

2023

# Task Force on Climate-related Financial Disclosures Report





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# ABOUT THIS REPORT

The objective of this document is to demonstrate Prysmian's transparent approach with respect to sustainability and in particular to climate-related matters, providing accessible information to investors and other users.

The Prysmian 2023 TCFD Report is part of a broader series of documents comprising:

- **2023 Annual Integrated Report that includes a specific section on the "2023 Non-Financial Statement"**
- **2023 Sustainability Report**
- **2023 SASB Report**
- **2023 GHG Statement**

As detailed in the "2023 Non-Financial Statement," in the chapter entitled "Stakeholder engagement and materiality analysis," the update of the materiality analysis conducted in 2023 in accordance with GRI standards confirms that Prysmian is actively committed to the climate through the management of operations as part of its core business activities and extends to the whole Group's value chain: from the green transformation of the value chain to the offering of low-carbon products.

The main topics that emerged are:

**Enabling decarbonization to Net-Zero and digitalization**

**Sustainable value chain**

**Sustainable innovation and circularity**

**Governance, ethics and integrity**

Prysmian's commitment to climate change is further demonstrated through the official validation by the Science Based Targets initiative (SBTi) of its targets related to Scopes 1, 2, and 3 for the near and long terms (Net Zero).

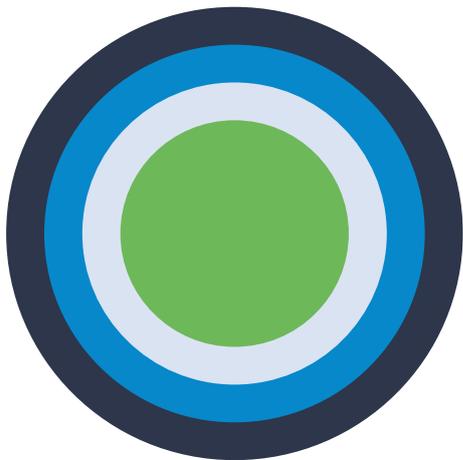
Prysmian's goals for the medium and long term were also confirmed and consolidated at the presentation of the 2027 Strategic Plan during the Group's first Capital Market Day in October 2023.

This report is based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

The TCFD is a set of voluntary, consistent disclosure recommendations for use by companies in providing information to all stakeholders, including investors, lenders, and insurance underwriters with respect to the company's overall strategy and governance, its climate-related financial risks and opportunities, and relevant metrics and targets.

Following the recommendations of the TCFD, this report is structured based on four core elements: Governance, Strategy, Risk Management, Metrics and Targets.

### Core elements of recommended climate-related financial disclosures



- Governance**  
The organization's governance around climate-related risks and opportunities
- Strategy**  
The actual and potential impacts of climate-related risks and opportunities on the organization's business strategy and financial planning
- Risk Management**  
The processes used by the organization to identify, assess, and manage climate-related risks
- Metrics and Targets**  
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Source: 2022 TCFD Implementing Guidance

The data and information refer to fiscal year 2023. The boundary of the environmental and climate change data is aligned with the figures published in the 2023 Prysmian Annual Integrated Report.

On October 12, 2023, the TCFD completed its duties and disbanded and the Financial Stability Board (FSB) asked the IFRS Foundation to take over the monitoring of the progress of companies' climate-related disclosures. In light of this, Prysmian's report pays attention to some of the aspects required by the International Financial Reporting Standards (IFRS) S2, aiming to ensure a consistent alignment and continuity in compliance with upcoming relevant regulations on climate-related disclosures.

For comments, requests, opinions, and suggestions for improvement on Prysmian's operations and on the information reported in this Report, please contact the Sustainability Department at the following email address: [sustainability@prysmiangroup.com](mailto:sustainability@prysmiangroup.com)

# Message from the Chief Investor Relations, Sustainability and Communications Officer

It is a source of pride for me to present the third edition of **Prysmian's TCFD Report 2023 – Task Force on Climate-related Financial Disclosures** – which aims to report and communicate our choices with respect to the impact that climate change has on the company's business. From next year, the TCFD will be included in the Integrated Annual Report as required by the Financial Stability Board (FSB) in accordance with the European Sustainability Reporting Standards (ESRS).

Following TCFD guidelines allows us to identify climate risks and new opportunities related to the energy transition, ensuring effective and transparent reporting to our stakeholders.

The political and economic events of 2023 further emphasised the urgency of taking collective action to produce concrete changes. In this context, companies are called upon to renew their business strategies to adapt to the new goals of the green economy, and this is what Prysmian is already doing.

One of the most important and urgent challenges we face is the transition from fossil fuels to renewable energy. Prysmian is positioned as a leader in this sector, considering that access to cleaner, greener energy requires more extensive and smarter networks and infrastructure. We therefore feel a great responsibility and have always been at the forefront, concretely, through an ambitious decarbonization and business strategy, which is reflected in every activity we carry out on a daily basis.

As early as 2021, Prysmian had formalised the **Climate Change Ambition** and Social Ambition, which are the pillars of our ESG strategy, and through which we have defined specific goals and action plans to maximise opportunities related to energy transition, digitalization, decarbonization, and the involvement and development of the local communities in which we operate.

It is precisely on the basis of the commitment made in the Climate Change Ambition that in January 2024 we further revised our direct emissions reduction targets (Scope 1 and 2), aiming for a cut of between 55% and 60% by 2030, compared to the 47% approved by SBTi.

Our commitment to environmental protection and social responsibility is also reflected in our Social Ambition, which sees us committed to ensuring the recognition and promotion of merit and talent, equity and inclusiveness of our colleagues, partners (customers and suppliers), and promoting initiatives that benefit the communities in which we operate.

In relation to these ambitions and action plans, we are convinced that the ability to integrate risks and opportunities within our strategic directions will help strengthen Prysmian's resilience and adaptation to climate change. The Report you are about to read reflects our strategic plan and ambitions. We firmly believe that the future belongs to companies capable of proposing business models aimed at reducing their carbon footprint on the planet.

## **Maria Cristina Bifulco**

Chief Investor Relations, Sustainability and Communications Officer, Prysmian



# Message from the Group Risk Management Director

The year 2023 was a year of great challenges for Prysmian, and we continued our efforts to continuously monitor the risks and opportunities arising from climate change.

Environmental issues are leading international bodies to issue increasingly stringent laws and regulations, requiring the various market players to be active participants in countering the anthropogenic effects impacting climate change.

**This phenomenon is already underway, so it is not just a matter of prevention, but of mitigating its manifestations on life on the planet.**

This report has this objective: **to quantify the risks and opportunities arising from climate change that may impact our company's financial performance in order to take all necessary measures and introduce actions.** Furthermore, with this document we are setting an additional goal, which is to make culture with both internal and external stakeholders by taking a scientific approach that can highlight unequivocal data.

Prysmian recognises the importance of integrating the topic of climate impacts within *Enterprise Risk Management*, so as to identify key risks related to CO<sub>2</sub> emissions, water availability, increased extreme weather events, the rising sea level and all the other issues that will determine our future.

It is a matter of developing coherent strategies and setting new priorities to mitigate the negative effects and take full advantage of the opportunities emerging from the new environment in which we are operating. By way of confirming the effectiveness of our approach, **Prysmian retains a leadership position in the "Risk & Crisis Management" and "Climate" sections within the major ESG indices.**

In this Report, we have classified climate change risks in two categories: "physical risks" and "transition risks", with different economic and financial implications. While the first category stems directly from the action of climate change on our planet, the latter is one of the consequences of the decarbonization process, which aims to prevent or mitigate global warming.

In line with what was communicated during *Capital Markets Day*, **this year we have decided to place greater emphasis on opportunities**, as the complexity of the challenges we face opens the door to new opportunities for growth, improved performance and value creation for all our stakeholders. Aware of the context in which it is operating, Prysmian wants to play a leadership role in fostering climate change mitigation and adaptation processes. Its clear mission, backed by a well-defined strategy and solid operations, enables the Group to generate sustainable financial value along the entire value chain.

