

# Sustainability Report 2020

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



**Prysmian**  
Group

Linking the  
sustainable future





ITA 34

**Prysmian  
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*Electriciens  
Sans Frontières*



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# Contents

<b>01_2020 @ A GLANCE</b>	<b>5</b>
CEO's letter	6
Message from the Board of Directors	7
Integrated Sustainability	8
Copying with the pandemic: People first	9
The creation of value for Stakeholders	10
Highlights: KPI Sustainability 2020	12
GRI Content Index	14
<b>02_ESG IDENTITY</b>	<b>23</b>
A truly global Group	24
Leadership in high-tech markets	26
Prysmian Group for the energy transition	28
Sustainability in our DNA	34
Values, Mission, Vision	35
SDGs – Sustainable Development Goals	36
Create value with Stakeholder engagement	39
Materiality matrix	43
Challenging targets for 2022	48
ESG Indicators & Remuneration Policy	50
<b>03_ESG GOVERNANCE</b>	<b>53</b>
<b>Being a Public Company</b>	<b>54</b>
- Ownership Structure	54
- Shareholders' Meeting	56
<b>Governance and Risk Management</b>	<b>59</b>
- Integrated management of sustainability risks	59
- Corporate governance	69
- Governance of Sustainability	71
<b>ESG Digital Governance</b>	<b>73</b>
<b>Focus on Ethics and Integrity</b>	<b>74</b>
- Code of Ethics of the Prysmian Group	74
<b>Group's Tax strategy</b>	<b>80</b>
<b>Protecting our data</b>	<b>85</b>



<b>04_PEOPLE, CULTURE AND ORGANIZATION</b>	<b>89</b>
<b>Responsibility Towards People</b>	<b>90</b>
- Our human capital	91
- Diversity and equal opportunities	95
- Human rights due diligence	97
- The development of talent	98
- The wellbeing of our employees	105
- Dialogue with social partners and collective bargaining	107
- Occupational health and safety	109
<b>Commitment to the Community</b>	<b>113</b>
<b>05_SUSTAINABLE INNOVATION &amp; LEAN MANUFACTURING</b>	<b>119</b>
<b>Sustainable Innovation</b>	<b>120</b>
- Innovation eco-system	121
- Partnerships	122
- Speaking platforms	123
- R&D by Prysmian Group: focus	124
- Protection of intellectual property	133
<b>Lean Manufacturing</b>	<b>135</b>
- Industrial activities	135
<b>Our environmental responsibility</b>	<b>139</b>
- Environmental protection	139
- Environmental performance	144
<b>06_EXTENDED VALUE CHAIN</b>	<b>159</b>
<b>Our customer-centric approach</b>	<b>160</b>
- Understanding the needs of our customers	160
- Innovations for customers	162
- Management of complaints	163
- Service timeliness and efficiency	163
<b>Sustainable supply chain</b>	<b>166</b>
- Our suppliers	167
- Responsible and sustainable value chain	171
<b>Group's logistics and transport</b>	<b>175</b>
<b>Attachments</b>	<b>179</b>
<b>Methodological Note</b>	<b>203</b>
<b>Independent Auditors' Report</b>	<b>210</b>



