Commission's decision and
- **III.** to be compensated for damages suffered as a result of the legal actions brought by Pirelli. This action is currently pending.

In view of the circumstances described and the developments in the proceedings, the Directors, assisted also by legal counsel, have recognised what they consider to be an adequate level of provisions to cover the potential liabilities related to the matters in question.

Antitrust - Claims for damages resulting from the European Commission's 2014 decision
During the first few months of 2017, operators belonging to the Vattenfall Group filed claims in the High Court of London against a number of cable manufacturers, including companies in Prysmian, to obtain compensation for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission. In June 2020, Prysmian companies concerned presented their defence as well as serving a summons on another party to whom the EU decision was addressed. In July 2022, an agreement was reached for an out-of-court settlement of Vattenfall's claims against the Group companies. However, the legal proceedings brought by the Group companies against the other party to whom the EU decision was addressed are continuing.

On 2 April 2019, a writ of summons was served, on behalf of Terna S.p.A., on Pirelli, Nexans and companies in Prysmian, demanding compensation for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission in its April 2014 decision. This action has been brought before the Court of Milan. On 24 October 2019, Prysmian companies concerned responded by presenting their preliminary defence. By an order dated 3 February 2020, the Court upheld the points raised by the defendants, giving Terna until 11 May 2020 to complete its writ of summons and scheduling a hearing for 20 October 2020. Terna duly completed its summons, which was filed within the required deadline. The proceedings are at a pre-trial stage.

On 2 April 2019, a writ of summons was served, on behalf of Electricity & Water Authority of Bahrain, GCC Interconnection Authority, Kuwait Ministry of Electricity and Water and Oman Electricity Transmission Company, on a number of cable manufacturers, including companies in Prysmian, on Pirelli and Goldman Sachs. This action, brought in the Court of Amsterdam, once again involved a claim for compensation for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission. On 18 December 2019, Prysmian companies concerned presented their preliminary defence, the hearing of which took place on 8 September 2020. On 25 November 2020, the Court of Amsterdam handed down a ruling under which it upheld the submissions made and declined jurisdiction over defendants not based in the Netherlands, thus excluding them from the proceedings. On 19 February 2021, the plaintiffs announced that they had filed an appeal against this ruling. Prysmian companies concerned, together with the other third-party first-instance defendants, have entered an appearance in court contesting the plaintiff's claims. On 25 April 2023, the Amsterdam Court of Appeal handed down a ruling under which it decided to submit to the European Court of Justice a number of questions on the interpretation of European law, which it considers instrumental to its decision. The case has therefore been stayed pending the European Court of Justice's response.

In September 2022, the Group was informed that companies in the RWE Group had brought an action in the British courts against Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.l. involving a claim for compensation for damages supposedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission in its April 2014 decision. In June 2023, an agreement was reached for an out-of-court settlement, therefore putting an end to this lawsuit.

Furthermore, in February 2023, the Group received notification of an application by British consumer representatives requesting authorisation from the relevant local court to initiate proceedings against a number of cable manufacturers, including Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.l., and which also involved a claim for compensation for damages supposedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission in its April 2014 decision. The case is pending and the Group companies involved have submitted their preliminary defences.

In view of the circumstances described and the developments in the proceedings, the Directors, assisted also by legal counsel, have recognised what they consider to be an adequate level of provisions to cover the potential liabilities related to the matters in question.

In June 2023, a writ of summons, sent on behalf of Saudi Electricity Company, was received by a number of cable manufacturers, including companies in Prysmian. This action, brought before the Court of Cologne, once again involves a claim for compensation for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission. The case is pending.

Based on the information currently available, and believing these potential liabilities unlikely to crystallise, the Directors are of the opinion not to make any provision.

Antitrust - Other investigations
In Brazil, the local antitrust authority started proceedings against a number of manufacturers of high voltage underground and submarine cables, including Prysmian, notified of such in 2011. On 15 April 2020, the CADE Tribunal issued the operative part of the decision under which it held Prysmian liable for the alleged infringement in the period from February 2001 to March 2004 and ordered it to pay a fine of BRL 10.2 million (approximately Euro 1.8 million). Using the provisions already set aside in previous years, the Group made these payments by the required deadline. Prysmian has filed an appeal against the CADE ruling. The appeal decision is pending.

At the end of February 2016, the Spanish antitrust authority commenced proceedings to verify the existence of anti-competitive practices by local low voltage cable manufacturers and distributors, including the Group's local subsidiaries.

On 24 November 2017, the local antitrust authority notified the Group's Spanish subsidiaries of a decision under which they were held liable for the alleged infringements in the period from June 2002 to June 2015 and were jointly and severally ordered to pay a fine of Euro 15.6 million. The Group's Spanish subsidiaries lodged an appeal against this decision.

The appeal was partially upheld by the local court, which ruled on 19 May 2023 that the time period used by the authority to calculate the fine should be reduced, with consequent revision of the fine itself. The Group's Spanish subsidiaries have appealed against this ruling.

The decision of 24 November 2017 also held the Spanish subsidiaries of General Cable liable for breach of local antitrust law. However, they have obtained immunity from paying the related fine (quantified at about Euro 12.6 million) having filed for leniency and collaborated with the local antitrust authority in its investigations. The Spanish subsidiaries of General Cable also appealed against the decision of the local antitrust authority. The appeals have recently been rejected in rulings dated 19 May and 1 June 2023 respectively. These appeals have also been dismissed by the Spanish Supreme Court, as notified to the companies concerned on 19 January 2023.

In view of the circumstances described and the developments in the proceedings, the Directors, assisted also by legal counsel, have recognised what they consider to be an adequate level of provisions to cover the potential liabilities related to the matters in question.

In addition, in January 2022, an investigation was initiated by the German antitrust authority (Federal Cartel Office) concerning alleged coordination in setting the standard metal surcharges applied by the industry in Germany. The Group's local subsidiaries have challenged before the courts the search and seizure orders under which the German authorities carried out inspections at their offices and seized company documents.

During June 2022, the competition authorities of the Czech Republic and Slovakia conducted inspections at the offices of the Group's local subsidiaries with regard to alleged anti-competitive practices in setting metal surcharges. Subsequently, in August 2022 and March 2023, the competition authorities of the Czech Republic and Slovakia respectively announced the opening of an investigation into this matter involving, among others, the Group's local subsidiaries.
Given the high degree of uncertainty as to the timing and outcome of these ongoing investigations, the Directors currently feel unable to estimate the related risk.

At 31 December 2023, the provision for antitrust matters pertaining to Prysmian S.p.A., included within the provision for legal and contractual risks, amounted to Euro 30,316 thousand (Euro 28,003 thousand in 2022).
Despite the uncertainty of the outcome of the investigations and legal actions in progress, the amount of this provision is considered to represent the best estimate of the liability based on the information now available.

At 31 December 2023, the provision for other risks amounted to Euro 9,523 thousand, reporting a net increase of Euro 164 thousand on the year before. This provision refers to risks deemed probable in connection with tax assessment notices or tax audits carried out by the relevant tax authorities.

13. Employee benefit obligations

Prysmian S.p.A. provides post-employment benefits through schemes that include defined benefit plans, like the statutory severance benefit and seniority bonuses.

Employee benefit obligations amount to Euro 6,218 thousand at 31 December 2023 (Euro 6,085 thousand at 31 December 2022) and are detailed as follows:

(Euro/thousand)	31 December 2023	31 December 2022
Statutory severance benefit	4,442	4,418
Termination and other benefits	1,776	1,667
Total	**6,218**	**6,085**

Employee benefit obligations have had the following impact on the income statement:

(Euro/thousand)	31 December 2023	31 December 2022
Statutory severance benefit	444	453
Termination and other benefits	210	(187)
Total	**654**	**266**

Statutory severance benefit

Details are as follows:

(Euro/thousand)	31 December 2023	31 December 2022
Opening balance	**4,418**	**5,297**
Current service costs	292	410
Interest costs	152	43
Actuarial (gains)/losses recognised in equity	177	(1,029)
Disbursements	(597)	(303)
Total movements	**24**	**(879)**
Closing balance	**4,442**	**4,418**

The actuarial losses recognised at 31 December 2023 (Euro 177 thousand) mainly relate to the change in the associated economic parameters (the discount and inflation rates).

Under Italian law, the amount due to each employee accrues with service and is paid when the employee leaves the company. The amount due upon termination of employment is calculated on the basis of the length of service and the taxable remuneration of each employee. The liability is adjusted annually for the official cost of living index and statutory interest, and is not subject to any vesting conditions or periods, or any funding obligation; there are therefore no assets that fund this liability.

The rules governing this liability were revised by Legislative Decree 252/2005 and Law 296/2006 (Finance Act 2007): amounts accrued since 2007 by companies with at least 50 employees now have to be paid into the INPS Treasury Fund or to supplementary pension schemes, as decided by employees, which now take the form of "defined contribution plans". All companies nonetheless still account for revaluations of amounts accrued before 2007, while those companies with fewer than 50 employees continue to accrue amounts for this liability not allocated to supplementary pension schemes.

The benefits relating to this plan are paid to participants in the form of capital, in accordance with the related rules. In certain circumstances, the benefit plan also allows the payment of partial advances against the full amount of the accrued benefit.
The main risk is the volatility of the inflation rate and the discount rate, as determined by the market yield on AA-rated corporate bonds denominated in Euro. Another risk factor is the possibility that members leave the plan earlier than expected or that higher advance payments than expected are requested, resulting in an actuarial loss for the plan, due to an acceleration of cash flows.

The actuarial assumptions used to value statutory severance benefit are as follows::

	31 December 2023	31 December 2022
Discount rate	3.20%	3.80%
Expected future salary increase	2.20%	2.40%
Inflation rate	2.20%	2.40%

The following table presents a sensitivity analysis of the effects of an increase/decrease in the most significant actuarial assumptions used to determine the present value of statutory severance benefit, namely the discount rate and inflation rate:

31 December 2023		
Change in inflation rate	**-0.25%**	**+0.25%**
Effects on obligation	-1.57%	+1.59%
Change in discount rate	**-0.50%**	**+0.50%**
Effects on obligation	+4.77%	-4.56%

Average headcount in the period is reported below, compared with closing headcount at the end of each period:

	2023			
	Average	%	Closing	
Desk staff and management	397	91%	397	90%
Non-desk staff	42	10%	43	10%
Total	**439**	**100%**	**440**	**100%**

	2022			
	Average	%	Closing	
Desk staff and management	388	91%	396	91%
Non-desk staff	40	9%	40	9%
Total	**428**	**100%**	**436**	**100%**

14. Current tax payables and deferred tax liabilities

Current tax payables report a nil balance at 31 December 2023 (Euro 2,165 thousand at 31 December 2022). At 31 December 2023, the Company is reporting a tax credit for IRES (Italian corporate income tax) for the Italian companies that participate in the national and world tax consolidation, as presented in Note 5. Trade and other receivables.

Deferred tax liabilities report a nil balance at 31 December 2023 (Euro 10,005 thousand at 31 December 2022).

Further information can be found in Note 4. Deferred tax assets.

15. Revenues and other income

This line item reports Euro 246,323 thousand, versus Euro 245,035 thousand in 2022, and is detailed as follows:

(Euro/thousand)	2023	2022
Royalties	120,470	123,965
Head office services	93,365	85,526
Other revenues and sundry income	32,488	35,544
of *which non-recurring*	-	*327*
Total	**246,323**	**245,035**

Royalties mostly refer to amounts charged to Prysmian subsidiaries for the use of patents, know-how and trademarks; they amount to Euro 120,470 thousand at 31 December 2023 (Euro 123,965 thousand in the previous year).