**Opportunities over the mid-term (2027), in fact, are perfectly aligned with the strategic plan.** Through an ongoing commitment to improving energy efficiency, progressive adoption of renewable energy and implementation of circular business models, Prysmian not only reduces its environmental impact but also controls operating costs, improving business resilience. The state-of-the-art technologies employed offer the Group a significant opportunity to contribute positively to a substantial reduction in energy and resource consumption. This commitment not only positions Prysmian as a leader in sustainability, but also stimulates demand for the products and the solutions with low environmental impact, creating a virtuous circle that fosters the consolidation of its reputation with stakeholders.

We used advanced quantitative methodologies for prediction and measurement to conduct our analysis. This has resulted in a holistic approach capable of fostering synergistic collaboration among all corporate functions, particularly *Sustainability and Risk Management*, which provides visibility to stakeholders on actions put in place to mitigate risks and seize potential opportunities.

**Alessandro De Felice**  
Group Risk Management Director, Prysmian



# 1. Company Overview

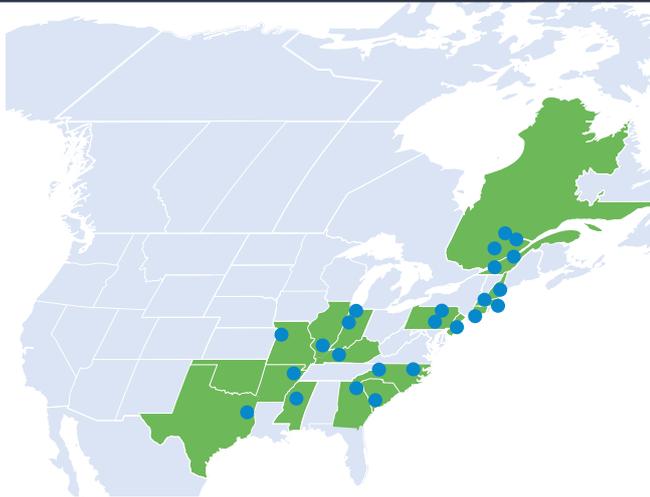
With a direct presence in more than 50 countries around the world, 108 factories, 26 R&D centers and over 30,000 employees, Prysmian is a global leader in cable systems for energy and telecommunications. The Group HQ in Milan, Italy, employing around 800 persons, is supported by regional headquarters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

This status means that Prysmian's Board of Directors must be active in promoting transparency, meritocracy, and rigorous ethical conduct and apply these values throughout the organization and with respect to shareholders and to all other Stakeholders.

## North America

24 plants



### Canada

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

### USA

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

## Latin America

13 plants



### Argentina

- La Rosa

### Brazile

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

### Cile

- Santiago

### Colombia

- Bogotá

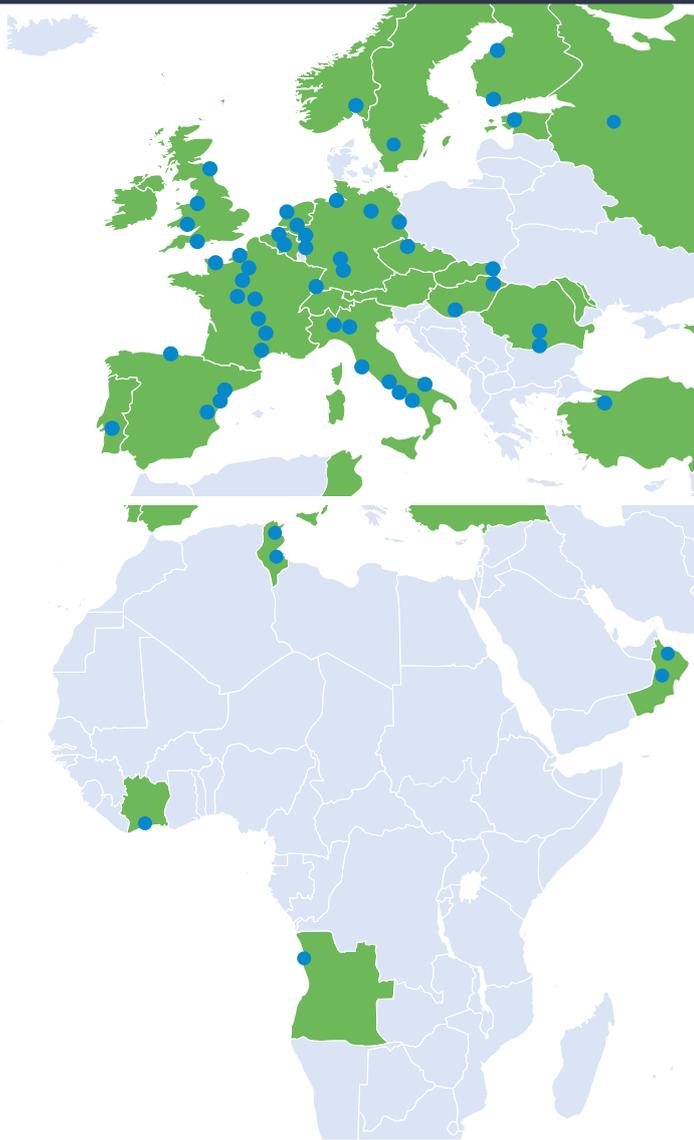
### Costa Rica

- Heredia

### Messico

- Durango
- Nogales
- Piedras Negras
- Tetla





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



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



# Business Areas

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 2023 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:

## 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).

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.

### The fleet of cable-laying ships

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

LEONARDO DA VINCI



GIULIO VERNE



CABLE ENTERPRISE



ULISSE



BARBAROSSA



## Prysmian's DNA: 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.

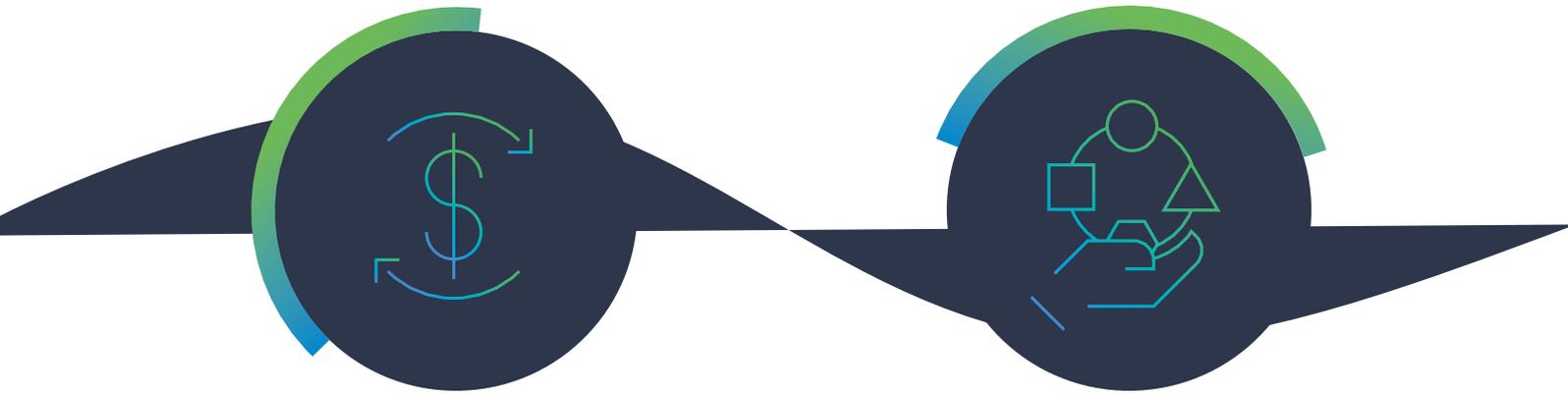
### Simplicity

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.