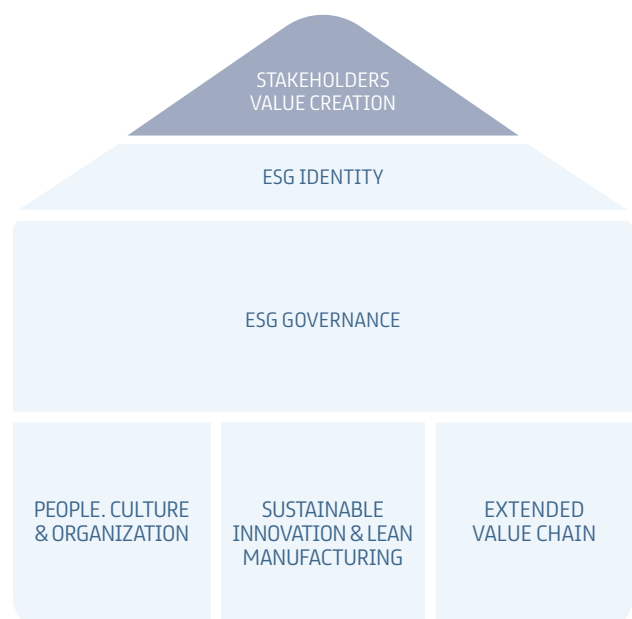
Prysmian  
Group

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# 01\_2020 @ A GLANCE

*The creation of value for stakeholders is the approach that underpins our day-to-day activities. It is a complex challenge that requires the involvement of all the Company's individuals and functions, called on to think and act as a single identity. This chapter provides a summary of the key events for 2020.*





# CEO's letter



**Valerio Battista**

*CEO Prysmian Group*

January 2020. The CEO of our Chinese subsidiary starts to talk to me about a health crisis that threatens to explode in the city of Wuhan. About a year later, the whole world experienced the dramatic effects of the Covid-19 pandemic. When introducing the 2020 Sustainability Report, it is therefore right and appropriate for me to immediately focus attention on how our Company has so far dealt with the “black swan” that has probably changed the order of economic and social priorities forever.

Benefiting from our significant presence in China that allowed us to see in advance the crisis that would gradually strike all countries of the world, we promptly set up a crisis unit with the involvement of the entire HQ management front line and staff functions. The health and safety of people were the priorities on which we all immediately agreed.

The procedures for accessing and using the workplace were immediately redefined, starting a massive use of remote working. The extensive procurement and distribution of health material to our people was our other immediate concern. We also thought about the communities in which we operate, supporting the construction of the Wuhan hospital, as well as other hospital units, set up and reinforced to assist those affected around the world. We continued to invest in the training of our resources, through the digitalisation of the Prysmian Academy, in the enhancement of talent, as well as in the improvement of our organisation's cultural and gender diversity.

Having thought about employees as a priority allowed us to protect our production organisation and the entire supply chain. The operations of our 104 production plants has never dropped below 70-80%, also intensifying the collaboration between countries that were gradually affected by Covid-19. All this resulted in a high capacity to continue to always, and in any case, serve our customers.

For Prysmian, 2020 represented the year that saw a decisive and rapid move forward towards improved sustainability in our organisation, operations and the entire supply chain. Setting ourselves measurable and transparent objectives through the sustainability scorecard allowed us to clearly define the path to take towards reducing CO2 emissions and lessening the environmental impact of our activities, also in terms of energy consumption and circularity in raw material use. We have really put the issue of sustainable technological innovation at the centre, also by speeding up our digitalisation process. Our ambition to be a technological enabler of the energy transition depends on the ability to promote innovative technologies and products.

Another vital priority we set ourselves was to protect our economic and financial solidity and the capacity to continue to deliver results and value for our shareholders, also thanks to the robust cost containment plan launched immediately. Like almost all companies, last March we were forced to withdraw the guidance we had given to the market, and then disclose new objectives as soon as we had greater visibility. Such were largely focused in terms of profitability and cash generation capacity.

The outlook for the Group is encouraging, despite the uncertainties of the social and macroeconomic situation in general. But our vision and ambition are clear and we have already shown that we have what it takes to play a role of fundamental importance in the energy transition and digitalisation — the two great challenges lying ahead of us. A number of projects secured in 2020, such as the development of the German Corridors, are concrete proof of this.

# Message from the Board of Directors



**Monica de Virgiliis**

*Chair of Sustainability Committee.  
Prysman Board*

For the Board, 2020 marked a transition from an approach aimed at supervising the multitude of global and local ESG initiatives to a genuine and voluntary centralisation and strategic formulation of the sustainability plan.

Alongside our management, the Board's Sustainability Committee, which was formed by the previous Remuneration, Nomination and Sustainability Committee, proposed to the Board four priorities for the year and focused on monitoring execution of the following:

1. Stakeholder engagement and materiality matrix, the starting point for defining the ESG priorities and extending the risk management process to ESG risks and opportunities;
2. Greenhouse gas emissions: SBTi for Scopes 1 and 2 (own organisation) and Scope 3 (value chain);
3. Diversity & Inclusion, with a focus on top management positions and short-term goals;
4. Strategic storytelling with a view to creating value and communicating Prysman's commitments to stakeholders from a sustainability perspective, enhancing our sustainability scorecard and making it a feature that is recognised and appreciated by the market.