Head office services of Euro 93,365 thousand (Euro 85,526 thousand in the previous year), refer to charges invoiced by Prysmian S.p.A., under specific contracts for coordination and other services provided by head office functions to Group companies.

Other revenues and sundry income of Euro 32,488 thousand mainly consist of proceeds received under legal settlements, expense recharges and other miscellaneous income.

16. Raw materials, consumables and supplies

Consumables amount to Euro 7,012 thousand, versus Euro 9,150 thousand in 2022.

17. Personnel costs

Details are as follows:

(Euro/thousand)	2023	2022
Wages and salaries	50,157	63,018
of which Fair value share-based payments	*6,300*	*20,519*
Social security	11,316	10,840
Retirement pension costs	2,489	2,382
Statutory severance benefit	292	410
Personnel costs for business reorganisation	1,637	*219*
Other personnel costs	2,799	1,086
Total	**68,690**	**77,955**

Personnel costs report a decrease of Euro 9,265 thousand from the previous year, mainly due to changes in the fair value of share-based payments.

Share-based payments

At 31 December 2023, Prysmian S.p.A. had share-based payment plans in place for managers and employees of Group companies and executive directors and executives with strategic responsibilities in the Companymembers of the Company's Board of Directors. These plans are described below.

Employee share purchase plan – YES

The YES plan is based on financial instruments and reserved for employees of Prysmian S.p.A. and/or of its subsidiaries.

The plan has offered the opportunity to purchase Prysmian's ordinary shares on preferential terms, with a maximum discount of 25% on the stock price, given in the form of treasury shares (the so-called discounted shares), except for certain managers for whom the discount was 15%, and the executive Directors and key management personnel, for whom the discount was 1% on the stock price.

The shares purchased by participants, as well as those received by way of discount and entry bonus, are subject to a retention period, during which they cannot be sold and the length of which varies according to relevant local regulations.

All those who signed up to the plan have also received an entry bonus of eight free shares, or rather three free shares for employees who have already participated in at least one of the purchase cycles in the previous two years, taken from the Company's portfolio of treasury shares, only available with their first-time purchase during the same financial year.

Furthermore, a loyalty bonus of five shares is provided for those who choose to extend the retention period of the shares granted in 2019, 2020, and 2021.

On 28 April 2021, the shareholders of Prysmian S.p.A. approved an extension of the share ownership plan, which has added new purchase windows in the years 2022, 2023 and 2024.

"A total maximum of 600,000 own shares are allocated for the purposes of discounted shares, entry bonus shares, and loyalty bonus shares throughout the duration of the plan (2022-2024)"The Company has recognised costs of Euro 134 thousand through profit or loss (in Personnel costs) at 31 December 2023 for the fair value of shares granted under this plan.

The fair value of the shares has been determined using the Montecarlo binomial pricing model, based on the following assumptions:

	Windows
Grant date	12 April 2022
Share purchase date	from 16 June 2022 to 16 September 2025
End of retention period	from 16 June 2025 to 16 September 2027
Residual life (in years)	1.74
Share price at grant date (Euro)	€30.87
Risk-free interest rate	from 0.32% to 0.54%
Expected dividend %	1.80%
Share fair value at grant date (Euro)	from €23.94 to €19.27

The Report on Remuneration Policy and Compensation Paid andT the information memorandum, prepared under art. 114-bis of Legislative Decree 58/98 and describing the characteristics of the above plan, areis publicly available on the Company's website at http://www.prysmian.com/, from its registered offices and from Borsa Italiana S.p.A.

"Grow" 2023-2025 long-term incentive plan

On 19 April 2023, the shareholders' meeting of Prysmian S.p.A. approved a long-term incentive plan (2023-2025) that will cover approximately 1,100 recipients among management and other key Prysmian resources, including Prysmian S.p.A.'s Executive Directors and Key Management Personnel. The Plan involves the grant of new-issue ordinary shares obtained from a bonus issue funded by profits or retained earnings in accordance with art. 2349 of the Italian Civil Code, or a combination of new-issue shares and treasury shares. By means of this plan, Prysmian intends to strengthen the Company's and management's commitment to creating sustainable value over time for all stakeholders, including by involving a wide range of key people in over 40 countries who play an important role in the Group's sustainable success. The plan spans a three-year period and provides for the award of Performance Share upon achievement of economic and financial performance conditions, Total Shareholders Return and ESG targets. The plan also allows 50% of the annual bonus, where due, for the years 2023, 2024, 2025 to be deferred in the form of Deferred Share. The annual bonus is also linked to the achievement of ESG targets, as well as to economic-financial targets. The deferral of the annual bonus also entails an additional award of 0,5 Matching shares for each Deferred Share which, in the case of the Group's some 50 top managers, is also dependent on the achievement of ESG targets by 2025. The plan has the following objectives:

- to motivate participants to achieve long-term results geared towards sustainable value creation over time;
- to align the interests of management with those of shareholders through the use of share-based incentive instruments;
- to foster stable management ownership of the Company's share capital;
- to ensure the long-term sustainability of the Group's annual performance, by boosting staff engagement and retention, including through the mechanism of deferring part of the annual bonus in shares.

The shareholders of Prysmian S.p.A. also authorised a bonus share capital increase to be reserved for Prysmian employees in execution of the plan. This capital increase may reach a maximum nominal amount of Euro 950,000 through apportionment, pursuant to art. 2349 of the Italian Civil Code, of a corresponding amount from profits or retained earnings, with the issue of no more than 9,500,000 ordinary shares of nominal value Euro 0.10 each.

The actual allocation of shares, in particular with reference to the Performance Shares, is subject to the level of achievement of the following performance conditions: cumulative Adjusted EBITDA, cumulative Free Cash Flow, average ROCE, relative TSR measured against a 11-member peer group and ESG, measured by a set of indicators.

The following table provides details about movements in the plan:

31 December 2023	Number of shares
Shares vested at start of year	-
Change in expected participations	-
Shares vesting in period	341.261
Total shares vested at end of year	341.261

The Company has recognised costs of Euro 7,749 thousand through profit or loss (in Personnel costs) at 31 December 2023 for the fair value of shares granted under this plan.

In accordance with IFRS 2, the shares allotted have been measured at their grant date fair value. The fair value of shares related to performance shares, for the entire period of the plan, and to deferred and matching shares vesting in 2023 has been calculated using the following assumptions:

Grant date	19 aprile 2023
Residual life at grant date (in years)	2.33
Exercise price (Euro)	38.25
Risk-free interest rate	2.73%
Expected dividend %	2.00%
Share fair value (not market based) at grant date	28,43
Share fair value (market based) at grant date	21,99

The Report on Remuneration Policy and Compensation Paid and the information memorandum, prepared under art. 114-bis of Legislative Decree 58/98 and describing the characteristics of the above plan, areis publicly available on the Company's website at http://www.prysmian.com/ , from its registered offices and from Borsa Italiana S.p.A.

BE-IN employees assigning shares plan

On 12 April 2022, the shareholders of Prysmian S.p.A. approved a stock grant plan for employees of Prysmian S.p.A. and Prysmian companies, except for managers already covered by individual incentive schemes; the plan aims to foster wide participation in future value creation and to strengthen the level of employee engagement; the plan is subject to local consultation with the relevant trade union representatives, where required.

The plan, participation in which is voluntary, envisages three allotment cycles for 2022, 2023 and 2024 and provides for the allotment of a maximum of 3,000,000 shares.

By voluntarily joining the plan, the employee agrees to receive, in lieu of payment of part of their monetary bonus, or in some cases even without converting a monetary bonus, a value equating to a number of shares, to be calculated on the basis of the allotment value, defined as the average share price over the 30 trading days preceding definition of the incentive's value. The number of shares allotted may be increased by an additional number of shares, up to a maximum of 50% of the shares allotted.

The number of shares received by each participant is determined according to the amount of the incentive's value.

Allotted shares are freely transferable from the grant date. If these shares are held for the entire holding period, meaning 12 months from grant date, the employee will be entitled to receive a number of additional shares. If, during the holding period, the employee sells all or part of the shares received, they will no longer be entitled to receive additional shares.

The shares are credited to participants annually within specific time frames, identified on a local basis when rolling out the plan.

Shares granted to participants in 2023, 2024 and 2025 will relate to performance in 2022, 2023 and 2024, respectively, with the respective additional shares credited in 2024, 2025 and 2026.

During the plan's rollout, some of these provisions may be adjusted not only to ensure that the plan nonetheless complies with applicable local rules, legislation and tax and social security regulations but also to facilitate its implementation for the sake of wider participation.

The Company has recognised costs of Euro 185 thousand through profit or loss (in Personnel costs) at 31 December 2023 for the fair value of shares granted under this plan.

The fair value of shares under this plan has been determined using the following assumptions:

Grant date	12 April 2022
Residual life at grant date (in years)	1,35
Exercise price (Euro)	0
Risk-free interest rate	2.14% - 2.52%
Expected dividend %	1.80%
Share fair value at grant date of conversion and premium shares	32,93
Share fair value at grant date of loyalty shares	28,38

Grant date	30 April 2023
Residual life at grant date (in years)	1,35
Exercise price (Euro)	37,07
Risk-free interest rate	2.73%
Expected dividend %	2.00%
Share fair value at grant date of conversion and premium shares	30,10
Share fair value at grant date of loyalty shares	23,45

The Report on Remuneration Policy and Compensation Paid and the information memorandum, prepared under art. 114-bis of Legislative Decree 58/98 and describing the characteristics of the above plan, areis publicly available on the Company's website at http://www.prysmian.com/ , from its registered offices and from Borsa Italiana S.p.A.

18. Amortisation, depreciation and impairment

Details are as follows:

(Euro/thousand)	2023	2022
Depreciation of buildings, plant, machinery and equipment	3,020	3,363
Depreciation of other property, plant and equipment	1,976	1,668
Amortisation of intangible assets	30,947	25,022
Depreciation and impairment of right-of-use assets (IFRS 16)	5,208	4,969
Total	**41,151**	**35,022**

Amortisation and depreciation charges amount to Euro 41,151 thousand in 2023, posting a net increase of Euro 6,129 thousand on the previous year (when the year-on-year increase was Euro 5,385 thousand), mainly due to higher amortisation for intangible assets that entered into service.

19. Other expenses

Other expenses amount to Euro 130,425 thousand in 2023, versus Euro 134,392 thousand in the previous year, analysed as follows:

(Euro/thousand)	2023	2022
Professional services	51,256	49,123
IT costs	35,187	34,706
Insurance	3,652	3,686
Maintenance services	6	9
Operating and other costs	30,773	27,985
Utilities	1,226	1,730
Travel costs	4,350	2,842
Rental costs	1,392	1,211
Non-recurring other expenses and provisions/(releases)	-	50
Increase in provisions for risks	*2,583*	*12,000*
Business reorganisation costs	-	*67*
Other non-recurring costs	-	*983*
Total non-recurring other expenses/(income)	2,583	13,050
Total	**130,425**	**134,392**

Professional services of Euro 51,256 thousand (Euro 49,123 thousand in 2022) include costs of personnel seconded from other Group companies of Euro 15,597 thousand (Euro 15,328 thousand in 2022) and costs incurred to manage the patents portfolio of Euro 3,400 thousand (Euro 3,460 thousand in 2022).

Professional services also include the compensation of the directors and statutory auditors of Prysmian S.p.A. and the fees of the independent auditors for audit and related services, details of which can be found in Notes 25, 27 and 31.