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

# Prysmian's Strategy: Connect, to lead

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:



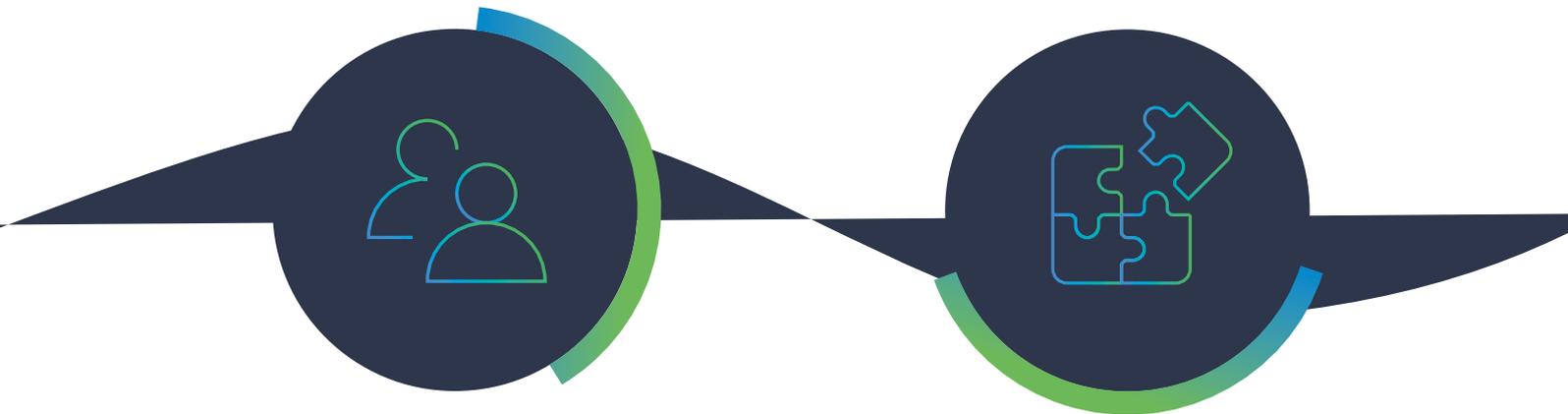
## Self-financed capacity expansion

The first pillar of the strategy refers to 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 continue to serve customers and keep up with growth in demand. The Group's financial strength was also 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

Prysmian's portfolio reflects the Company's focus on innovation. Indeed, one of the goals the Group intends to achieve with this strategy goes beyond mere traditional innovation linked to improving electrical performance. It is a new approach to innovation that is, of course, about improving electrical performance, but focuses primarily on the transition to more sustainable cable solutions. Therefore, a balanced portfolio and continuous innovation are essential to achieve the Company's goal of helping customers decarbonize their businesses and achieve their sustainability goals.



## Empowerment of people

Prysmian recognizes and appreciates the true value of its workforce, believing it to be a fundamental pillar of the Company's success. This is why the Group invests heavily in promoting creativity and collaboration amongst its employees and developing their skills so as to enhance capabilities and know-how. This is really the true value of the Company and why Prysmian continues to invest in its human capital, always finding new ways to increase people's sense of inclusion and engagement. The Group has set precise goals to improve diversity, equality and inclusion (DE&I), digital inclusion, community empowerment, employee engagement and upskilling in order to enhance its human capital. Continuing with its efforts made in past years, in 2023 Prysmian confirmed its commitment to the welfare, growth and development of its employees and associates, and further invested in ensuring the best working conditions for them.

## Business segmentation

The Group's structure will evolve from the current three segments to four new business segments starting in 2024, accurately reflecting the four market trends identified (Renewable Transmission, Power Grid, Electrification and Digital Solutions). Clearly, these new segments will not operate as separate and distinct entities, but synergistically in order to leverage opportunities such as being a one-stop-shop, operational efficiencies, and, more importantly, market edging. This new segmentation places a greater focus on market trends and improves go-to-market effectiveness, ensuring greater visibility into how the Group operates in the various areas.

## Favorable market development: 4 macro-trends

### **1. Growth of renewables (Energy transition): >70% by 2050**

To reduce CO2 emissions and respond to climate change, industrialized countries are turning to renewable energy. Estimates expect it to cover 70% of global electricity generation by 2050, which is more than double the current figure of 30%.

### **2. Electrification: +30% electricity consumption by 2030**

Population growth, the steady increase in electricity consumption and the proliferation of energy-intensive telecommunication infrastructures, are just some of the drivers that will cause electricity consumption to rise 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, the relative peaks, bidirectional energy flows and intermittent and distributed renewable energy generation.

### **4. Digital transformation: 2.5x sites and towers connected with fiber by 2030**

An exponential increase in data consumption will be evident by 2030, due to the greater quality and quantity of the infrastructure that carries it. The growth of technologies and the speed of data exchange is driving innovative new solutions (2x IoT devices by 2030) and ongoing cost reduction, which will require increasingly fast and affordable connectivity. To support this transition, investments in data centers valued at USD 330 billion are planned between 2022 and 2030. Each of these trends brings with it 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.

## 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 capable, respectively, of exploiting the convergence of Energy and Digitalization and reducing the cyclic nature of activity in Prysmian's various Regions and businesses.

### **Technological excellence**

Innovative products and solutions, alongside highly skilled human capital, support Prysmian's positioning as a market leader. The convergence between innovation and sustainability is increasingly becoming a key element of technological innovation, resulting in products with a lower environmental impact.

### **Decentralized supply chain**

A decentralized supply chain capable of creating custom solutions is a pillar of the Group's resilience, and constitutes a significant competitive advantage especially in years of major geopolitical changes.

### **Aggregation hub**

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

## Prepared for the future

Leveraging these robust competitive advantages, in 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.

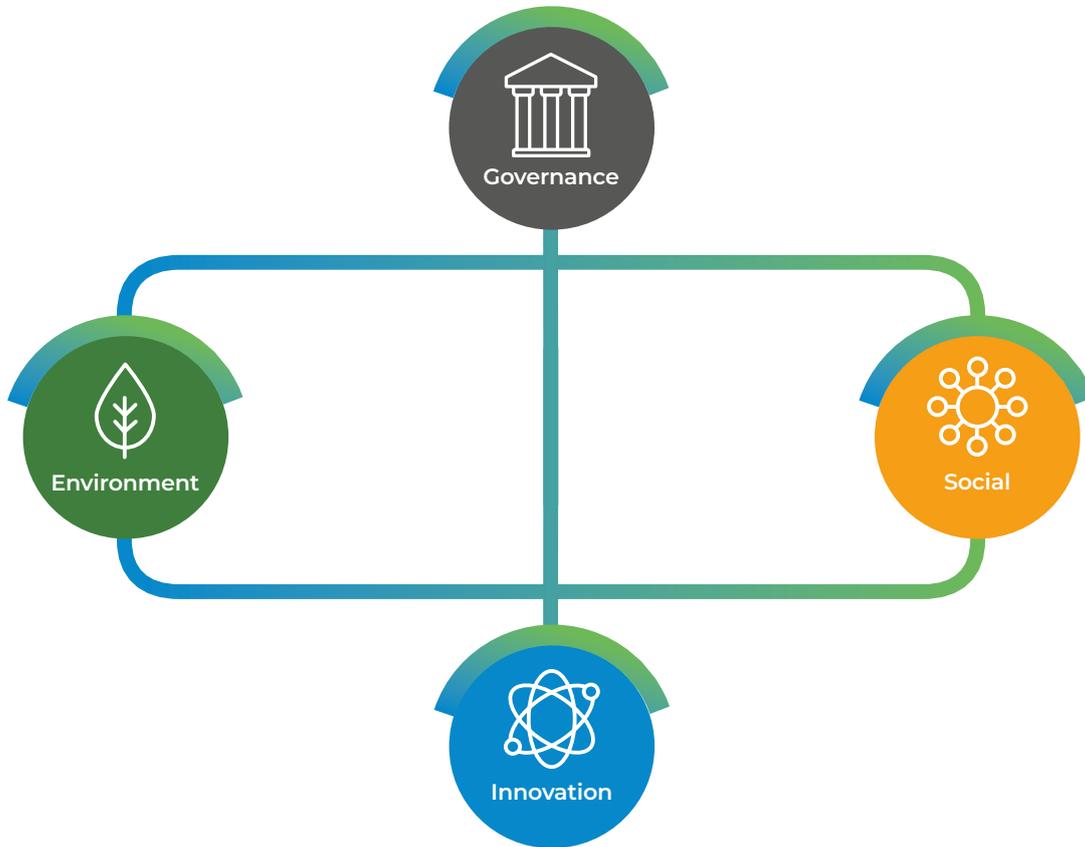
### **Selectively expand the portfolio with M&A**

aimed at filling niches that are currently uncovered – whether geographically or in terms of product – especially in high-growth and innovative sectors.

# Prysmian: Sustain to lead

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

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



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 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.



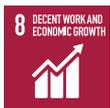
**Biodiversity and impact on nature**

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.