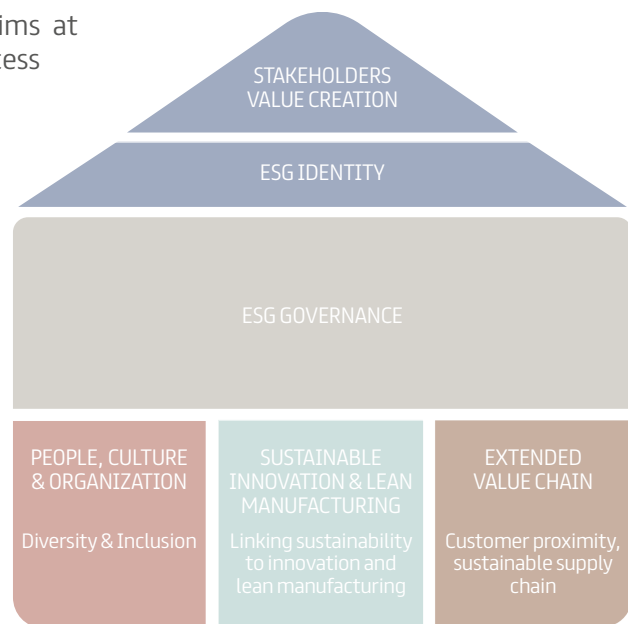
The Board is pleased to have achieved the objectives concerning the priorities identified and is committed to examining the comments and suggestions that stakeholders may wish to put forward in order to enhance the plan's follow-up development with their perspective.

# Integrated Sustainability

The Sustainability Report of Prysmian Group aims at sharing in a transparent and rigorous way the process of integrating sustainability into our identity.

The Report's structure virtually reflects "our home", namely, the model used by Prysmian to create value for local communities.

The first chapter ([page 5](#)) describes our results in terms of stakeholder value creation, represented as the top of our house, indicating the apex of our Group's sustainability model. This shared wealth is in direct correlation with our ESG Identity, which supports the top of the house and is described in the second chapter ([page 23](#)), which explains the gradual integration of environmental, social and governance factors in the Company's DNA. To consolidate this identity, it is necessary to adopt a governance system that is consistent with our objectives: this is why the third chapter ([page 53](#)), ideally the load-bearing structure of the house, is dedicated to the ESG governance. The whole building is based on our three sustainability pillars. Chapter four — People, Culture & Organisation ([page 89](#)) — recounts the central role played by people in Prysmian's culture and organisation, and how this translates in the Company's constant commitment towards them. The fifth chapter — Sustainable Innovation & Lean Manufacturing ([page 119](#)) — analyses the technological aspects that position us as a benchmark and a leader, including in terms of product sustainability. The sixth chapter — "Extended value chain" ([page 159](#)) — describes the areas of development that we believe will be key to our future sustainability, namely customer relationship and supply chain.



From a structural standpoint, this document represents the Group's Consolidated Disclosure of Non-Financial Information pursuant to Legislative Decree No. 254/2016.

For reasons other than compliance with the requirements of Decree 254/2016, NFS 2020 includes additional specific KPIs for the sector in which the Group operates, having regard for the indicators published by the Sustainability Accounting Standards Board (SASB).

Enjoy the reading



# Copying with the pandemic: People first

*In a particularly complex year impacted by Covid-19, we continued to invest in our three value creation pillars (People, Culture & Organisation; Sustainable Innovation & Lean Manufacturing; "Frontiers"), thereby achieving concrete results for our people and stakeholders and confirming the resilience of our ESG Identity.*

## Stakeholders value creation



### PEOPLE. CULTURE & ORGANIZATION

- +29% investments in health and safety
- Safety in work environments: ongoing tests; distribution of healthcare materials and PPEs
- Promotion of remote working and its extension to all employees
- Diversity in terms of gender and age and focus on culture
- Citizenship and social responsibility
- Digitalisation of the Academy's activities
- Remuneration policy aligned with ESG objectives