Operating and other costs mainly refer to costs incurred for promotional activities and attendance at exhibitions and trade fairs.

Rental costs amount to Euro 1,392 thousand (Euro 1,211 thousand in 2022).

As regards “Non-recurring other expenses and provisions”, the change primarily reflects the recognition of Euro 2,583 thousand in provisions for risks, as discussed in the earlier note.

20. Finance income and costs

Finance costs are detailed as follows:

(Euro/thousand)	2023	2022
Interest on loans	62,733	16,801
Interest on non-convertible bond	-	5,188
Interest on convertible bond 2017- non-monetary component	-	162
Interest on convertible bond 2021- non-monetary component	9,368	9,248
Amortisation of bank and financial fees and other expenses	5,559	6,357
Interest on lease liabilities	183	127
Employee benefit interest costs	216	60
Other bank interest	55,740	10,444
Costs for undrawn credit lines	2,559	2,737
Sundry bank fees	2,399	748
Other	(4,042)	10,799
Interest Rate Swaps	14,951	11,572
Finance costs	**149,666**	**74,243**
Foreign currency exchange losses	14,667	14,819
Total finance costs	**164,333**	**89,062**

Amortisation of bank and financial fees and other expenses mainly reflects the portion of loan arrangement costs amortised in the reporting period.

Other bank interest mainly refers to the EIB Loans (Euro 9,386 thousand), the CDP Loans (Euro 12,486 thousand) and interest on the intercompany current account with Prysmian Treasury S.r.l. (Euro 33,596 thousand).

Finance income is detailed as follows:

(Euro/thousand)	2023	2022
Interest income from banks and other financial institutions	82	14
Other finance income	101,069	61,026
Finance income	**101,151**	**61,040**
Foreign currency exchange gains	13,376	14,058
Total finance income	**114,527**	**75,098**

Other finance income mainly refers to fees charged to Group companies for guarantees given by the Company for their benefit.

21. Dividends from subsidiaries

During 2023, Prysmian S.p.A. recorded a total of Euro 327,382 thousand in dividends from its subsidiaries Draka Holding B.V. and Prysmian Treasury S.r.l.. The total amount of dividends also includes income of Euro 12,829 thousand to account for share-based payments, reflecting the difference between the grant date fair value of shares and their fair value at the reporting date. For more details, see Note 34. Share-based payments.

22. Taxes

Details are as follows:

(Euro/thousand)	2023	2022
Current income taxes	(9,682)	7,310
Deferred income taxes	(610)	(210)
Total	**(10,292)**	**7,100**

Current income taxes report a net positive Euro 10,292 thousand in 2023, versus a net negative Euro 7,100 thousand in 2022.

Information about deferred taxes can be found in Note 4. Deferred tax assets.

Taxes charged on profit before taxes differ from those calculated using the theoretical tax rate applying to the Company for the following reasons:

(Euro/thousand)	2023	Tax rate	2022	Tax rate
Profit before taxes	253,974		150,868	
Theoretical tax expense at nominal tax rate	60,954	24.0%	36,208	24.0%
Dividends from subsidiaries	(74,643)	(29.4%)	(40,965)	(27.2%)
Impairment/(Revaluation) of investments in subsidiaries	8,508	3.3%	16,011	10.6%
Other permanent differences	12,977	5.1%	10,560	7.0%
IRAP for the year	-	0.0%	2,440	1.6%
Other	(4,113)	(1.6%)	(12,739)	(8.4%)
Net effect of group tax consolidation for the year	(13,975)	(5.5%)	(4,415)	(2.9%)
Effective income taxes	**(10,292)**	**(4.1%)**	**7,100**	**4.7%**

The Company, along with all its Italian resident subsidiaries, participates, as head of the tax group, in a group tax consolidation, pursuant to art. 117 et seq of the Italian Income Tax Code. The intercompany transactions arising under such a group tax consolidation are governed by specific rules and an agreement between the participating companies, which involve common procedures for applying the tax laws and regulations.

The following companies are members of the tax group:

- Fibre Ottiche Sud – F.O.S. S.r.l.
- Prysmian Cavi e Sistemi S.r.l.
- Prysmian Cavi e Sistemi Italia S.r.l.
- Prysmian Treasury S.r.l.
- Electronic and Optical Sensing Solutions S.r.l.
- Prysmian PowerLink S.r.l.

The rate used to calculate the tax charge is 24% for IRES (Italian corporate income tax), and 5.57% for IRAP (Italian regional business tax).

23. Contingent liabilities

As a global operator, the Company is exposed to legal risks primarily, by way of example, in the areas of product liability, and environmental, antitrust and tax rules and regulations. The outcome of existing or future legal disputes and proceedings cannot be predicted with certainty. The outcome of such proceedings could result in the payment of costs that are not covered, or not fully covered, by insurance, which would therefore have a direct effect on the Company's financial condition and results.

As at 31 December 2023, there were no contingent liabilities against which the Company had not set aside provisions for risks and charges and for which the related legal and tax proceedings not believed to give rise to significant liabilities.

24. Commitments

The Company had the following types of commitments at 31 December 2023:

a) Commitments to purchase property, plant and equipment and intangible assets
Contractual commitments, already given to third parties at 31 December 2023 and not yet reflected in the financial statements, amount to Euro 3,501 thousand (Euro 2,932 thousand at 31 December 2022).

b) Comfort letters in support of bank guarantees given to Group companies
Comfort letters in support of bank guarantees given in the interest of Group companies amount to Euro 65 thousand at 31 December 2023, all of which relating to P.T. Prysmian Cables Indonesia (Euro 67 thousand at 31 December 2022).

c) Other guarantees given in the interest of Group companies
These amount to Euro 9,196,577 thousand at 31 December 2023 (Euro 7,409,383 thousand at 31 December 2022), analysed as follows:

(Euro/thousand)	2023	2022
Prysmian Cavi e Sistemi S.r.l.	14,577	30,228
Prysmian Netherlands B.V.	40,293	40,293
Prysmian PowerLink S.r.l.	6,458,428	5,575,651
Prysmian Cables & Systems Limited	22,915	19,037
Prysmian Cables and Systems USA, LLC	2,508,154	1,674,947
Fibre Ottiche Sud - F.O.S. S.r.l.	3,931	9,855
Prysmian Cables Spain SA	49,593	49,516
Prysmian Re Company Ltd	-	9,855
Other companies	98,685	-
Total	**9,196,577**	**7,409,383**

The comfort letters and guarantees given in the interest of Group companies in (b) and (c) mainly refer to projects and supply contracts and to the offsetting of VAT credits under the Group VAT settlement.

d) Comfort letters in support of bank guarantees given in the interest of the Company
These amount to Euro 20,064 thousand, versus Euro 20,063 thousand in the previous year.

As required by art. 2427 point 22-ter, it is reported that, in addition to the above disclosures about commitments, there are no other agreements that are not reflected in the statement of financial position that carry material risks or rewards and which are critical for assessing the Company's assets and liabilities, financial position and results of operations.

25. Related party transactions

Transactions between Prysmian S.p.A. and its subsidiaries mainly refer to:

- services (technical, organisational and general) provided by head office to subsidiaries;
- charging of royalties for the use of patents to the Group companies that benefit from them;
- financial transactions entered into by the Parent Company on behalf of, and with, Group companies.

All the above transactions fall within the ordinary course of business of the Parent Company and its subsidiaries.

The related party disclosures also include the compensation paid to Directors, Statutory Auditors and Key Management Personnel.

More details about related party transactions are provided in the table of "Intercompany and related party transactions (disclosure under art. 2428 of the Italian Civil Code)" appended to the present Explanatory Notes.

The following tables summarise related party transactions in the years ended 31 December 2023 and 31 December 2022:

(Euro/thousand)	31 December 2023				
	Investments in subsidiaries	Trade and other receivables and derivatives	Trade and other payables and derivatives	Employee benefit obligations and other provisions	Tax payables
Subsidiaries	5,719,702	398,174	473,653		-
Other related parties:					
Compensation of directors, statutory auditors and key management personnel	-	-	1,410	3,780	-
Total	**5,719,702**	**313,174**	**475,063**	**3,780**	**-**

(Euro/thousand)	31 December 2023				
	Investments in subsidiaries	Trade and other receivables and derivatives	Trade and other payables and derivatives	Employee benefit obligations and other provisions	Tax payables
Subsidiaries	5,701,163	511,498	767,793		-
Other related parties:					
Compensation of directors, statutory auditors and key management personnel	-	-	1,435	5,374	-
Total	**5,701,163**	**511,498**	**769,228**	**5,374**	**-**

(Euro/thousand)	2023							
	Revenues and other income	Raw materials, consumables and supplies	Cost of goods and services	Fair value change in metal derivatives	Personnel costs	Finance income/ (costs)	Personnel costs	Finance income/ (costs)
Subsidiaries	233,110	1,440	37,426	27	-	26,311	304,761	20,716
Other related parties: Compensation of directors, statutory auditors and key management personnel	-	-	1,291	-	5,848	-	-	-
Total	**233,110**	**1,440**	**38,718**	**27**	**5,848**	**26,311**	**304,761**	**20,716**

(Euro/thousand)	2023							
	Revenues and other income	Raw materials, consumables and supplies	Cost of goods and services	Fair value change in metal derivatives	Personnel costs	Finance income/ (costs)	Personnel costs	Finance income/ (costs)
Subsidiaries	230,898	2,642	36,300	(28)	-	51,448	176,287	6,696
Other related parties: Compensation of directors, statutory auditors and key management personnel	-	-	1,082	-	10,115	-	-	-
Total	**230,898**	**2,642**	**37,382**	**(28)**	**10,115**	**51,448**	**176,287**	**6,696**

Transactions with subsidiaries

These refer to services supplied to and received from Group companies and to current account transactions with the Group's central treasury company.

Top management compensation

Top management compensation is analysed as follows:

(Euro/thousand)	2023	2022
Salaries and other short-term benefits - fixed part	2,036	2,010
Salaries and other short-term benefits - variable part	1,316	1,692
Other benefits	*156*	150
Share-based payments	2,340	6,262
Other costs	1,116	1,119
Total	**6,964**	**11,233**
of which Directors	6,964	11,233

26. Significant non-recurring events and transactions

As required by Consob Communication DEM/6064293 dated 28 July 2006, the effects of non-recurring events and transactions on the Company's income statement are shown below, involving net non-recurring expenses totalling Euro 2,583 thousand in 2023 and net non-recurring expenses of Euro 12,655 thousand in 2022.

(Euro/thousand)	2023	2022
Non-recurring other income	-	327
Non-recurring other expenses	(2,583)	(12,983)
Non-recurring finance costs	-	-
Non-recurring finance income	-	-
Total	**(2,583)**	**(12,655)**

The statement of financial position and net financial debt contain no material amounts in connection with non-recurring events.

27. Compensation of directors and statutory auditors

Directors' compensation amounts to Euro 6,964 thousand in 2023 (Euro 11,233 thousand in 2022). Statutory auditors' compensation for duties performed in Prysmian S.p.A. amounts to Euro 175 thousand in 2023 (Euro 175 thousand in 2022). Compensation includes emoluments, and any other types of remuneration, pension and medical benefits, received for their service as directors or statutory auditors of Prysmian S.p.A.. Further details can be found in the Remuneration Report.

28. Atypical or unusual transactions

In accordance with the disclosures required by Consob Communication DEM/6064293 dated 28 July 2006, it is reported that no atypical and/or unusual transactions took place during the year.