## 2. Climate Governance

### TCFD Recommended disclosures

#### Describe the board's oversight of climate-related risks and opportunities

#### Describe management's role in assessing and managing climate-related risks and opportunities

The environmental and sustainability journey is fundamental to Prysmian, and everyone affiliated with the company has a role to play. This includes the Board of Directors and top management.

### The Board's oversight

The Board of Directors has the responsibility to supervise the sustainability strategy associated with the Group's business, including climate change and environmental issues. The Board of Directors is composed of the Board Chair (independent director), the Chief Executive Officer (CEO), the Chief Operating Officer (COO), the Chief Financial Officer (CFO), and other eight independent directors. The Board Chair, together with the Board's Directors, supervises:

- The Sustainability Committee
- The Control and Risk Committee
- The Remuneration and Nominations Committee

Prysmian's Board of Directors is fully committed to combining the Company's traditional aims of business profitability and financial soundness with the challenging new goals of improving environmental and social sustainability, as well as ethics and governance. The Board strongly fostered and fully supported the Group in reaching the Climate Change Ambition, which together with the Social Ambition already introduced aims to strengthen Prysmian's commitment and ESG impact.

Within the Control, Risk and Sustainability Committees, the members of the Board are updated and trained, if necessary, at least once a year, on risks and opportunities related to climate change.

For more information on the composition, appointment and functioning of the Board of Directors, please refer to the corporate website, Corporate Bodies section, and to the "Report on Corporate Governance and Ownership Structure"<sup>1</sup>

### Management's role

#### Sustainability Committee

The Sustainability Committee, chaired by the Chief Sustainability Officer (CSO) and composed of three independent non-executive directors, is responsible for climate-related and sustainability issues more broadly. Specifically, it is tasked with:

- Promoting a guideline to be submitted to the Board of Directors that integrates sustainability into business processes in order to ensure the creation of sustainable value over time for shareholders and all other stakeholders.
- Promoting a culture of sustainability, including climate-related issues, among employees, shareholders, customers, and stakeholders in general.
- Defining and evaluating the implementation of GHG emission reduction projects/programs.
- Monitoring the objectives of the Group Sustainability Policy, the progress with respect to the Climate Ambition, the Social Ambition, the Sustainability Scorecard, and the progress of the actions to ensure compliance with the Group's policies.
- Supervising all ongoing initiatives that have a current and potential impact on the performance of economic, social, and environmental sustainability.

<sup>1</sup> <https://www.prysmiangroup.com/it/la-societa/governance/organi-sociali>  
<https://www.prysmiangroup.com/en/company/governance>

- Providing opinions on the annual and multi-year sustainability objectives to be achieved with specific reference to the management of related medium- and long-term risks pertaining to the Company and its subsidiaries, making sure they are correctly identified and adequately measured, managed and monitored.
- Monitoring the Company's positioning in the main sustainability indices.
- Providing opinions on Corporate Social Responsibility (CSR) initiatives and programs promoted by the Company or its subsidiaries.
- Prior to submission to the Board of Directors, examining the annual sustainability report containing non-financial information pursuant to European Directive 2014/95/EU, prepared by the relevant functions of the Company.
- As directed by the Board of Directors, providing opinions and proposals regarding specific corporate social responsibility (CSR) issues.

The Sustainability Committee reports directly to the Board of Directors, meaning that climate change-related issues are considered at the highest level of the organization and are integrated into the business strategy while leading the decision-making process. The Chief Sustainability Officer reports directly to the Chief Executive Officer. As part of its mission, it meets periodically to review and validate the KPIs, discuss strategic sustainability priorities, the progress of the action plan and its implementation. The strategic lines of sustainability are defined and promoted at the corporate level and then integrated into local policies and all daily operations.

## Internal Risk Management Committee

The Internal Risk Management Committee, consisting of the Group's Senior Management, ensures, through the Chief Risk Officer, periodic assessment, review, and reporting to the Control and Risk Committee, composed of three independent board members, of those risk scenarios (climate-related and otherwise) that might compromise the achievement of strategic objectives, including related mitigation actions. Like all other risks at the Group level, climate- and sustainability-related risks and opportunities are assessed through the ERM process, which is periodically updated and reviewed by the Internal Risk Committee. The specific responsibilities of the Internal Risk Management Committee are:

- Identify and report circumstances/risks related to climate change and sustainability.
- Ensure the implementation of risk improvement recommendations.
- Build awareness of climate and sustainability risks at all levels of the organization.

## Prysmian's 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 also shared with the Sustainability Committee.

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

**Prysmian Impact Scorecard 2023-2025**

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

The 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 a 45% reduction in Scope 1 and 2 emissions, and a 23% reduction in Scope 3 emissions. Amongst the multiple initiatives that played an important role in reaching these targets were the project to reduce SF6 was approved centrally at the end of 2021, with a view to cutting the CO<sub>2</sub>eq emissions associated with the use of this gas by 90% over roughly five 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 (mainly in product testing activities) and the implementation of specific measures including, where possible, the introduction of alternative gases, direct emissions associated with SF6 were reduced by more than 60% compared to the end of 2022. The project will continue in the coming years until the established reduction targets are met.

Moreover, Prysmian is leveraging the generation and purchase of green electricity in the various countries it operates in, greatly reducing the emissions associated with its electricity consumption.

As for the targets that have not yet been achieved, the Group is constantly striving to monitor the related indicators and improve its performance.

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

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

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

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

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

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

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

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

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

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

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

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

# 3. Climate strategy

## TCFD Recommended disclosures

**Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term**

**Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning**

**Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario**

The shift from fossil fuels to renewable energy sources is one of the largest and most urgent challenges humanity faces, and Prysmian can play an active role in addressing it. Access to cleaner and greener energy also depends on more extensive and intelligent networks and infrastructure. That's why sustainability is ingrained in Prysmian's DNA, and the company is committed every day to actualizing it through the solutions it provides, the processes to implement them, and the people involved in every local context. Therefore, in 2021 Prysmian adopted the Climate Change Ambition, which will be further explored in the "Metrics and Targets" section.

Prysmian recognizes that Climate Change will impact its business, therefore it continuously identifies, monitors, and manages climate-related risks and opportunities in the short-term (2024), medium-term (2025-2027), and long-term (2028-2035). This constitutes a key element of the Group Strategy.

The global trends that Prysmian must address in the near future are closely linked to climate change (e.g., growth of renewable energies, electrification, etc.).

In this context, in 2023 Prysmian conducted advanced analyses of climate scenarios based on quantitative models. These analyses are considered in the formulation of the strategy, financial planning decisions, and the development of its activities. They encompass how global emissions in the value chain could progress over the years and serve as a foundation for evaluating options, costs, and setting long-term objectives, including risks and opportunities. With reference to the latter:

- The physical risks identified last year, in 2022, remain unchanged and are divided into two chronic risks related to the availability of water necessary for the Group's production operations and the rise in sea levels, which has the potential to impact the Group's activities. The third physical risk is acute and pertains to the increased severity of extreme weather events that may affect the Group's business.
- Compared to last year's assessment, Prysmian has identified one new transition risk related to reputational concerns arising from a failure to meet Scope 3 Net Zero targets due to the grid not being sufficiently decarbonized. Additionally, Prysmian has expanded the scope of the risk related to the impact on the business of the carbon taxation regime and the volatility of greenhouse gas (GHG) prices, including the CBAM.<sup>2</sup>
- Regarding climate-related opportunities, compared to last year the Group has identified one new opportunity concerning access to financing with reduced cost of capital. Additionally, the Group has expanded the scope of the opportunity related to sustainability in the value chain including its own operations, evaluating options to reduce energy consumption and waste production, improve process efficiency, and increase the use of recycled materials.

Impacts of each risk and opportunity are assessed in terms of the average annual value of EBITDA<sup>3</sup> loss or gain between the years of reference for each time horizon considered.

<sup>2</sup> The EU's Carbon Border Adjustment Mechanism (CBAM) is a tool for placing a fair price on the carbon emitted during the production of carbon intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries.

<sup>3</sup> The opportunity "Access to financing," which is explored further in the following sections of this report, is evaluated as a change in cost that results in savings rather than an increase in EBITDA. This is still a positive cash flow as the savings would add to the company's overall cash flow, of which EBITDA is a proxy for operating activities only.