### SUSTAINABLE INNOVATION & LEAN MANUFACTURING

- Sustainability at the heart of our innovation strategy
- Innovative P-Laser 525 kV HVDC cable
- FlexRibbon™ cable, ultra-compact outside plant cable design that contains bend insensitive fibres
- Alesea, smart virtual assistant for cable drums
- PG Connect, digital and sustainable solution based on the "Augmented Reality technology"
- Kablee, digital platform to provide sustainable services, as connectivity in rural areas

### EXTENDED VALUE CHAIN

- On Time Delivery at above 94%<sup>1</sup>
- Re-design of procurement flows
- Emergency management of the logistics
- Continuity of the supply chain
- Constant dialogue with customers
- German Corridors, installation project of 2,300 km of high voltage undergrounds electrical cables, from the North Sea to the south of the Germany
- Submarine interconnection project between Crete and the Peloponnese region

<sup>1</sup> The perimeter considered for this figure refers to Prysmian w/o GC

# The creation of value for Stakeholders

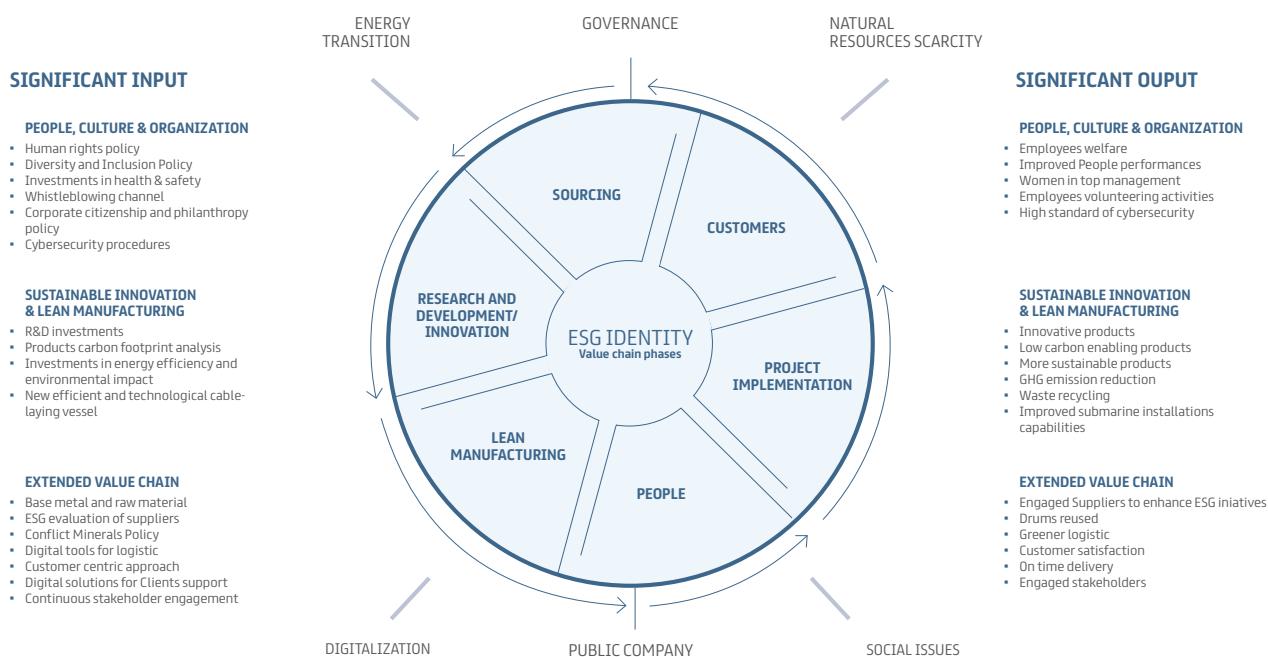
Prysmian Group's strategy is founded on the sustainability principles on which the Group's ESG identity is based.

These principles are applied at each phase of Prysmian's value chain and are managed through the ESG governance model.