29. Group financial covenants

The credit agreements in place at 31 December 2023, details of which are presented in Note 10. Borrowings from banks and other lenders, require the Group to comply with a series of covenants on a consolidated basis. The main covenants, classified by type, are listed below:

a) Financial covenants
- Ratio between EBITDA and Net finance costs (as defined in the relevant agreements), not applicable to the Revolving Credit Facility 2023 as long as the Company maintains a long-term "Investment Grade" credit rating;
- Ratio between Net Financial Debt and EBITDA (as defined in the relevant agreements).

The covenants contained in the relevant credit agreements are as follows:

	EBITDA/Net finance costs(*) not less than:	Net financial debt/EBITDA(*) not more than:
	4.00x	3.00x

(*) The ratios are calculated on the basis of the definitions contained in the relevant credit agreements. The Net Financial Debt/EBITDA ratio can go as high as 3.5 following extraordinary transactions like acquisitions, no more than three times, including on non-consecutive occasions.

b) Non-financial covenants
A number of non-financial covenants have been established in line with market practice applying to transactions of a similar nature and size. These covenants involve restrictions on the grant of secured guarantees to third parties and on amendments to the Company's by-laws.
Compliance with these indicators entails a benefit in terms of lower finance costs, while non-compliance would result in higher finance costs.

Default events

The main default events are as follows:

- default on loan repayment obligations;
- breach of financial covenants;
- breach of some of the non-financial covenants;
- declaration of bankruptcy by Group companies or their involvement in other insolvency proceedings;
- issuing of particularly significant court orders;
- occurrence of events that may adversely and significantly affect the business, the assets or the financial conditions of the Group.

Should a default event occur, the lenders are entitled to demand full or partial repayment of the amounts lent and not yet repaid, together with interest and any other amount due. No collateral security is required.

Actual financial ratios reported at period end, calculated at a consolidated level for Prysmian, are as follows:

	31.12.2023	31.12.2022
EBITDA / Net finance costs[(1)(2)]	26.90x	27.26x
Net financial debt / EBITDA[(1)]	0.56x	0.83x

(1) The ratios are calculated on the basis of the definitions contained in the relevant credit agreements.
(2) This covenant does not apply to the Revolving Credit Facility 2023.

The above financial ratios comply with both covenants contained in the relevant credit agreements and there are no instances of non-compliance with the financial and non-financial covenants indicated above

30. Statement of cash flows

Operating activities generated a net cash inflow of Euro 137,888 thousand in 2023, inclusive of Euro 10,986 thousand as the difference between net taxes paid to tax authorities and those collected from the Group's Italian companies for IRES (Italian corporate income tax) transferred under the national tax consolidation (art. 117 et seq of the Italian Income Tax Code).

Investing activities generated a net cash inflow of Euro 454,188 thousand, primarily from Euro 327,381 thousand in dividend receipts, as partially offset by Euro 41,430 thousand in capital contributions to subsidiaries.

Financing activities produced a net outflow of Euro 592,607 thousand. This included a total of Euro 200,000 thousand in loan repayments. New funds raised in the period in the form of new loans came to Euro 121,937 thousand.

Net finance costs charged to the income statement amounted to Euro 49,805 thousand, including non-cash items; excluding these items, net cash finance costs reported in the statement of cash flows were Euro 27,800 thousand. Non-cash items included in net finance costs mostly related to non-cash interest expense on bonds and to loan arrangement costs.

After all these effects the Company's overall net cash outflow for 2023 was Euro 531 thousand.

31. Information pursuant to Art.149-Duodecies of the Consob -Issuer regulations

Pursuant to art. 149-duodecies of the Consob Issuer Regulations, the following table shows the fees in 2023 for audit work and other services provided by the independent auditors EY S.p.A.:

(Euro/thousand)	Supplier of services	Fees for 2023	Fees for 2022
Audit services	EY S.p.A.	821	798
Certification services	EY S.p.A.	310	363
Total		**1,131**	**1,161**

32. State aid

With regard to the transparency rules governing state aid contained in art. 1, par. 125-129 of Italian Law 124/2017, as amended by art. 35 of Legislative Decree 34/2019 (the so-called "growth decree"), published in Italy's Official Journal no. 100 dated 30 April 2019, reference should be made to the National State Aid Register for details of the state aid and de minimis aid reported therein.

33. Research and development

The Group's research and development activities are mostly concentrated within Prysmian S.p.A.. The central team, in coordination with R&D and engineering centres in the various countries, has developed numerous projects over the year in the field of both energy and telecom cables; significant advances have been made in the area of materials and optical fibre technology.

R&D costs incurred in 2023 have been expensed in full to income and amounted to Euro 29,352 thousand versus Euro 30,485 thousand in 2022.

34. Accounting policies

The accounting policies and standards adopted are the same as those used for preparing the consolidated financial statements, to which reference should be made, except as described below.

Dividends

Dividend income is recognised in the income statement when the right to receive the dividends is established, normally coinciding with the shareholders' resolution declaring the same, irrespective of whether such dividends are paid out of an investee company's pre- or post-acquisition earnings.

The distribution of dividends to shareholders is recognised as a liability in the Company's financial statements at the time the distribution of such dividends is approved.

Share-based payments

Granted shares are measured at the fair value determined on their grant date. This value is charged to the income statement on a straight-line basis over the share vesting period with a matching entry in equity. This recognition is based on the estimated number of granted shares that will effectively vest in favour of eligible employees, taking into consideration any conditions applying to their enjoyment, irrespective of the market value of the shares.

This value is recognised:

A. as an expense in the income statement, with a matching credit to an equity reserve, for shares vesting in favour of the Company's employees;
B. if the related cost is recharged, the part relating to the grant date fair value is recognised in equity, while the difference between the grant date fair value and the vesting date fair value or reporting date fair value is recognised in the income statement as a dividend;
C. as an increase in the value of investments in subsidiaries, with a matching credit to an equity reserve, for shares vesting in favour of employees of Group companies.

Investments in subsidiaries

Investments in subsidiaries are measured at cost, less any impairment losses.

If there is specific evidence of impairment, the value of investments in subsidiaries, determined on the basis of cost, is tested for impairment. This involves comparing the carrying amount of investments with their recoverable amount, defined as the higher of fair value less costs to sell and value in use.

The value of investments is tested for impairment in at least one of the following circumstances:

- the carrying amount of the investment in the separate financial statements exceeds the carrying amount of the investee's net assets, including any associated goodwill, reflected in the consolidated financial statements;
- the investee's reported EBITDA is less than 50% of that projected in the business plan, if this performance indicator is relevant to the company in question;
- the dividend distributed by the investee exceeds the total comprehensive income of the investee in the period to which the dividend refers.

If the recoverable amount of an investment is less than its carrying amount, then the latter is reduced to such recoverable amount. This reduction represents an impairment loss, which is recognised through profit or loss.
For the purposes of impairment testing, the fair value of investments in listed companies is determined with reference to market value, regardless of the size of holding. The fair value of investments in unlisted companies is determined using valuation techniques, amongst which the market multiples approach.

Value in use is determined using the "Discounted Cash Flow - equity side" method, which involves calculating the present value of estimated future cash flows generated by a subsidiary, including cash flows from operating activities and consideration arising from the investment's ultimate sale, net of its cash position at the valuation date.
If the reasons for a previously recognised impairment loss cease to apply, the carrying amount of the investment is reinstated but to no more than its original cost, with the related revaluation recognised through profit or loss.

Treasury shares

Treasury shares are reported as a deduction from equity. The original cost of treasury shares and revenue arising from any subsequent sales are treated as movements in equity

35. Estimates and assumptions

The preparation of financial statements requires Management to apply accounting policies and methods which, at times, rely on subjective judgements and estimates based on past experience and assumptions deemed to be reasonable and realistic according to the circumstances. The application of these estimates and assumptions influences the amounts reported in the financial statements, meaning the statement of financial position, the income statement, the statement of comprehensive income and the statement of cash flows, as well as the accompanying disclosures. Ultimate amounts, previously reported on the basis of estimates and assumptions, may differ from original estimates because of uncertainty surrounding the assumptions and conditions on which the estimates were based.

The following is a brief description of the accounting policies that require the Management of Prysmian S.p.A. to exercise greater subjectivity of judgement when preparing estimates and a change in whose underlying assumptions could have a material impact on the financial statements.

[a] Provisions for risks and charges
Provisions are recognised for legal and tax risks to reflect the risk of an adverse outcome. The value of the provisions recorded in the financial statements against such risks represents the best estimate by Management at the reporting date. This estimate requires the use of assumptions depending on factors that may change over time and which could, therefore, have a material impact on the current estimates made by Management to prepare the Company's financial statements.

[b] Impairment of assets
In accordance with the accounting policies applied by the Group, property, plant and equipment and intangible assets with finite useful lives and equity investments are tested for impairment when indicators suggest it will be difficult to realise recoverable value through use of the assets, which are written down accordingly. Verification of the existence of these indicators requires Management to make subjective judgements based on information available within the Company and from the market, as well as on past experience. In addition, if a potential impairment loss is identified, the Company determines the amount of such impairment using suitable valuation techniques. Correct identification of indicators of potential impairment, as well as the estimates for determining its amount, depend on factors which can vary over time, thus influencing judgements and estimates made by Management.
Irrespective of the existence of indicators of potential impairment or otherwise, all intangible assets not yet ready for use must be tested for impairment once a year.
The Company has no intangible assets with an indefinite useful life recorded in its financial statements.

[c] Climate change
As more fully explained in the Directors' Report accompanying the consolidated financial statements and in the Consolidated Non-Financial Statement, the Company, together with the entire Prysmian, has embarked on an ambitious "Net Zero" strategy, aligned with the requirements of the Paris Agreement. In this context, Prysmian analyses and assesses the risks and opportunities of climate change and has set targets for the reduction of greenhouse gas emissions classified as Scope 1 and 2 (direct and indirect emissions generated by its own activities) and as Scope 3 (generated by the value chain).
The consequences in terms of investments, costs and other cash flow impacts have been considered when preparing financial forecasts, consistent with the progress of this process. The replacement program for certain assets, aimed at achieving the "Net Zero" strategy, involves reviewing the useful lives of these assets, with a consequent acceleration of their depreciation process. The 2023 impairment tests have taken into account the impacts on investment flows, as far as they can be currently estimated, without any significant effects on the test results. It is also possible that in the future the carrying amount of assets or liabilities recognised in the Company's financial statements may be subject to different impacts as the strategy of managing climate change evolves.

[d] Depreciation and amortisation
The cost of property, plant and equipment and intangible assets is depreciated/amortised on a straight-line basis over the estimated useful lives of the assets concerned. The useful economic life of the Company's property, plant and equipment and intangible assets is determined by Management when assets are acquired. This is based on past experience for similar assets, market conditions and expectations regarding future events that could impact useful life, including developments in technology. Therefore, actual economic life may differ from estimated useful life. The Company periodically reviews technological and industry developments to update residual useful lives. This periodic review may result in a revision of the depreciation/amortisation period and consequently of the depreciation/amortisation charge for future years.

[e] Taxes
Current taxes are calculated on the basis of taxable income for the year, applying the tax rates in force at the reporting date.
Deferred tax assets are recognised to the extent there is likely to be sufficient future taxable income against which they can be recovered.