Figure A: Prysmian's material climate-related risks and opportunities

Risk Description	TCFD Classification	Risk Impact
1 Climate-related emerging, alternative, or substitutive technologies that may impact on the Group's activities (e.g. Hydrogen, Large battery storage, 5G Fixed Wireless Asset, etc.)	<b>TRANSITION</b> Technology: Development and use of emerging technologies that could affect the competitiveness of the organization, its production and distribution costs, and ultimately the demand for own products and services from customers	Reduced demand for products and services, resulting in a decrease of revenue and potential write-offs and early retirement of existing assets
2 New entrants, attracted by the energy transition business, able to create production capacity (including large asset management companies)	<b>TRANSITION</b> Market: Shifting demand for climate related services and products may represent opportunities for new entrants and risks for incumbents	Reduced Group market share due to new entrant players, resulting in a decrease of revenue and/or profitability due to stronger competitiveness
3 Impact of the Carbon pricing scheme (CBAM, Carbon tax and Emission Trading Scheme) and GHG price volatility on the business	<b>TRANSITION</b> Policy & Legal: Policy actions that attempt to constrain actions that contribute to the adverse effects of climate change or policy actions that seek to promote adaptation to climate change	Increased carbon offset pricing impacting Prysmian's operating cost
4 Exposure to cyber attacks due to acceleration of physical asset digitalization required by transition energy plans	<b>TRANSITION</b> Technology: Use of emerging management, control, and monitoring technologies (IoT) that could affect the organization's production operations (business interruption)	Increased exposure to ransom requests and increased costs for the adaptation of countermeasures to protect and make more resilient physical assets against cyber attacks and implement new practices and processes.
5 Risks associated with the management of third-party patents due to the increased complexity of solutions driven by the need to meet low-carbon product requirements	<b>TRANSITION</b> Policy & Legal: Failure of organizations to mitigate direct and indirect impacts of climate change	Rising patent litigation, resulting in increase of operating costs. In fact the complexity of claim management requires fairly long periods and highly qualified external professionals
6 Failure to meet Scope 3 Net Zero targets due to failure to decarbonize the grid	<b>TRANSITION</b> Reputational: reputational risk tied to changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy	Reputational risks translate into a decrease in demand for goods/services and an increase in operational costs.
7 Risks related to water availability necessary for the Group's production operations and for key customers/suppliers due to changes in precipitation patterns	<b>PHYSICAL</b> Chronic: Chronic physical risks refer to longer-term shifts in climate patterns that may cause business interruptions	Increased operating costs to improve the resilience of plants, and adopt/implement new practices and processes
8 Risks of rising sea levels that may impact the Group's activities and key customers/suppliers	<b>PHYSICAL</b> Chronic: Chronic physical risks refer to longer-term shifts in climate patterns that may cause business interruptions	Rising sea level leading to flooding and damage of infrastructure throughout the life cycle of assets, resulting in increased operating costs to improve the resilience of the plants, and expenditures relative to loss retention. Loss of revenue due to potential downsizing or default of suppliers and/or customers
9 Risks related to increased severity of extreme weather events that may impact the Group's activities and key customers/suppliers	<b>PHYSICAL</b> Acute: Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods	Increased operating costs to improve the resilience of the plants, increased expenditures relative to loss retention and potential increased insurance premiums. Loss of revenue due to potential downsizing or default of suppliers and/or customers

Opportunity	TCFD Classification	Opportunity Impact
1 <b>Development and expansion of low-emission solutions, in all business segments</b>	<b>PRODUCTS &amp; SERVICES</b> Innovation and development of new low-emission products and services may improve the organization's competitive position	Growth in demand for products and services with lower emissions and a better competitive position that reflects shifting consumer preferences, resulting in increased revenues and attractiveness of low-carbon investors (access of sustainable financing)
2 <b>Use of lower-emission sources through installation of renewable energy systems (e.g., photovoltaic) and purchase of renewable energy</b>	<b>ENERGY SOURCE</b> Use of renewable energy to carry out operational activities with the aim of reducing the carbon footprint of the organization	Reduced greenhouse gas emissions and consequently less exposure to changes in energy and carbon costs
3 <b>Capitalize on expected global cable market growth and trends</b>	<b>MARKET</b> Pursue opportunities in new markets, improving the organization's position and taking advantage of the transition to a lower-carbon economy	Increased revenue through a strengthening of market share by exploiting market trends (renewable energy generation, power grid enhancement, electrical application growth, digital transformation)
4 <b>Greening both the value chain and Prysmian's own operations by evaluating options to reduce energy use and waste production, increase process efficiency and the use of recycled materials</b>	<b>RESOURCE EFFICIENCY</b> Improve efficiency across production and distribution processes of the organization, buildings, machinery/appliances, and transport/mobility	Reduced operating costs and improved reputation with stakeholders
5 <b>Access to financing with reduced cost of capital (e.g., Green Bond)</b>	<b>MARKET</b> Pursue opportunities in new markets or type of assets improving the organization's position, taking advantage of the transition to a lower-carbon economy	Reduced cost of capital and business growth opportunities due to the issuance of Green Bonds with more favorable lending terms

Each risk and opportunity category related to climate change is described below and assessed with respect to the scenarios analyzed.

## Transition risks

As the world tries to move towards a lower-carbon economy, the growing challenge of climate change may lead to significant changes in the external environment we are operating in. Measures to mitigate and adapt to climate change may lead to significant policy, legal, technological, and market changes that would affect financial position, strategic decisions, and the way we operate.

The cable industry will play an important role in the ecological and energy transition process underway. Prysmian has conducted an advanced analysis of three possible scenarios<sup>4</sup> suggested by the International Energy Agency (IEA) to assess the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C:

1. STEPS (a conservative benchmark for the future, based on uncertainty that governments will reach all announced goals, and temperature above 2°C).
2. APS (benchmark for the future based on governments' announced ambitions and targets, and temperature limited to 2°C).
3. NZE (pathway for the global energy sector to achieve Net-Zero CO<sub>2</sub> emissions by 2050, consistent with limiting the global temperature rise to 1.5°C).

Among the material risks identified were those related to:

- Emerging and replacement technologies (such as Hydrogen, Large battery storage, 5G Fixed Wireless Asset).
- New entrants into the competitive arena.
- Carbon taxation (including CBAM).
- The impact of cyber attacks due to the growth of digitalization of production lines.
- Management of third-party patents.
- Failure to meet Scope 3 Net Zero targets due to failure to decarbonize the grid.

<sup>4</sup> In 2022 the scenarios outlined by the International Energy Agency (IEA) were four. However, in 2023 the number of scenarios was reduced to three, with the elimination of the SDS scenario.

Each risk identified is shown in Figure B.

**Figure B: Transition Risks**

TCFD Classification	Transition Risk	Impact on financial performance			
		Scenario	Short-Term (2024)	Medium-Term (2025-2027)	Long-Term (2028-2035)
Technology	Cyber attacks exposure due to acceleration of Physical asset digitalization required by transition energy plans	STEPS	●	●	●
		APS	●	●	●
		NZE	●	●	●
Technology	Climate-related emerging alternative or substitutive technologies that may impact on the Group's activities (Hydrogen, Large battery storage, 5G Fixed Wireless Targets etc.)	STEPS	●	●	●
		APS	●	●	●
		NZE	●	●	●
Market	New entrants, attracted to the energy transition business, able to create production capacity (including large asset management companies)	STEPS	●	●	●
		APS	●	●	●
		NZE	●	●	●
Policy and legal	Impact on business of Carbon pricing scheme (CBAM, Carbon Tax and Emission Trading Scheme) and GHG price volatility	STEPS	●	●	●
		APS	●	●	●
		NZE	●	●	●
Reputational	Impact on business of potential failure to meet Scope 3 Net Zero targets due to failure to decarbonize the grid	STEPS	●	●	●
		APS	●	●	●
		NZE	●	●	●
Policy and legal	Risks associated with the management of third-party patents due to the increased complexity of solutions driven by the need to meet low-carbon product requirements	STEPS	●	●	●
		APS	●	●	●
		NZE	●	●	●
<b>Scenarios (2023)</b>		<b>Risk Evaluation</b>			
IEA STEPS	Temperature higher than 2°C in 2050	●	Low		
IEA APS	Temperature limited to 2°C in 2050	●	Medium		
IEA NZE	Pathway Net-Zero in 2050	●	High		

Compared to the 2022 analysis, the updating and refining of the quantitative model and input data, as well as the reduction of IEA scenarios from four to three, have led to some changes in the classification of the impact of the risks, and consequently in the representation of the results.