Within the Group, value creation is boosted by the significant inputs generated by Prysmian's approach in reference to three pillars of the corporate identity: People, Culture & Organisation, Sustainable Innovation & Lean Manufacturing and Extended Value Chain.

These inputs feed the Group's value chain and allow Prysmian to create outputs that have the potential to generate an impact outside the organisation, helping to achieve specific Sustainable Development Goals.

The Group's value creation cannot overlook the external drivers that impact on Prysmian's business and outputs, such as energy transition, digitalisation, scarcity of resources and social issues.



The definition and implementation of effective governance, also inspired by the macro-factors that, in terms of risks and opportunities, influence our Company and the sector in which we operate, hence results in the creation of value for all our stakeholders, both internal and external.

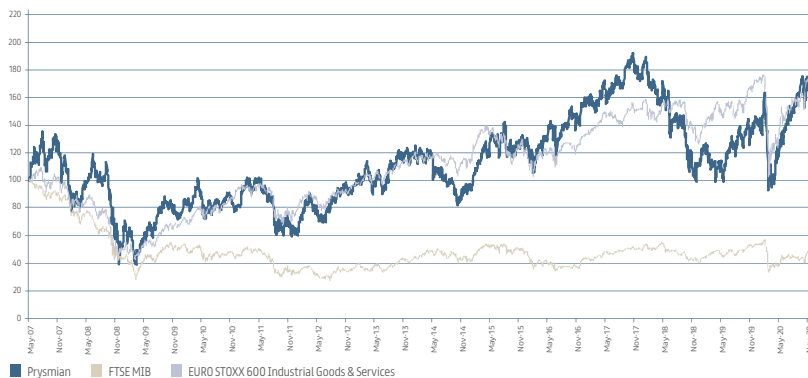
Prysmian's commitment to considering the human dimension as a priority has also been further reinforced when addressing the dramatic effects of the Covid-19 pandemic. In 2020, investment in workplace health and safety rose significantly. Particular efforts were made in distributing health material and protective equipment, the use of rigorous prevention tests, as well as in redefining the procedures regulating workplace access and use and the extensive implementation of remote working. Again, regarding the people dimension, mention should be made of the improvement in the Diversity & Inclusion indicators (+2% compared to 2019) and of our employee satisfaction level (65% in 2020).

Sustainable Innovation & Lean Manufacturing represent a strategically important pillar in pursuing the creation of sustainable value. The Group's efforts are directed primarily to the adoption of materials with a reduced environmental impact, as well as to the improvement of the cable design to make them more high-performing and sustainable. Lean Manufacturing also means a commitment to making the production structure more efficient and sustainable, through investment in energy efficiency and process digitalisation for a gross amount of €246 million. Giving priority to people's health and safety has allowed the Company's operations to be protected, with a level of activity in plants that has not suffered particular contractions, also thanks to our highly diversified geographical presence.

The creation of sustainable value for all stakeholders is also profoundly linked to supply chain management. The procurement of raw materials and the performance of the activities are based on strict sustainability policies, both as regards environmental impact and respect for human rights and business ethics. Particular attention is paid to the engagement and satisfaction of customers and all stakeholders relevant to the business, as well as the impact on the communities in which the Company operates. On time delivery has improved to 94% <sup>2</sup>.

The resilience exhibited by the Company in dealing with the impacts of the pandemic has made it possible to secure economic and financial solidity and ensure the creation of economic value for shareholders even in such a dramatic year as 2020. Prysmian shares in 2020 recorded a positive performance of 35.3%, outperforming not only the Italian market but also the European reference sector. From the second quarter of 2020, the stock started a growth trend supported by market appreciation due to the efficacy and timeliness of the measures adopted to deal with the pandemic, as well as the development of activities linked to renewable energies (the interconnection projects such as the German Corridors, offshore wind farms and onshore activities).