[f] Employee benefit obligations
The present value of the pension plans reported in the financial statements depends on an independent actuarial calculation and on a number of different assumptions. Any changes in assumptions and in the discount rate used are duly reflected in the present value calculation and may have a significant impact on the figures reported in the financial statements. The assumptions used for the actuarial calculation are examined by the Company annually.
Present value is calculated by discounting future cash flows at an interest rate equal to that on high-quality corporate bonds issued in the currency in which the liability will be settled and which takes account of the duration of the related pension plan.
Further information can be found in Note 13. Employee benefit obligations and Note 17. Personnel costs.

[g] Incentive and share purchase plans
The employee share purchase plan, open to almost all the Group's employees, offers them an opportunity to obtain shares under preferential terms and conditions. The operation of this plan is described in Note 17. Personnel costs.
The grant of shares is subject to continued employment with the Group in the months between signing up to one of the plan's purchase windows and the purchase of the shares themselves on the equity market. The plan's financial and economic impact has therefore been estimated on the basis of the best possible estimates and information currently available.
The 2023-2025 incentive plan involves the allocation of a number of shares calculated according to the achievement of operational, economic and financial performance conditions. The plan's financial and economic impact has therefore been estimated on the basis of the best possible estimates and information available at the valuation date. More details can be found in Note 17. Personnel costs.
The "BE IN" incentive plan provides for the grant of a number of shares. Sometimes this number is determined on the basis of the achievement of performance targets, as well as on the basis of employee participation. The plan's financial and economic impact has therefore been estimated on the basis of the best possible estimates and information available at the valuation date. More details can be found in Note 17. Personnel costs.

36. Events after the reporting period

There have been no subsequent events that could have an impact on the values reported in these financial statements.

37. Filing of financial statements

The financial statements of Prysmian S.p.A. at 31 December 2023 will be filed within the legally required term at its registered office and will be available for viewing on the websites of the company at www.prysmian.com, the central storage mechanism at www.emarketstorage.com and the Italian Stock Exchange at www.borsaitaliana.it.

The financial statements of the sub-holding company Prysmian Cavi e Sistemi S.r.l. will be filed at the registered office in Via Chiese 6, Milan; the financial statements of the sub-holding company Draka Holding B.V. will not be presented, as permitted by Dutch law.

Milan, 28 February 2024

ON BEHALF OF THE BOARD OF DIRECTORS
THE CHAIRMAN
Claudio De Conto

List of investments in subsidiaries at 31 december 2023

(Euro/thousand)	Registered office	Net book value	% owned	Share capital in Euro	Total equity	Prysmian share of equity	Net profit/ (loss) for the year
Italian subsidiaries							
Prysmian Cavi e Sistemi S.r.l.	Milan, Via Chiese, 6	409,485	100	50,000	353,418	353,418	2,904
Prysmian Cavi e Sistemi Italia S.r.l.	Milan, Via Chiese, 6	116,371	100	77,143	814,478	814,478	9,779
Prysmian PowerLink S.r.l.	Milan, Via Chiese, 6	219,936	100	100,000	117,579	117,579	(11,382)
Fibre Ottiche Sud - F.O.S. S.r.l.	Battipaglia, Strada Provinciale 135	33,338	100	47,700	33,338	33,338	(32,284)
Prysmian Treasury S.r.l.	Milan, Via Chiese, 6	83,555	100	80,000	108,165	108,165	11,826
Electronic and Optical Sensing Solutions S.r.l.	Milan, Via Chiese, 6	45,803	100	5,000	32,114	32,114	(1,493)
Prysmian Servizi S.p.a.	Milan, Via Chiese, 6	4,430	100	3,000	3,511	3,511	(918)
Total Italian subsidiaries		**912,918**					
Foreign subsidiaries							
Draka Holding B.V.	Amsterdam, Olanda	4,803,349	100	52,229	4,689,644	4,689,644	340,911
Prysmian Kabel und Systeme GmbH	Berlino, Germania	3,434	6.25	15,000	102,558	6,410	16,427
Prysmian Kablo SRO	Bratislava, Slovacchia	1	0.005	21,246	13,360	-	450
Jaguar Communication Consultancy Services Private Ltd.	Mumbai, India	-	0.000001	1,986	396	-	(258)
Prysmian Cabos e Sistemas do Brasil S.A.	Sorocaba, Brasile	-	0.040177	170,136	232,660	93	37,034
Total foreign subsidiaries		**4,806,784**					
Grand total		**5,719,702**					

Intercompany and related party transactions (disclosure under Art. 2428 of the italian civil code)

(Euro/thousand)				Costs		Revenues			
	Investments in subsidiaries	Receivables	Payables	Goods and services	Finance costs	Goods and services	Finance income	Dividends and (impairment)	Income (expense) from group tax consolidation
Associated Cables Pvt. Ltd	-	2	-	-	-	-	-	-	-
Auto Cable Tunisie	-	-	-	-	-	-	-	-	-
Cobre Cerrillos S.A.	-	635	(114)	87	-	(1,242)	-	-	-
Conducen, SRL	-	1,158	-	66	-	(1,132)	-	-	-
Draka Belgium N.V.	-	2	-	-	-	(3)	-	-	-
Draka Comteq Berlin GmbH & Co KG	-	413	-	-	-	(982)	-	-	-
Draka Comteq Cabos Brasil S.A	-	-	(22)	-	-	-	-	-	-
Draka Comteq Fibre BV	-	921	(177)	395	-	(1,144)	-	-	-
Draka Comteq France SAS	-	1,810	(39)	39	-	(3,537)	-	-	-
Draka Comteq Germany GmbH & Co.KG	-	3,202	-	87	-	(38,921)	-	-	-
Draka Comteq UK Limited	-	386	(36)	59	-	(561)	-	-	-
Draka Durango S. de R.L. de C.V.	-	40	(26)	-	-	(1)	-	-	-
Draka Elevator Products INC	-	2,049	(15)	-	-	(2,191)	-	-	-
Draka Elevator Products, Inc.	-	93	-	-	-	(70)	-	-	-
Draka Fileca S.A.S.	-	806	-	-	-	(1,307)	-	-	-
Draka Holding B.V.	4,803,349	2,221	(331)	591	-	(1,615)	-	(317,505)	-
Draka Kabely SRO	-	6,836	(155)	244	-	(140,088)	-	-	-
Draka Paricable SAS	-	1	-	-	-	(16)	-	-	-
Draka Philippines Inc.	-	3,383	(12)	-	-	(28,532)	-	-	-
Draka Transport USA LLC	-	912	-	-	-	(3,387)	-	-	-
EHC Canada Inc.	-	382	-	-	-	(76)	-	-	-
EHC Engineered Polymer (Shanghai) Co. Ltd.	-	(1)	-	-	-	-	-	-	-
EHC Escalator Handrail (Shanghai) Co. Ltd.	-	(2)	(51)	51	-	-	-	-	-
EHC Germany GmbH	-	71	-	-	-	(25)	-	-	-
EHC Lift Components (Shanghai) Co. Ltd.	-	(1)	-	-	-	-	-	-	-
EHC USA Inc.	-	7	-	-	-	(2)	-	-	-
Electronic and Optical Sensing Solutions S.r.l.	45,803	446	(14)	14	-	(244)	-	(50)	(6)

(Euro/thousand)				Costs		Revenues			
	Investments in subsidiaries	Receivables	Payables	Goods and services	Finance costs	Goods and services	Finance income	Dividends and (impairment)	Income (expense) from group tax consolidation
EURELECTRIC TUNISIE S.A.	-	110	(8)	8	-	-	-	-	-
Fibre Ottiche Sud - F.O.S. S.r.l.	33,338	1,083	(839)	865	-	(814)	-	35,361	-
General Cable Celcat, Energia e Telecomunicacoes SA	-	4,824	(35)	23	-	(71,091)	-	-	-
General Cable Company Ltd.	-	2,882	-	-	-	(3,084)	-	-	-
General Cable Corporation	-	21	-	-	-	(22)	-	-	-
General Cable de Mexico, S.A de C.V.	-	684	14-	62	-	(962)	-	-	-
Grupo General Cable Sistemas, S.L.	-	(15)	-	138	-	(37,296)	-	-	-
Jaguar Communication Consultancy Services Private Ltd.	-	452	-	-	-	-	-	-	-
LLC Prysmian RUS	-	616	(69)	812	-	(57)	-	-	-
LLC Rybinskelektrokabel	-	-	(110)	243	-	-	-	-	-
MCI-Draka Cable Co. Ltd	-	4,442	(111)	67	-	(987)	-	-	-
Nantong Zhongyao Draka Elevator Products Co. LTD	-	0			-		-	-	-
Norddeutsche Seekabelwerke GmbH	-	1,608	(162)	720	-	(1,336)	-	-	-
Oman Aluminium Processing Industries LLC	-	3	(8,252)	-	-	45,412-	-	-	-
Oman Cables Industry (SAOG)	-	753	(341)	722	-	(1,046)	-	-	-
Omnisens SA	-	171	-	-	-	(38)	-	-	-
P.O.R. S.A.S.	-	-	(2,136)	2,136	-	-	-	-	-
P.T. Prysmian Cables Indonesia	-	609	(44)	48	-	(1,453)	-	-	-
Power Cables Malaysia SND – BHD	-	(190)	-	-	-	-	-	-	-
Prestolite de Mexico, S.A. de C.V.	-	3	(39)	39	-	-	-	-	-
Productora de Cables Procables S.A.S.	-	893	(8)	7	-	(954)	-	-	-
Projects Germany GmbH	-	268	(129)	193	-	(201)	-	-	-
Prysmian - OEKW GmbH	-	27	-	-	-	(43)	-	-	-
Prysmian (CHINA) Investment Company Ltd	-	206	(26)	-	-	(13)	-	-	-
Prysmian Australia PTY Ltd	-	3,591	(215)	292	-	(6,733)	-	-	-
Prysmian Cable (Shanghai) Trading Co Ltd - Suzhou Branch	-	(1)	-	-	-	-	-	-	-
Prysmian Cables & Systems Limited	-	19,085	(1,407)	2,016	-	(212,617)	(256)	-	-
Prysmian Cables (Shangai) Trading CO. Ltd	-	363	(42)	-	-	(162)	-	-	-