It is worth noting that the risk related to carbon taxation undergoes an increase in the medium term in all scenarios considered due to the introduction of the CBAM within the analysis.

## Business Response

Based on the results of the scenario analysis, Prysmian devotes ongoing efforts to develop specific action plans to address each significant risk. The goal is to understand the extent to which the impact of such risks can be reduced and business resilience increased. For example, in terms of mitigation actions:

- The appointment of a Chief Innovation Officer (CIO) and a Chief Digital Officer 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 Transmission and Digital Solutions sectors, innovation competitions among employees, also involving key customers, and a professional development plan dedicated to strengthening the innovation skills of employees.
- The Group monitors changing market trends and future customer needs, participates in technology initiatives, international associations and committees, and evaluates potential technology acquisitions and new strategic partnership agreements.
- Prysmian is committed to constantly monitoring changes in laws and regulations governing greenhouse gas emissions internationally, especially in countries where production facilities are located.
- The Group has implemented an information security strategy that defines the governance structure and guidelines for cyber risk management. The Group's Information and IT Security structure is managed by a Cyber Security Unit that reports directly to the Chief Information Security Officer (CISO), a member of the parent company's HR staff. The unit is designed to manage four main capabilities: Governance to ensure effective control structures, Prevention to reduce exposure to attacks, Detection for threat awareness, and Response & Recovery to defend and restore operational functionality in the event of an attack.
- 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 Group has defined a strategic plan, reflected in the Sustainability Scorecard, which includes, among others, quantitative targets to reduce Scope 3 greenhouse gas emissions.

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## Physical Risks

Extreme weather events such as hurricanes or floods, or long-term chronic climate conditions like sustained higher temperatures leading to rising sea levels or more intense heat waves represent the physical risks directly arising from climate change. These risks often have financial implications as they damage assets, reduce resource availability, or result in disruptions to operations and throughout the value chain.

Prysmian operates in over 50 countries worldwide, with 108 plants. The geographical coverage increases the exposure to the physical risks of climate change that could impact both infrastructure and production assets, including the whole supply chain, causing damage, loss to assets and business interruption. Physical risks have been reassessed by Prysmian in 2023, considering all risks categories related to climate change (increase of temperature, precipitation patterns' change, etc), and the results remain unchanged from those in 2022. The analysis was conducted considering the expected lifetime of the assets. Three key climate risks have been identified and assessed:

- Increased severity of extreme weather events
- Rise in sea level
- Water availability

To verify the consequences, Prysmian analyzed the impact of these risks under two temperature scenarios, namely:

1. IPCC RCP 8.5 ("business as usual," society does not make concerted efforts to cut greenhouse gas emissions, and temperature higher than 3°C)
2. IPCC RCP 2.6 ("very stringent scenario")

The analysis performed using dedicated tools (CatNet®, a tool for profiling exposure to geo-specific risks developed by Swiss Re, and Aqueduct a web-based platform developed by the World Resources Institute) allowed the Group to assess a limited exposure to these risks. In case of new operations, a specific risk assessment on climate change is carried out according to Group ERM policy. In order to understand how its supply chain (upstream or downstream activities and clients) could be impacted by physical risks, the Group verified how its business could be impacted through a specific benchmark on some key customers and suppliers.

Prysmian was able to verify the robustness of its resilience planning and assess the appropriate countermeasures to be taken for production assets, also considering their expected lifetime, and the supply chain, as shown in Figure C.

**Figure C: Physical Risks**

TCFD Classification	Physical Risk	Impact on financial performance			
		Scenario	Short-Term (2024)	Medium-Term (2025-2027)	Long-Term (2028-2035)
Acute	Risks related to increased severity of <b>extreme weather events</b> that may impact Group's activities and key customers/suppliers	RCP 8.5	●	●	●
		RCP 2.6	●	●	●
Chronic	Risks of rising <b>sea levels that may</b> impact the Group's activities and key customers/suppliers	RCP 8.5	●	●	●
		RCP 2.6	●	●	●
Chronic	Risk related to <b>water availability</b> necessary for the Group's production activities due to changes in precipitation patterns	RCP 8.5	●	●	●
		RCP 2.6	●	●	●
<b>Scenarios (2023)</b>		<b>Risk Evaluation</b>			
IPCC RCP 8.5:	Very high baseline emission scenario, temperature higher than 3°C	●	Low		
IPCC RCP 2.6:	Keep global mean temperature increase below 2°C	●	Medium		
		●	High		

**Business Response:**

Prysmian is already implementing several mitigation actions in order to limit the impact of such risks. For instance:

- The Group established and continues to implement a loss-prevention program at all production plants, which seeks to foresee and mitigate material losses and stoppages, not least by monitoring changes in the weather. Local flood protection measures such as dams, walls etc. also mitigate the risk of coastal flooding. Additionally, agreement has been reached with an international company 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 and extreme weather events, is a fundamental step in the entire supply chain management process and defines clear rules for i) the introduction of new suppliers, ii) the periodic evaluation of the supply chain, iii) the monitoring and improvement of the supply chain management strategy.
- Prysmian regularly measures the volume of water drawn at its production locations. The cooling process parameters are also analyzed and checked in order to ensure the efficiency of water consumption. In this regard, water supply systems are maintained appropriately in order to avoid significant losses. For the majority of plants for which a potential risk has been evidenced, it must also be borne in mind that current production processes employ water recycling in order to reduce consumption. Lastly, the mitigation plan already envisages further improvements in the percentage of water recycled and/or the installation of new recycling systems for the optimization of water consumption where necessary or cost effective, thus lowering exposure to the risk.

# Opportunities

Climate change represents a complex scenario of challenges, but at the same time it opens the doors to a landscape of new opportunities for growth, improvements, and value creation. Aware of this context, Prysmian plays an active role in the mitigation and adaptation to climate change. Its clear mission, well-defined strategy, and robust operating model enable the Group to sustainably generate financial value throughout the entire value chain.

This was also confirmed during the Capital Markets Day, held in October, where Prysmian presented “Connect to Lead,” the new five-year (2023-2027) business strategy aimed at capitalizing on the Company’s market position to seize the opportunities offered by the new market trends – driven by climate change – that are currently shaping the cable industry. Embracing the convergence of key emerging market trends, such as the growing emphasis on renewable energy generation, the rapid proliferation of electrical applications, the pressing need for power grid enhancement and the pervasive impact of digital transformation, Prysmian has positioned itself at the forefront of innovation and adaptation, reflecting an astute understanding of the market’s evolving dynamics.

Through a continual commitment to improving energy efficiency, the progressive adoption of renewable energy sources, and the implementation of circular business models, Prysmian not only reduces environmental impact but also controls operational costs, enhancing business resilience even during periods of instability.

Prysmian’s cutting-edge technologies provide the Group with a significant opportunity to positively influence its operations, contributing to a substantial reduction in energy and resource consumption while simultaneously avoiding harmful emissions. This commitment not only positions Prysmian as a leader in sustainability but also stimulates demand for the products, solutions, and services offered by the Group, creating a virtuous cycle that contributes to revenue growth and strengthens its reputation among stakeholders.

To give consistency to its medium- and long-term growth assessments, Prysmian evaluated various outlooks relating to the global cable market, for all business segments. Once the main growth drivers were identified, thanks to the extensive involvement of Group management, five key opportunities related to climate change were identified. These opportunities, enabled by the transition to a low carbon economy, were assessed in terms of positive impacts based on the same IEA scenarios used for the transition risk assessment: IEA STEPS, IEA APS, and IEA NZE. The evaluation of the opportunities is shown in Figure D.

The material opportunities identified include the following:

- Capitalize on the expected global cable market growth and trends.
- Development and expansion of low emission solutions, in all business segments.
- Greening both the value chain and Prysmian’s own operations.
- Use of lower-emission sources through installation of renewable energy systems (e.g., photovoltaic) and purchase of renewable energy.
- Access to financing with reduced cost of capital.