#### PERFORMANCE OF PRYSMIAN STOCK



#### TOTAL SHAREHOLDER RETURN

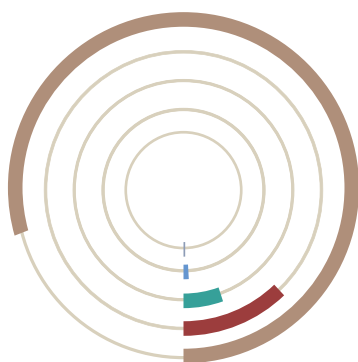
**+37.1%**

In 2020

**+155.5%**

Since its date of listing

The total economic value generated, namely the overall value created by the Group for all stakeholders, stood at **€10,273 million** in 2020. A large part of the value was redistributed for a total of **€10,099 million** in the form of:



- 80% Spending on Suppliers
- 14% Payment to Staff
- 5.6% Payment to Lenders
- 0.8% Payment to the Public Administration
- 0.04% Contributions to the Community

Finally, in the year of the pandemic, the Group also pursued its non-organic growth strategy with the acquisition of 100% of EHC Global, a company operating in the vertical mobility industry. This transaction thus allowed Prysmian Group to consolidate its growth strategy in value-added businesses. The integration with General Cable was also completed, leading to significant value creation for all stakeholders, driven by a more extensive and balanced geographical presence, as well as an expanded and synergistic product portfolio.

<sup>2</sup> The data shown relates to the Prysmian Group w/o General Cable.



# Highlights: KPI Sustainability 2020

Some of the goals we reached in 2020 are particularly relevant to describe the creation of shared value for our shareholders. Here below is a summary of these goals. The same will be further analysed in the related chapters.

## People, Culture & Organization



**13%**  
of **WOMEN IN EXECUTIVE POSITIONS**  
vs 12% in 2019 <sup>3</sup>



**34%**  
**WHITE-COLLAR WOMEN** <sup>5</sup>  
vs 33% in 2019



Over **3,000**  
**NEW RECRUITS**



Over **3%**  
of the **SHARE CAPITAL** <sup>6</sup>  
held by employees



**+29%**  
capital expenditure in  
**HEALTH AND SAFETY**



Over **509,000**  
**TRAINING**  
hours provided in the year  
vs 740,000 in 2019 <sup>7</sup>



**100%** <sup>4</sup>  
of **PLANTS** subjected  
to **HUMAN RIGHTS** due diligence



**65%**  
**EMPLOYEES SATISFIED**

<sup>3</sup> A 1% increase compared to 2019, in line with the goals set for 2022 of reaching a percentage between 14% and 18%.

<sup>4</sup> This analysis, based on the perimeter of the Group in 2019, excluded the plants in OCI, Sicable and OAPIL (Sohar) and Chiplun.

<sup>5</sup> This percentage includes those white-collar women with permanent contracts.

<sup>6</sup> It includes the shares held by the management as per the incentive plans.

<sup>7</sup> The decline in training hours in 2020 compared to 2019 was attributable to the limitations imposed on providing in-person training courses due to the Covid-19 health emergency.

## Sustainable Innovation & Lean Manufacturing



About **816,000** <sup>8</sup> t CO<sub>2</sub>eq  
**GHG EMISSIONS**  
vs around 889,000 t CO<sub>2</sub>eq in 2019  
(Scope 1 and Scope 2, location-based) <sup>9</sup>



**69%** <sup>10</sup>  
**WASTE RECYCLED**  
vs 63% in 2019



About **900**  
new product **FAMILIES**  
developed

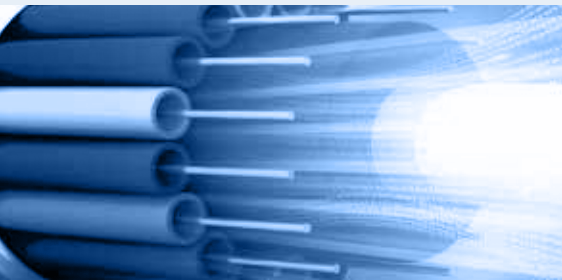


**42** mln €  
saved through  
the **DESIGN TO COST (DTC)**  
programme

<sup>8</sup> Relates to the fully-consolidated perimeter, excluding the plants in Chiplun (India) and Sohar (Oman)

<sup>9</sup> The reduction was attributable to several factors that impacted the Group's total CO<sub>2</sub> emissions: the decline of SF<sub>6</sub> emissions and of energy consumption, as a consequence of lower production due to the Covid-19 health emergency.