(Euro/thousand)				Costs		Revenues			
	Investments in subsidiaries	Receivables	Payables	Goods and services	Finance costs	Goods and services	Finance income	Dividends and (impairment)	Income (expense) from group tax consolidation
PRYSMIAN CABLES AND SYSTEMS (US) INC.	-	1,060	-	-	-	-	-	-	-
Prysmian Cables and Systems Canada LTD	-	2,179	(20)	73	-	(4,200)	-	-	-
Prysmian Cables and Systems USA, LLC	-	34,636	(5,499)	18,954	-	(31,492)	(14,984)	3	-
Prysmian Cables et Systèmes France SAS	-	20,862	(1,024)	1,544	-	(255,752)	(406)	-	-
Prysmian Cables Spain, S.A. (Sociedad Unipersonal).	-	28,800	(692)	997	-	(178,709)	(257)	-	-
Prysmian Cables y Sistemas de Mexico S. de R.L. de C.V.	-	43	26	12	-	(38)	-	-	-
Prysmian Cabluri Si Sisteme S.A.	-	7,307	(1,152)	1,843	-	(51,933)	-	-	-
Prysmian Cabos e Sistemas do Brasil S.A.	-	2,039	(534)	469	-	(3,816)	-	-	-
Prysmian Cavi e Sistemi Italia S.r.l.	116,372	10,256	(625)	1,085	-	(37,388)	-	(384)	(2,810)
Prysmian Cavi e Sistemi S.r.l.	409,484	24,717	(264)	270	-	(40,983)	-	(818)	(600)
Prysmian Construction Services Inc.	-	131	-	-	-	-	-	-	-
Prysmian Energia Cables y Sistemas de Argentina S.A.	-	47	(69)	339	-	(187)	-	-	-
Prysmian Baltics AS	-	8,857	(76)	76	-	(66,579)	-	-	-
Prysmian Denmark A/S	-	257	-	-	-	(91)	-	-	-
Prysmian Finland OY	-	21,699	(129)	189	-	(143,026)	-	-	-
Prysmian Norge AS	-	1,029	(81)	131	-	(975)	-	-	-
Prysmian North Europe AB	-	9,319	(64)	106	-	(45,006)	-	-	-
Prysmian Specialty Cables LLC	-	758	-	-	-	(860)	-	-	-
Prysmian Hong Kong Holding Limited	-	23	-	-	-	(110)	-	-	-
Prysmian Kabel und Systeme GmbH	3,434	12,243	(152)	480	-	(47,803)	-	-	-
Prysmian Kablo SRO	1	1,206	-	10	-	(2,823)	-	-	-
Prysmian Kablo SRO - Branch Czech Republic					-	(0)	-	-	-
Prysmian MKM Magyar Kabel Muvek Kft	-	17,631	(118)	178	-	(305,179)	-	-	-
Prysmian Netherlands B.V.	-	12,946	(306)	545	-	(144,146)	(604)	-	-
Prysmian New Zealand Ltd.	-	172	(23)	23	-	(125)	-	-	-
Prysmian Pension Scheme Trustee Limited	-				-		-	-	-
Prysmian Poland SP. ZOO	-	333	(27)	64	-	(72)	-	-	-

(Euro/thousand)				Costs		Revenues			
	Investments in subsidiaries	Receivables	Payables	Goods and services	Finance costs	Goods and services	Finance income	Dividends and (impairment)	Income (expense) from group tax consolidation
Prysmian Power Link Srl	219,936	37,137	(5,394)	747	-	(115,061)	(39,927)	(1,355)	(12,553)
Prysmian Powerlink Services Ltd.	-	191	-	-	-	(137)	-	-	-
Prysmian RE Company Designated Activity Company	-	5,132	-	-	-	(5,132)	-	-	-
Prysmian Servizi S.p.A.	4,430	86	-	-	-	(86)	-	-	-
Prysmian Spain SA EPC-Branch South Africa	-	-	(63)	64	-	-	-	-	-
Prysmian Technology Jiangsu Co. Ltd.	-	607	-	-	-	(154)	-	-	-
Prysmian Tianjin Cables Co. Ltd.	-	(2)	(11)	11	-	-	-	-	-
Prysmian Treasury Srl	83,555	8,565	(441,389)	46	42,979	(808)	(12,856)	(20,014)	(4,748)
Prysmian Wuxi Cable Company Ltd	-	1,660	(18)	18	-	(1,062)	-	-	-
RAVIN CABLES LIMITED (India)	-	25	-	-	-	-	-	-	-
SILEC Cable, S.A.S.	-	7,499	-	-	-	(68,050)	-	-	-
Sindutch Cable Manufacturer Sdn Bhd	-	1,707	(26)	42	-	(1,324)	-	-	-
Singapore Cables Manufacturers Pte Ltd	-	943	(46)	59	-	(608)	-	-	-
Société Ivoirienne De Cables S.A.	-	188	-	-	-	(113)	-	-	-
Suzhou Draka Cable Co. Ltd	-	1,945	(392)	393	-	(519)	-	-	-
Turk Prysmian Kablo Ve Sistemleri A.S.	-	45,598	(70)	101	-	(35,696)	-	-	-
General de Cable de Mexico del Norte, S.A. de C.V.	-	24	-	-	-	-	-	-	-
EHC Spain & Portugal, SL	-	32	-	-	-	-	-	-	-
Yangtze Optical Fibre and Cable Joint Stock Limited Co.	-	28	-	-	-	-	-	-	-
TOTAL	**5,719,702**	**398,174**	**(473,188)**	**38,893**	**42,979**	**(2,108,617)**	**(69,290)**	**(304,761)**	**(20,716)**

4. Certification of the separate financial statements
pursuant to Art. 81-ter of CONSOB regulation 11971 dated 14 may 1999 as amended

1. The undersigned Valerio Battista, as Chief Executive Officer, and Stefano Invernici and Alessandro Brunetti, as managers responsible for preparing the financial reports of Prysmian S.p.A., certify, also taking account of the provisions of paragraphs 3 and 4, art. 154-bis of Italian Legislative Decree 58 dated 24 February 1998, that during 2023 the accounting and administrative processes for preparing the separate financial statements:

- have been adequate in relation to the business's characteristics and
- have been effectively applied.

2. The adequacy of the accounting and administrative processes for preparing the separate financial statements at 31 December 2023 has been evaluated on the basis of a procedure established by Prysmian in compliance with the internal control framework published by the Committee of Sponsoring Organizations of the Treadway Commission, which represents the generally accepted standard model internationally.

3. It is also certified that:

3.1 the separate financial statements at 31 December 2023:

a) have been prepared in accordance with applicable international accounting standards recognised by the European Union under Regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;
b) correspond to the underlying accounting records and books of account;
c) are able to provide a true and fair view of the issuer's statement of financial position and results of operations.

3.2 The directors' report contains a fair review of performance and the results of operations, and of the issuer's situation, together with a description of the principal risks and uncertainties to which it is exposed.

Milan, 28 February 2024

Valerio Battista
Chief Executive Officer

Stefano Invernici **Alessandro Brunetti**
Managers responsible for preparing company financial reports

Proposal to approve the financial statements and to allocate net profit for 2023

Shareholders,
We are submitting the separate financial statements for the year ended 31 December 2023 for your approval and recommend that you adopt the following:

RESOLUTION
The Shareholders' Meeting:

- acknowledges the report by the Board of Directors,
- acknowledges the reports by the Board of Statutory Auditors and by the Independent Auditors,
- has examined the financial statements at 31 December 2023, which close with a net profit of Euro 264,265,777 and

RESOLVES
a) To approve:

- the report on operations by the Board of Directors;
- the financial statements at 31 December 2023;

as presented by the Board of Directors - as a whole and in their individual parts, along with the proposed provisions - which show a net profit of Euro 264,265,777;

b) To allocate the net profit for the year as follows:
- Euro 167,804 to the Legal Reserve, thereby reaching one-fifth of share capital at 31 December 2023, as required by art. 2430 of the Italian Civil Code;
- approximately Euro 190,971,230 million to pay a gross unit dividend of Euro 0.70 to each ordinary voting share (taking account of directly held treasury shares);
- the remainder of Euro 73,126,743 to Retained Earnings.

Any change in the number of treasury shares held by the Company at the time of distribution will not affect the amount of the dividend per share, established above, but will increase or decrease the amount allocated to Retained Earnings.

The dividend will be paid out from 24 April 2024, with record date 23 April 2024 and ex-div date 22 April 2024.

Milan, 28 February 2024

ON BEHALF OF THE BOARD OF DIRECTORS
THE CHAIRMAN
Claudio De Conto

Building a better
working world

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Independent auditor’s report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the shareholders of
Prysmian S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Prysmian S.p.A. (the Company), which comprise the statement of financial position as of 31 December 2023, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and illustrative notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matter:

Key Audit Matter	Audit Response
Recoverability of the book value of investments in subsidiaries	
As of 31 December 2023, the investments in subsidiaries recorded in the Company's financial statements amount to Euro 5,720 million. Processes and valuation methods to determine the recoverable amount of investments in subsidiaries, based alternatively on the fair value or the value in use, also supplemented by specific management's considerations, include assumptions, sometimes complex, which imply, by their nature, estimates by the Directors, especially with regard to the forecast of their future profitability and to the determination of long term growth and discount rates applied to forecasted future cash flows. Considering the required judgment and the complexity of the assumptions adopted in estimating the recoverable amount of the investments in subsidiaries, we assessed this matter as a key audit matter. Financial statements disclosures related to the valuation of investments in subsidiaries are reported in note "3. Investments in subsidiaries".	Our audit procedures related to the key audit matter included, among the others, the analysis of the procedure implemented by the Company regarding the valuation of investments in subsidiaries, the analysis of forecasted future cash flows and the reconciliation of forecasted future cash flows of subsidiaries with the Group budget prepared for the 2024 fiscal year and the multi-year plan until 2027, taking into account the impairment testing procedure approved by the Board of Directors. In addition, our procedures included the analysis of the quality of the forecasts taking into account the historical accuracy of the previous forecasts and the analysis of the calculation of long-term growth and discount rates. In our procedures we analyzed the models applied to determine the fair value and the value in use, taking into account management's supplementary specific considerations, also involving our experts in valuation techniques, who performed independent calculation and sensitivity analysis on the key assumptions in order to identify the change in assumptions that could have a significant impact on the valuation of the recoverable amount. Finally, we analyzed the disclosure provided in the financial statements of the Company as of 31 December 2023.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all

matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Prysmian S.p.A., in the general meeting held on 16 April 2015, engaged us to perform the audits of the consolidated financial statements for each of the years ending 31 December 2016 to 31 December 2024.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Prysmian S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the Delegated Regulation) to the financial statements, to be included in the annual financial report.

We have performed the procedures required under auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements at 31 December 2023 with the provisions of the Delegated Regulation.

In our opinion, the financial statements at 31 December 2023 have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Prysmian S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Prysmian S.p.A. at 31 December 2023, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under auditing standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of Prysmian S.p.A. at 31 December 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Prysmian S.p.A. at 31 December 2023 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

The Directors of Prysmian S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated 30 December 2016. We have verified that non-financial information has been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated 30 December 2016, such non-financial information is subject to a separate compliance report signed by us.

Milan, 15 March 2024

EY S.p.A.
Signed by: Massimo Meloni, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

REPORT BY THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS OF PRYSMIAN S.P.A. PURSUANT TO ART. 153 ITALIAN LEGISLATIVE DECREE 58/1998

Shareholders,

This report describes the activities performed by the Board of Statutory Auditors of Prysmian S.p.A. (the "Company" and together with its subsidiaries, the "Group") during the year ended 31 December 2023.
Prysmian S.p.A. is the holding company at the head of a Group that is one of the world's leading operators in the cable industry, active in the development, design, production, supply and installation of a wide range of land and submarine cables for various applications in the energy and telecommunications sectors.

During the year ended 31 December 2023, the Company's Board of Statutory Auditors carried out the supervisory activities required by law, also taking into account the Standards contained in the Rules of Conduct for Boards of Statutory Auditors, recommended by the Italian accounting profession (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*), and the communications issued by Consob (*Commissione Nazionale per le Società e la Borsa* – Italy's Securities and Exchange Commission) on company oversight and activities by the Board of Statutory Auditors.
The Board of Statutory Auditors therefore reports that, during the year ended 31 December 2023, it systematically acquired the information required to perform its duties both through participation in the annual general meeting of shareholders and in meetings of the Board of Directors, the Control and Risks Committee, the Remuneration and Nominations Committee and the Sustainability Committee, and through interviews with managers and representatives of company structures, as well as review of documentation and verification activities.
During the year, the Board of Statutory Auditors met with the Monitoring Board established under Italian Legislative Decree 231/2001 for a mutual exchange of information.
The governing bodies have reported to us at least once every quarter on the activities carried out, on transactions of major financial and economic significance, on any transactions in potential conflict of interest, as well as on any atypical or unusual transactions and on any other activity or transaction considered necessary to bring to our attention.