**Figure D: Climate-related opportunities**

TCFD Classification	Opportunity	Impact on financial performance			
		Scenario	Short-Term (2024)	Medium-Term (2025-2027)	Long-Term (2028-2035)
Market	Intercept the expected global cable market growth and trends	STEPS	●	●	●
		APS	●	●	●
		NZE	●	●	●
Products and services	Development expansion of low emissions solutions in all business segments	STEPS	●	●	●
		APS	●	●	●
		NZE	●	●	●
Resource efficiency	Greening both the value chain and Prysmian own operations by evaluating options to reduce energy use and waste production, increase processes' efficiency and recycled material	STEPS	●	●	●
		APS	●	●	●
		NZE	●	●	●
Energy source	Use of lower- emission sources through installation of renewable energy systems (e.g., photovoltaic) and purchase of renewable energy	STEPS	●	●	●
		APS	●	●	●
		NZE	●	●	●
Market	Access to financing with reduced cost of capital (e.g., Green Bond)	STEPS	●	●	●
		APS	●	●	●
		NZE	●	●	●

**Scenarios (2023)**

**IEA STEPS:** Temperature higher than 2°C in 2050

**IEA APS:** Temperature limited to 2°C in 2050

**IEA NZE:** Pathway Net-Zero in 2050

**Risk Evaluation**

● Low

● Medium

● High

Compared to 2022 the results of the analysis led to a slightly different classification of the opportunities' impact. These changes are mainly due to technical adjustments resulting from the update of scenarios and related data (including those from the IEA) and from the model update, with the exception of the opportunity associated with resource efficiency, which increases due to the introduction of a new variable in the model.

It should be noted that compared to previous years, the update includes different and notably higher growth and market development prospects. This implies an upward revision of the economic value, and consequently a different classification. Furthermore, no downward revisions were identified.

In 2023, the opportunity associated with improved access to financing at a lower cost of capital was also evaluated. While the impact of the reduced cost of capital may not be substantial, enhanced access to capital at a lower rate presents an opportunity for holistic business growth, leading to potential increases in revenues and profits.

## Business Response

Prysmian is pursuing specific actions to seize all climate-related opportunities, for example:

- 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 to verify the adequacy of the Energy Management System, the achievement of established objectives and the effectiveness of the energy efficiency measures already implemented, as well as to identify possible corrective actions and initiatives aimed at continuous energy performance improvement.
- 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."
- 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. 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.
- With regard to the European Taxonomy, in 2023 the Turnover from the sale of sustainable products and solutions (including low-carbon) increased significantly, confirming Prysmian's increasing focus on the strategic business of power transmission.
- Prysmian has always been a market leader thanks to its continuous commitment to research and innovation. Globally, Prysmian's Research and Development division comprises more than 1,000 professionals across 26 state-of-the-art centres. The R&D Headquarters oversees the activities of local R&D centres, fostering innovative and sustainable projects with a focus on both medium and long-term objectives. This enables the Group to quickly intercept market demands and trends and position itself as an industry frontrunner.

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## Strategy resilience

By analyzing climate-related scenarios, Prysmian has assessed the adequacy of its strategy in terms of resilience both with respect to physical risks - resulting from climate change that can be event-driven (acute) or longer-term shifts (chronic) in climate patterns - and transition risks - related to a transition towards a low-carbon economy. All scenarios have demonstrated how Prysmian's role is central to the energy transition, being the enabler of the transition towards a low-carbon economy thanks to the offering of low-carbon solutions and developing networks around the world. The integration with the Group's Enterprise Risk Management (ERM) also ensures a constant alignment between the Group's risk assessments and strategies in the short, medium, and long term. Prysmian's resilience is also supported by a solid business model founded on diversification, technological excellence, decentralized value chain, aggregation hub. In addition to the physical and transition risks related to climate change, which will be monitored and managed with the aim of reducing their potential impacts, both before and after through risk-response and adequate recovery actions, the Group will continue monitoring the interesting climate-related opportunities for the sector, above all thanks to the strong boost expected from the development of renewable sources, the use of energy-efficient technologies and from strong growth of digitalization.

# 4. Risk Management

## TCFD Recommended disclosures

**Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process**

**Describe the organization's processes for managing climate-related risks**

**Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management**

## The process of risk and opportunity assessment

Climate-related risk and opportunity identification, assessment and response are fully integrated into Prysmian Enterprise Risk Management (ERM). Prysmian adopts a dynamic process of ERM, multi-disciplinary and company-wide, to identify, assess, treat, and monitor all events, risks and opportunities, including those related to climate change, relevant to the achievement of the strategic business objectives and priorities of the Group. In 2020, in order to further confirm the Group's commitment to managing climate-related risks and opportunities, Prysmian, together with the Control and Risk Committee and the Sustainability Committee, launched the process for fully integrating the framework recommended by the TCFD, completed in 2021 with the publication of the first TCFD Report.

Climate-related topics have been also confirmed as material and strategic in the new Materiality Analysis of 2023 (for further details on Prysmian's double materiality approach, used in 2023 for the financial materiality assessment on risks and opportunities related to climate change, please refer to the Group 2023 Annual Integrated Report). In terms of identification and assessment of risks and opportunities, Prysmian adopts a system of internal control and risk/opportunity management based on tools and information flows that enable the Board of Directors to take strategic decisions and establish guidelines for the system in an informed manner, considering the context in which the Group operates and the related risks and opportunities, including those related to sustainability and climate change matters, in line with the Group Risk Appetite, defined as type and amount of risk the Group is able and willing to assume in pursuing its strategic objectives. Prysmian implements an ERM model developed in line with internationally recognized models and best practices (specifically the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and standard ISO 31000) that allows the Board and management to evaluate in an informed manner those risk scenarios that might compromise the achievement of strategic objectives, and adopt additional tools that are able to foresee, mitigate, and manage significant exposures. Evaluation of the context and the expectations of the Group, key activities of the ERM model adopted, also makes it possible to identify and assess potentially favorable circumstances that may increase the value of Prysmian in economic and other terms. The guidelines for the System of Internal Control and Risk Management approved by the Board back in 2014 are part of the Group ERM Policy, which formalizes the ERM model adopted. This model adopts a top-down approach, being guided by senior management and our medium/long-term business objectives and strategies.

This extends to all types of risk/opportunity that are potentially significant for the Group. These are shown in five families that each include internal and external issues characteristic of Prysmian's business model (so-called Group Risk Model): Strategic Risks, Financial Risks, Operational Risks, Legal and Compliance Risks, and Planning and Reporting Risks. The Group's Chief Risk Officer (CRO), appointed to govern the ERM process, is responsible for working with management to ensure that the main risks and opportunities faced by Prysmian and its subsidiaries are identified, assessed, managed, and monitored on a timely basis. Each year the Group's main business/function managers participate in the process of identifying and evaluating the most significant risk factors and opportunities, including sustainability and climate change. A common and clearly defined methodology is used to measure and evaluate specific risk events in terms of their impact, probability of occurrence and the level of adequacy of the control system in place. More information can be found in the 2023 Annual Report, in the section entitled "Risk Factors." This describes those risks and opportunities linked to the topic of sustainability that are most important for the Group's business.

# Climate-related scenarios selected and analyzed

To explore and assess the resilience of its business to climate change Prysmian has conducted a scenario analysis involving various climate-related scenarios, including a 2°C or lower scenario, to model how the impact and likelihood of the material risks and opportunities identified might change in each scenario. Two types of models were considered:

- IPCC RCP scenarios for the assessment of physical risks.
- IEA scenarios for transition risks and opportunities, as described in the table below.