<sup>10</sup> Relates to the fully-consolidated perimeter, excluding the plants in Chiplun (India) and Sohar (Oman).



**3.56**<sup>11</sup> GJ/tonnes  
**ENERGY CABLE**  
**ENERGETIC INTENSITY**<sup>12</sup>  
vs 3,46 GJ/tonnes in 2019



**-6%**  
**ENERGY CONSUMPTION**<sup>13</sup>  
vs 2019



**84%**  
product families (cables)  
included in **CARBON FOOTPRINT**  
**ANALYSIS** vs 70% in 2019



**"ECO CABLE" LABEL**  
for green cables  
to meet new market trends

<sup>11</sup> Relates to the fully-consolidated perimeter, excluding the plants in Chiplun (India) and Sohar (Oman).

<sup>12</sup> Despite a decline in consumption, intensity increased slightly as plants have fixed consumption levels, including when production decreases.

<sup>13</sup> The decline of the Group's energy consumption in 2020 was mainly attributable to the decrease of plant production due to the Covid-19 health emergency.

## Extended Value Chain



**10,099** mln€  
economic value generated  
and distributed  
vs 11,653 mln€ in 2019



**54%**  
**RE-USED DRUMS**  
vs 46% in 2019



**-43%**<sup>14</sup>  
of **UNITARY CO<sub>2</sub> EMISSIONS**  
in transport vs 2019



Over **2,000**  
**STAKEHOLDERS INVOLVED**  
in sustainability-related events



**48%**  
of annual revenues from  
**"LOW-CARBON ENABLING"**  
**PRODUCTS**<sup>14</sup>



**63%**  
of **SUPPLIERS**<sup>15</sup> subjected  
to ESG assessments vs 63% in 2019



**+155.5%**  
Company's stock with  
**TOTAL SHAREHOLDER RETURN**



Over **12** mln  
**USERS REACHED**  
through websites or social  
network channels

<sup>14</sup> This figure has been calculated based on the sales of Prysmian Group's different business areas at 31 December 2020. All business areas, or those among them, that are classified as "low carbon enabling" have been identified by applying the Taxonomy defined by the Climate Bond Initiative.

<sup>15</sup> This percentage includes those white-collar women with permanent contracts.

<sup>16</sup> The data shown relates to Optical Fiber and the first half of 2020.

# GRI Content Index

Standards framework used refers to the version of the GRI Standards published in 2016 except for GRI 303: Water and GRI 403: Occupational Health and Safety updated in 2018 and GRI 207: Tax published in 2019.

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
Organizational profile	102-1	Name of the organization		Leadership in strategic sectors – Pag. 26.
	102-2	Activities, brands, products, and services		Leadership in strategic sectors – Pag. 27.
	102-3	Location of headquarters		Via Chiese 6, Milano – Italia.
	102-4	Location of operations		A Global presence – Pag. 24-25.
	102-5	Ownership and legal form		Being a Public Company – Pag. 54-57.
	102-6	Market served		Leadership in strategic sectors – Pag. 26-27.
	102-7	Scale of the organization		Highlights: KPI Sustainability 2020 – Pag. 12-13; CEO's letter – Pag. 6.
	102-8	Information on employees and other workers		Responsibility Towards People – Pag. 91-95; Attachments – Human resources – Pag. 185-190.
	102-9	Supply chain		Our suppliers – Pag. 166-171.
	102-10	Significant changes to the organization and its supply chain		Methodological Note – Pag. 203-204; Sustainable Supply Chain – Pag. 166-171; Copying with the pandemic: People first – Pag. 9.
	102-11	Precautionary Principle or approach		Integrated management of sustainability risks – Pag. 59-69.
	102-12	External initiatives		SDGs – Sustainable Development Goals – Pag. 36-37; Association membership – Pag. 47.
	102-13	Membership of associations		Association membership – Pag. 47.
Strategy	102-14	Statement from senior decision-maker		CEO's letter – Pag. 6.
Ethics e integrity	102-16	Values, principles, standards, and norms of behavior		Values, Mission, Vision – Pag. 35.
	102-17	Mechanisms for advice and concerns about ethics		Ethics and Integrity – Pag. 79-80.
Governance	102-18	Governance structure		Corporate governance – Pag. 70-73.
	102-22	Composition of the highest governance body and its committees		Corporate governance – Pag. 70-73.
	102-23	Chair of the highest governance body		Corporate governance – Pag. 70.
	102-25	Conflicts of interest		Ethics and Integrity – Pag. 74-77.
Stakeholder engagement	102-40	List of stakeholder groups		SDGs – Sustainable Development Goals – Pag. 37.
	102-41	Collective bargaining agreements		Responsibility Towards People – Pag. 107-109.
	102-42	Identifying and selecting stakeholders		Create value with Stakeholder engagement – Pag. 39-40.
	102-43	Approach to stakeholder engagement		Create value with Stakeholder engagement – Pag. 39-40.
	102-44	Key topics and concerns raised		Materiality Matrix – Pag. 43-45.