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1. In performing its supervisory and audit activities, the Board of Statutory Auditors confirms that it has verified that the transactions of major financial and economic significance approved and executed comply with the law and the Company's by-laws and are not manifestly imprudent, risky, in potential conflict of interest, in contrast with resolutions adopted by the shareholders in general meetings, nor such as to compromise the integrity of the Company's net assets.
   Furthermore, we confirm that we have not found any atypical and/or unusual transactions with Group companies, third parties or related parties, nor have we received information in this regard from the Board of Directors, the Independent Auditors, or the director responsible for maintaining the internal control and risk management system.
   The Board of Directors have provided adequate information in their Report about the effects of ordinary transactions of major financial and economic significance, entered into with subsidiaries on an arm's length basis.

2. The Directors have identified and described the main related party and intercompany transactions as part of the comments to the separate and consolidated financial statements (hereinafter also referred to as the "financial

statements" for brevity); reference should be made to these sections, also for a description of the characteristics of such transactions and their effects on profit or loss.

With regard to related party transactions, the Board of Statutory Auditors reports that, in compliance with the Consob requirements set out in Resolution 17221 of 12 March 2010 (and subsequent amendments and additions thereto), the Company has adopted a specific procedure, which is summarised in the "Report on Corporate Governance and Ownership Structure of Prysmian S.p.A. - 2023", to which you are referred. This procedure, which has been revised and updated over time, can be consulted on the Company's website www.prysmian.com in the "Company/Governance" section.

The Board of Statutory Auditors has monitored the compliance of the procedures adopted with the principles recommended by Consob and their actual observance, and has no remarks to make as to the fairness of related party transactions and their alignment with the Company's interests.

3. The Board of Statutory Auditors considers that the information regarding related party transactions provided by the Directors in the Notes to the financial statements of Prysmian S.p.A. is adequate.

4. The audit firm EY S.p.A. (also referred to as the "Independent Auditors") has issued unqualified Audit Reports, dated today, on the separate and consolidated financial statements for the year ended 31 December 2023, pursuant to art. 14 of Italian Legislative Decree 39 dated 27 January 2010 and art. 10 of Regulation (EU) 537/2014.

The Independent Auditors' Report contains the following opinions and representations:

i. the opinion that the separate financial statements and consolidated financial statements of Prysmian S.p.A. give a true and fair view of the statement of financial position of the Company and the Group at 31 December 2023, of their results of operations and cash flows for the year then ended, in compliance with the International Financial Reporting Standards adopted by the European Union, and with the provisions that implement art. 9 of Italian Legislative Decree 38 dated 28 February 2005. The reports set out - as required by the regulations - the key audit matters, indicated below.

- In the separate financial statements: recoverability of the carrying amount of investments in subsidiaries.
- In the consolidated financial statements: recognition of revenues and margins from construction contracts and risks related to ongoing and completed contracts; and recoverability of the carrying amount of goodwill.

The aforementioned Audit Reports do not contain any emphasis of matter.

ii. a consistency opinion that the Directors' Reports accompanying the separate and consolidated financial statements at 31 December 2023 and certain specific information contained in the "Report on Corporate Governance and Ownership Structure of Prysmian S.p.A. - 2023", as required by art. 2023-bis, para. 4 of Italy's Consolidated Law on Finance, for which the Company's directors are responsible, have been prepared in compliance with the law;

iii. a compliance opinion that the separate and consolidated financial statements have been prepared in XHTML format, in accordance with the provisions of the European Commission Delegated Regulation;

iv. a statement that, based on their knowledge and understanding of the business and related environment gained during the audit, they have no matters to report with regard to any material misstatements in the Directors' Report.

EY S.p.A. has also issued today the following other reports:

- the Additional Report to the Board of Statutory Auditors, in its capacity as the Audit Committee, prepared in accordance with art. 11 of Regulation (EU) 537/2014, which will be submitted by the Board of Statutory Auditors to the Board of Directors as required by current regulations;

- the Report on the Consolidated Non-Financial Statement, prepared pursuant to art. 3, para. 10 of Italian Legislative Decree 254 dated 30 December 2016 and art. 5 of Consob Regulation 20267 dated 18 January 2018, in which the Independent Auditors represent that no evidence has come to their attention that causes them to believe that Prysmian Group's Consolidated Non-Financial Statement for the year ended 31 December 2023 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the aforementioned Decree and with the GRI standards.

EY S.p.A. has also issued today their Statement of Independence, as required by art. 6 of Regulation (EU) 537/2014 and pursuant to para. 17 of Italian International Audit Standard 260 (*ISA Italia 260*), from which no evidence emerges that could compromise their independence.

Lastly, the Board of Statutory Auditors acknowledges the Transparency Report prepared by the Independent Auditors and published on their website in accordance with art. 18 of Italian Legislative Decree 39/2010.

5. During 2023, and up to the date of preparing this Report, the Board of Statutory Auditors has not received any complaints under art. 2408 of the Italian Civil Code.

6. During 2023, and up to the date of preparing this Report, the Board of Statutory Auditors has not received any other formal complaints. During the course of its activities and based on the information obtained, the Board of Statutory Auditors has not observed any omissions, misconduct, irregularities or any other circumstances that would require reporting to the external Supervisory Authority or disclosure in the present report.

7. In addition to the duties required by law in respect of listed companies, EY S.p.A. and firms within the EY network have been engaged to perform additional services other than the statutory audit, the fees for which have been disclosed in the notes to the consolidated financial statements as required by art. 149-duodecies of the Italian market Issuer Regulations, to which you are referred. The permitted non-audit services were approved in advance on a case-by-case basis in accordance with the procedure adopted by the Board of Statutory Auditors, which reviewed their compliance and relevance with reference to the criteria contained in Regulation (EU) 537/2014.

8. The Board of Statutory Auditors has monitored the independence of the audit firm, which issued, today, the annual statement confirming its independence, pursuant to art. 6, para. 2), letter a), of Regulation (EU) 537/2014 and para. 17 of Italian International Audit Standard 260 (*ISA Italia 260*). Having reviewed the above statement of independence issued by EY S.p.A. and its transparency report, as well as the engagements awarded to EY S.p.A. and firms in its network, the Board of Statutory Auditors believes there are no critical issues concerning the independence of EY S.p.A.

9. On 11 January 2024, following an exhaustive preliminary selection process, the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, expressed its recommendation concerning the award of the statutory audit engagement for the period 2025-2033, pursuant to art. 16 of Regulation (EU) 537/2014 of the European Parliament and Council dated 16 April 2014 and Italian Legislative Decree 39 dated 27 January 2010, as illustrated to the meeting of the Board of Directors held on 28 February 2024. The Board of Statutory Auditors recommended the proposals received from the firms PricewaterhouseCoopers S.p.A. and Deloitte & Touche S.p.A. and expressed a preference for that presented by PricewaterhouseCoopers S.p.A., due to its higher overall score, both from a qualitative and financial point of view.

In this regard, the Board of Statutory Auditors notes that the Company has put in place the appropriate controls to ensure scrupulous compliance with the cooling-in period from the beginning of 2024.

10. On 28 February 2024, the Board of Statutory Auditors issued the Board of Directors with its opinion, provided in accordance with art. 2389, para. 3, of the Italian Civil Code, on the variable remuneration of the Chief Executive Officer and other Executive Directors for 2023, also in relation to such remuneration due to them under the LTI plan. In accordance with Italy's Corporate Governance Code (the "Corporate Governance Code"), the Board of Statutory Auditors was consulted when setting the parameters underlying the achievement of functional objectives for the variable remuneration of the Chief Internal Audit Officer.

11. As disclosed in the "Report on Corporate Governance and Ownership Structure of Prysmian S.p.A. - 2023", the Company's Board of Directors held 10 meetings during 2023; the Control and Risks Committee held 10 meetings (of which one in its capacity as the Related Parties Committees); the Remuneration and Nominations Committee held 14 meetings; the Sustainability Committee held 11 meetings. In addition, three meetings of the Independent Directors were held in 2023.
The Board of Statutory Auditors met 24 times (of which 6 entirely or partly jointly with the Control and Risks Committee and once jointly with both the Control and Risks Committee and with the Sustainability Committees).
In addition, the Board of Statutory Auditors was present in 2023 at:
(i) the annual general meeting of shareholders on 19 April 2023;
(ii) every meeting of the Board of Directors;
(iii) every meeting of the Control and Risks Committee (also in its capacity as the Related Parties Committee), the Remuneration and Nominations Committee and the Sustainability Committee.
There is also a Monitoring Board, a collegial body established in accordance with art. 6, para. 1 (b) of Italian Legislative Decree 231/2001; the current Monitoring Board has been in office since 28 April 2021 and will remain so until approval of the financial statements for the year ended 31 December 2023.
The Monitoring Board was composed, also in 2023, of two external members (one of whom appointed as Chairman) and one internal member, in the person of the Group's Chief Compliance & Internal Audit Officer.
The Board of Statutory Auditors met with the Monitoring Board during the course of the year for a mutual exchange of information. The Monitoring Board has reported on its activities during the year and has not informed the Board of Statutory Auditors of any significant matters.

12. The Board of Statutory Auditors has examined and monitored, to the extent of its remit, the observance of good management practices, by participating in the meetings of the Board of Directors and the various Committees, by gathering information from the Chief Executive Officer and the Company's management, the heads of Internal Audit and Compliance, the Managers responsible for preparing financial reports, the Risk Management structure in the person of the Group Chief Risk Officer and the other second-tier control functions, as well as through interviews with the aforementioned persons and representatives of the independent audit firm EY S.p.A., for the purpose of mutual exchange of relevant data and information; as a result of the aforementioned activities, the Board of Statutory Auditors has no observations to make in this regard.
The Board of Statutory Auditors has monitored compliance with the law and the Company's by-laws. In particular, with regard to the decision-making processes of the Board of Directors, the Board of Statutory Auditors has verified,

also through direct participation in Directors' meetings, that the management decisions taken by the Directors complied with the law and the Company's by-laws and that the related resolutions were adequately supported by processes of information, analysis, verification and debate, including, when deemed necessary, by consulting committees and external professionals for advice. The Board of Statutory Auditors has also verified, to the best of its knowledge, that the Directors had made the declarations pursuant to art. 2391 of the Italian Civil Code.

No critical issues have emerged as a result of meetings with the Boards of Statutory Auditors and sole Statutory Auditors of the Company's Italian subsidiaries.

13. The Board of Directors plays a role of strategic guidance and supervision, in that it is responsible, among other things, for defining the strategies of the Company and the Group, as well as overseeing their implementation. The Board pursues the Company's interests, with a view to creating long-term value for the benefit of shareholders, as well as taking into account the interests of other stakeholders relevant to the Company.

    To execute its resolutions and to manage the business, the Board of Directors, in compliance with legal and statutory limits, may delegate appropriate powers to one or more directors, who must report to the Board of Directors and the Board of Statutory Auditors - promptly and in any case at least on a quarterly basis - on the activities carried out, on the Company's general performance and outlook and on its transactions with the most significant financial and economic impact.

    The Company is currently managed by a Board of Directors consisting of twelve directors. The three-year term of office of the current Board of Directors began on 28 April 2021 and will end on the date the shareholders meet to approve the financial statements for the year ended 31.12.2023.

    From the start of the Board's mandate through to the current date, the office of Chairman has been held by Claudio De Conto, the Company's legal and judicial representative, while the office of Chief Executive Officer has been conferred on Valerio Battista.