The risk and opportunity analysis was performed across three-time horizons and based on external datasets on climate drivers and internal datasets on the Group's business operations to build advanced measurement models (time series and cross sectional iterate through Monte Carlo simulations). Below are the time horizons assessed:

- Short-term (2024)
- Medium-term (2025-2027)
- Long-term (2028-2035)

PHYSICAL SCENARIOS	
IPCC 2.6	IPCC 8.5
This is a "very stringent" pathway, considered by IPCC to be the best case for limiting anthropogenic climate change. It requires a major shift in climate policies and a start of concerted action in the coming years in all countries. Assumptions are based on high population growth and the global economy. Oil use declines but use of other fossil fuel increases and is offset by capture and storage of CO <sub>2</sub> . Renewable energy increases, albeit modestly	This represents the highest emissions or "business as usual" scenario: RCP8.5 assumptions are based on high population growth and relatively slow income growth with modest rates of technological change and improvements in energy intensity, leading in the long term to high energy demand based on fossil resources and GHG emissions. It is the result of totally ineffective climate change policies.
<b>Expected to keep the global temperature rise below 2°C above pre-industrial temperatures by 2100</b>	<b>Expected temperature rise between 3.2 and 5.4°C above pre-industrial temperatures by 2100</b>

The choice of IPCC scenarios (RCP 8.5 and RCP 2.6), as well as being significant for the business, made it possible to verify the impact of physical risks on business using applications and solutions that simplify the analysis, both with respect to chronic phenomena and acute events. Prysmian specifically used CatNet@ (geo risk tool of Swiss RE) and Aqeduct (World Resource Institute).

TRANSITION SCENARIOS		
IEA STEPS	IEA APS	IEA NZE
STEPS provides a more conservative benchmark for the future because it does not take it for granted that governments will reach all announced goals. It reflects current policy settings based on a sector-by-sector assessment of the specific policies that are in place, as well as those that have been announced by governments around the world. STEPS explores where the energy system might go without a major additional change by policy makers.	APS assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDCs) and longer-term Net-Zero targets, will be met in full and on time. The Announced Pledges Scenario aims to show to what extent the announced ambitions and targets, including the most recent ones, are on the path to deliver the reductions in emissions required to achieve Net-Zero emissions by 2050.	NZE sets out a narrow but achievable pathway for the global energy sector to achieve NetZero CO <sub>2</sub> emissions by 2050, with advanced economies reaching NetZero emissions in advance of others. This scenario also meets key energy-related United Nations Sustainable Development Goals (SDGs), in particular by achieving universal energy access by 2030 and major improvements in air quality.
<b>The rise in temperature in 2100 would be around 2.6°C.</b>	<b>The rise in temperature in 2100 would be restricted to around 2.1°C</b>	<b>The rise in temperature reaches a maximum level of just over 1.5°C around 2050 and then starts to decline slowly and by 2100 the rise in temperature has fallen to around 1.4°C</b>

Prysmian decided to choose the most recent scenarios of the International Energy Agency (IEA) because they capture the latest developments in energy demand and supply, which are key aspects and closely related to the Group's activities. Given the assumptions and perspective sensitivity of these scenarios, Prysmian decided to test the resilience and flexibility of its strategies on four scenarios, as described above.

In addition, concerning the factors considered in the climate-related risks and opportunities analysis, the synergistic use of documentation from external sources, such as international institutions like Technavio and Mordor Intelligence (which provide in-depth information and analysis on specific sectors, market trends, and technological advancements), along with the Group's internal data, constitutes a fundamental contribution to a comprehensive and well-informed assessment. This practice allows Prysmian to make strategic decisions based on a detailed understanding of both the industry and internal business dynamics.

Next steps for Prysmian's climate-related disclosures
Prysmian will continuously improve its process of identifying and managing climate-related risks in terms of assessment methodologies and their inclusion in the organization's overall risk management model and strategy

# 5. Metrics and targets

## TCFD Recommended disclosures

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

## Targets

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

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

Within this initiative, Prysmian has taken the following actions:

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

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

### A. Overall Net-Zero Target

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

### B. Short-term targets

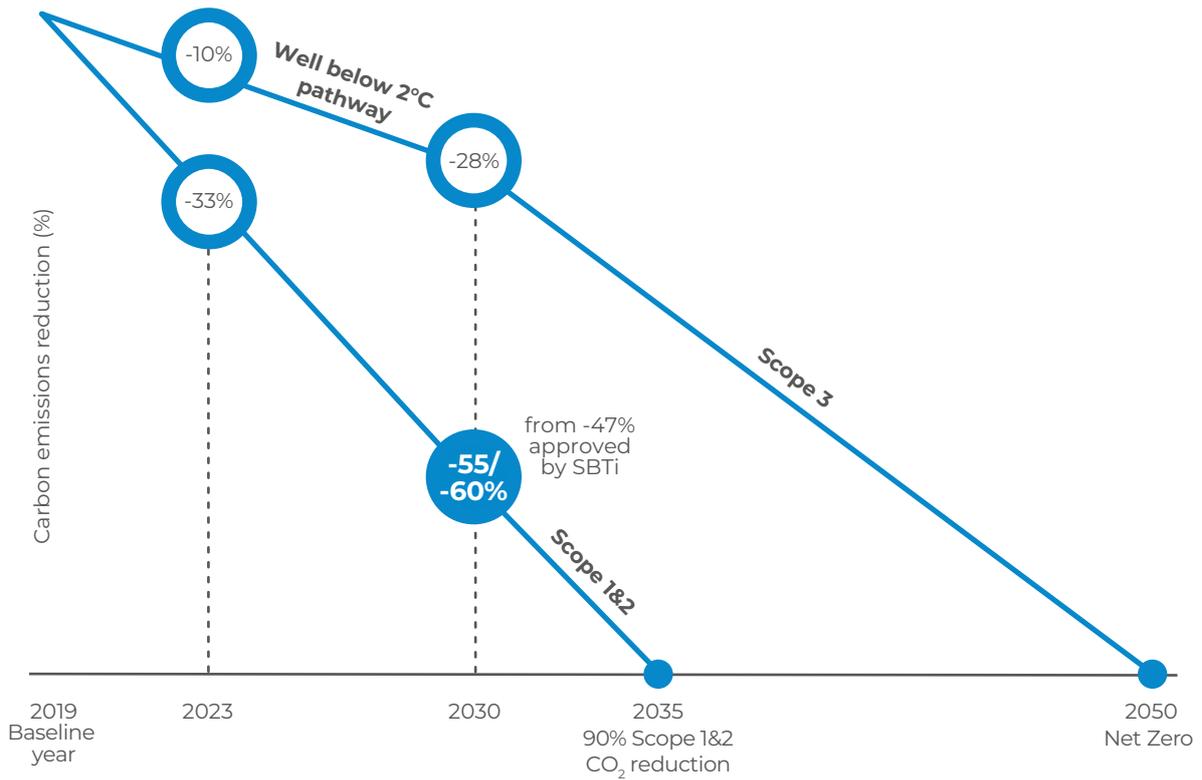
Prysmian is committed to reducing its Scope 1 and 2 GHG emissions – in absolute terms – by 47% by 2030, compared to the emissions recorded in the year 2019; Prysmian is also committed to reducing its Scope 3 emissions – in absolute terms – by 28% over the same time horizon.

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

Prysmian is committed to reducing its Scope 1 and 2 GHG emissions – in absolute terms – by 90% by 2035, compared to the emissions recorded in the year 2019; Prysmian is also committed to reducing its Scope 3 emissions – in absolute terms – by 90% by 2050. In addition, during the long-term targets approval process, Prysmian – at SBTi's request – recalculated some Scope 3 categories using updated emission factors. The SBTi target validation team classified Prysmian's Scope 1 and 2 emission reduction targets as aligned with the 1.5°C trajectory.

Based on the results achieved in 2023 in terms of decarbonization and in line with the SBTi-approved net-zero trajectory, in January 2024 Prysmian decided 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 the 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



## Metrics

The Group's total energy consumption, shown in the following table, also includes that of its fleet.

Total energy consumption (2023-2021)			
	2023	2022	2021
Energy consumed (GJ)	9,631,104	9,971,915	10,020,131

Energy consumed per km/Ton of product (2023)			
Power cables GJ/Ton	Telecom cables GJ/km	Optical Fiber GJ/km	Rod GJ/Ton
3.65	0.02	0.03	2.02

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

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

**2023 figures confirm Prysmian commitment towards the reduction of GHG emissions and the journey towards Net-Zero.**

## Focus on: reduction of scope 3 ghg emissions

Since 2013 Prysmian has published its environment management initiatives, participating in the CDP global environmental reporting system. Prysmian uses CDP to report on GHG emissions throughout the value chain. Scope 3 emissions 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.

For further details on emission calculations, please refer to the GHG Statement 2023.

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), allocating 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.

### Next steps for Prysmian's climate-related disclosures

Prysmian will continue monitoring metrics related to climate change, thus verifying the achievement of Science-Based Targets.