    The Chief Executive Officer can be regarded as the main person responsible for managing the Company, after the Board of Directors, in its meeting of 28 April 2021, named him as the Company's legal representative before third parties and granted him all ordinary powers of management and authority necessary or useful for the conduct of the Company's business in its various forms, with no exceptions other than those otherwise attributed by law and/or regulation or by the by-laws, to be exercised as a sole signatory, unless otherwise specified, and with the right to sub-delegate.

    The Chief Executive Officer is responsible for creating and maintaining - in execution of the guidelines established by the Board of Directors - the internal control and risk management system, pursuant to recommendations 32b) and 34 of the Corporate Governance Code.

    The Board of Directors has granted executive powers to directors Pier Francesco Facchini (CFO) and Massimo Battaini (COO), who together with the CEO are therefore Executive Directors.

    The Company has adopted an organisational model that envisages governance of the main activities necessary for the management, control and development of its business. Under this model, the following functions report to the Chief Executive Officer as at the date of this Report:

    - Corporate Affairs;
    - Strategic Advisors;
    - Risk & Compliance;
    - Chief Operating Officer.

At the current date, the following functions report to the Chief Operating Officer:

- Finance, Administration & Control & IT;
- HR & Organization;
- Corporate Strategy & Development;
- Business Operations;
- Innovation & R&D;
- Sustainability, IR and Communication;
- Transmission Division;
- Power Grid Division;
- Electrification Division;
- Digital Solutions Division;
- Regional Chief Executive Officers.

The role of Manager responsible for preparing financial reports is entrusted jointly - taking into account the Company's organisational structure - to the head of Group Administration, in the person of Stefano Invernici, and to the head of Group Planning & Control, in the person of Alessandro Brunetti.

In line with the corporate governance recommendations adopted in compliance with applicable legislation and international best practices and also at the instigation of the Board of Statutory Auditors, the Board of Directors decided to split the third-tier control function of Internal Audit from the "Audit and Compliance" function, subsequently appointing Paola Pulidori to head the former, and to combine Compliance and Risk Management into a single second-tier function headed by Alessandro Nespoli. As of 1 December 2023, Alessandro Nespoli has been appointed Chief Risk & Compliance Officer and Paola Pulidori, Chief Internal Audit Officer, who reports directly to the Board of Directors.

The Board of Statutory Auditors has become acquainted with, to the extent of its remit, the organisational architecture chosen by the Company and its implementation and development; it has thus monitored the adequacy of the organisational structure and its operation, taking into account the Company's objectives, and, as a result of these activities, has no observations to make in this regard.

14. The Board of Statutory Auditors has monitored the implementation and proper operation of the Company's internal control and risk management system (hereinafter, for the sake of brevity: the internal control system), assessing its adequacy, with a view to continuous improvement, including through: (*i*) meetings with the Control and Risks Committee; (*ii*) periodic meetings with the Chief Internal Audit Officer; (iii) periodic meetings with the Chief Risk & Compliance Officer and with the Managers responsible for preparing the Company's financial reports; (*iii*) periodic meetings with the heads of other corporate functions, with particular reference to those functions entrusted with second-tier control activities; and (*iv*) obtaining documentation.

The purpose of these periodic meetings was, among other things, to review the activities carried out by these functions, risk mapping and audit programmes, also in light of the Company's growth in size and changes in its procedures and organisation. The Board of Statutory Auditors has also examined the periodic reports of the Control and Risks Committee and of the Chief Internal Audit Officer concerning, in particular, audits of the operation of the internal control system in the various business areas.

The Board of Statutory Auditors has also systematically met with the appointed Independent Auditors for a periodic exchange of information between the various audit bodies.

The internal control system is currently structured and operates according to the principles and criteria of the Corporate Governance Code. It is an integral part of the Company's general organisational structure and involves a plurality of players acting in a coordinated manner according to the respective responsibilities of: (i) the Board of Directors, for strategic guidance and supervision; (ii) the CEO and management, with particular reference to the functions responsible for performing second-tier controls, for supervision and management; (iii) the Control and Risks Committee and the Chief Internal Audit Officer, for monitoring and providing support to the Board of Directors; and (iv) the Board of Statutory Auditors, for supervision.

The establishment and maintenance of the internal control system is currently entrusted to the Chief Executive Officer and, within their area of responsibility, to the Managers responsible for preparing the Company's financial reports, so as to ensure the overall adequacy of the system and its actual operation, in a risk-based perspective, which is also taken into account when defining the agenda of Directors' meetings.

In exercising its responsibility for the internal control and risk management system, the Board of Directors also relies on the Internal Audit function, which is organisationally independent and provided with adequate and sufficient resources to perform its activities. In particular, in the course of 2023 the Internal Audit function also called upon the support - when necessary, to perform its activities - of independent consulting firms.

With specific reference to the structure of the internal control system, the Board of Statutory Auditors has also observed the gradual implementation and evolution of the process implemented by the Company, in line with benchmark best practices, which have allowed the Company's approach to risk management and compliance to evolve towards a more integrated, coordinated model, both methodologically and organisationally, also with a view to strengthening second-tier control activities.

Effective 24 January 2006, the Board of Directors adopted its own Organisation, Management and Control Model (the "231 Organisational Model"), which is periodically reviewed and updated. The Group's other Italian companies have in turn adopted their own 231 Organisational Models in line with the specific nature and different businesses of each. On 1 March 2022, the Board of Directors approved the latest revision of the Company's Organisational Model; among other things, this revision reflected changes in the organisational and legislative framework and, following risk assessment, updated processes and sensitive activities potentially exposed to the risk of offences, also in order to align them with current operating practices, as well as certain key controls, in accordance with the regulations currently in force.

Further information about the internal control system can be found in the "Report on Corporate Governance and Ownership Structure of Prysmian S.p.A. - 2023".

The Board of Statutory Auditors has examined the overall assessment of the internal control and risk management system by the Chief Internal Audit Officer and the Control and Risks Committee.

The Board of Statutory Auditors considers the internal control and risk management system to be adequate overall. In particular, the Board has monitored the actions taken by the Company – making, where deemed necessary, suggestions and proposals for improvements - for the continuous strengthening of the internal control system, and has recommended that the Company continue along this path.

15. The Board of Statutory Auditors - also in its capacity as the Audit Committee - has assessed and monitored the adequacy of the administrative and accounting system and its reliability in correctly representing business operations, by obtaining information from the heads of the relevant company departments, examining documents and monitoring

the activities and analysing the results of the work performed by EY S.p.A., and has no observations to make as a result of these activities.

The Board of Statutory Auditors has acknowledged the certifications issued by the Chief Executive Officer and the Managers responsible for preparing the Company's financial reports regarding the adequacy - in relation to the characteristics of the business - and the effective application during 2023 of the administrative and accounting procedures for the preparation of the statutory financial statements.

With reference to the procedure of impairment testing in application of international accounting standards, the Board of Statutory Auditors has overseen (i) the adoption - and periodic updating - by the Board of Directors of a specific procedure and, subsequently, (ii) the results of the related tests carried out by management, which have confirmed the recoverability of the value of the assets tested.

The Board of Statutory Auditors has overseen the Company's preparation of the Consolidated Non-Financial Statement of Prysmian S.p.A. and its subsidiaries. In addition, the Company has prepared an Integrated Annual Report containing its Consolidated Non-Financial Statement for 2023. EY S.p.A. was engaged to perform a limited assurance audit of this statement, as a result of which it has issued today its report in accordance with art. 3, para. 10, of Italian Legislative Decree 254/2016 and art. 5 of Consob Regulation 20267/2018. In this report, the Independent Auditors have concluded, on the basis of the work performed, that no matters have come to its attention that would suggest that the Consolidated Non-Financial Statement has not been prepared, in all material aspects, in accordance with the requirements of art. 3 and art. 4 of the aforementioned decree and the selected GRI Standards, as described in the "Methodology" section of the Consolidated Non-Financial Statement.

The Board of Statutory Auditors has reviewed the related report by EY S.p.A. and has overseen compliance with the provisions established by Italian Legislative Decree 254/2016.

16. The Board of Statutory Auditors has confirmed, also through meetings with the Managers responsible for preparing financial reports and the Independent Auditors, compliance with the requirement of art. 114, para. 2, of Italian Legislative Decree 58/1998, for subsidiaries to provide all the information necessary to fulfil the disclosure obligations required by law and Regulation (EU) 596/2014. Subsidiaries submit the required information in a timely manner.

    The Board of Statutory Auditors has also found that the information provided by subsidiaries located outside the European Union is adequate for the audit of the annual and interim financial reports, as required by art. 15 of the Market Regulations adopted under Consob Resolution 20249 dated 28 December 2017.

17. The Board of Statutory Auditors has confirmed, through direct verification and information obtained from EY S.p.A., that the financial statements and directors' report comply with the rules and laws concerning preparation and layout.

18. The Company has adopted Italy's Corporate Governance Code (2020 edition), drawn up by the Corporate Governance Committee of the Italian Stock Exchange. The Board of Statutory Auditors has monitored the arrangements for implementing the Corporate Governance Code for Listed Companies adopted by the Company, as described in the "Report on Corporate Governance and Ownership Structure of Prysmian S.p.A. - 2023" approved by the Board of Directors on 28 February 2024.

In addition, the Board of Statutory Auditors confirms that it has taken part in induction sessions aimed at deepening its knowledge of the company and group organisation, also in terms of its evolution, business sectors and strategies, in line with the recommendations of the Corporate Governance Code.

19. The Board of Statutory Auditors has overseen the activities to confirm the requirements and correct application of the criteria for directors' independence. The Board of Statutory Auditors has also verified that its own members meet the independence requirements, pursuant to art. 148, para. 3, of Italian Legislative Decree 58/1998, and has carried out a self-assessment, concluded on 26 February 2024, which concerned, among other things, the operation of the board itself. Furthermore, it has been verified that the members of the Board of Statutory Auditors, pursuant to art. 19 of Italian Legislative Decree 39/2010, are, as a whole, competent in the sector in which the Company operates.
Further information about the Company's corporate governance can be found in the specific section of the "Report on Corporate Governance and Ownership Structure of Prysmian S.p.A. - 2023".
The Board of Statutory Auditors has monitored that the aforementioned Report provides full disclosure about how the Company has adopted and implemented the recommendations of the Corporate Governance Code.
In addition, the Board of Statutory Auditors has verified that the 2024 Report on Remuneration Policy and Compensation Paid, prepared in accordance with art. 123-ter of Italian Legislative Decree 58/1998 and approved by the Board of Directors on 28 February 2024, has been drawn up in accordance with applicable requirements and provides adequate information about the Company's remuneration policy and compensation paid during the year. This Report also takes into account the amendments made, further to Consob Resolution 21623 of 10 December 2020, to art. 84-quater and to Schedule No. 7-bis of Annex 3A of the Issuers' Regulations, following the transposition of Directive (EU) 2017/828 on the encouragement of long-term shareholder engagement (SHRD 2).

20. The supervisory and audit activities carried out by the Board of Statutory Auditors have not revealed any significant facts that should be disclosed or mentioned in this Report.

21. Given the results of the specific work performed by the Independent Auditors to audit the accounts and verify the reliability of the financial statements, as well as our own supervisory activities, the Board of Statutory Auditors expresses a favourable opinion on the approval of the financial statements for 2023, together with the Directors' Report, and has no objections to the Board of Directors' proposal for the allocation of the net profit for the year, and for the distribution of a dividend from the net profit for the year.

Milan, 15 March 2024

The Board of Statutory Auditors

Stefano Sarubbi

Laura Gualtieri

Roberto Capone

prysmian

The planet's pathways