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
Reporting practice	102-45	Entities included in the consolidated financial statements		Methodological Note – Pag. 203-207.
	102-46	Defining report content and topic Boundaries		Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	102-47	List of material topics		Description of material topics – Pag. 208.
	102-48	Restatements of information		Methodological Note – Pag. 203-204.
	102-49	Changes in reporting		Methodological Note – Pag. 203-204.
	102-50	Reporting period		Methodological Note – Pag. 203.
	102-51	Date of most recent report		Methodological Note – Pag. 203-204.
	102-52	Reporting cycle		Methodological Note – Pag. 204.
	102-53	Contact point for questions regarding the report		Methodological Note – Pag. 204.
	102-54	Claims of reporting in accordance with the GRI Standards		Methodological Note – Pag. 203-204.
	102-55	GRI content index		GRI Content Index – Pag. 14-20.
	102-56	External assurance		Independent Auditors' Report – Pag. 211-213.
302: Energy	103-1	Explanation of the material topic and its Boundary		Environmental Responsibility – Pag. 139-144; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Environmental Responsibility – Pag. 139-144.
	103-3	Evaluation of the management approach		Challenging targets for 2022 – Pag. 48-49; Environmental Responsibility – Pag. 139-144.
	302-1	Energy consumption within the organization		Environmental performance – Pag. 145-146, 155; Attachments – Environment – Pag. 194-195.
	302-3	Energy intensity		Environmental performance – Pag. 146; Attachments – Environment – Pag. 194-195.
305: Emissions	103-1	Explanation of the material topic and its Boundary		Environmental Responsibility – Pag. 139-144; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Environmental Responsibility – Pag. 139-145.
	103-3	Evaluation of the management approach		Challenging targets for 2022 – Pag. 48-49; Environmental Responsibility – Pag. 139-144.
	305-1	Direct (Scope 1) GHG emissions		Environmental performance – Pag. 147-149, 155; Attachments – Environment – Pag. 195-196.
	305-2	Energy indirect (Scope 2) GHG emissions		Environmental performance – Pag. 147-149; Attachments – Environment – Pag. 195-196.
	305-4	GHG emissions intensity		Environmental performance – Pag. 148-149; Attachments – Environment – Pag. 196-197.



GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
<b>301: Materials</b>	103-1	Explanation of the material topic and its Boundary		Sustainable Supply Chain – Pag. 166-169; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Sustainable Supply Chain – Pag. 166-169.
	103-3	Evaluation of the management approach		Challenging targets for 2022 – Pag. 48-49; Sustainable Supply Chain – Pag. 166-169.
	301-1	Materials used by weight or volume		Sustainable Supply Chain – Pag. 171.
<b>306: Effluents and waste</b>	103-1	Explanation of the material topic and its Boundary		Environmental Responsibility – Pag. 139-145; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Environmental Responsibility – Pag. 139-145.
	103-3	Evaluation of the management approach		Challenging targets for 2022 – Pag. 48-49; Environmental Responsibility – Pag. 139-145.
	306-2	Waste by type and disposal method		Environmental Responsibility – Pag. 149-151, 156; Attachments – Environment – Pag. 197-200.
<b>303: Water (2018)</b>	103-1	Explanation of the material topic and its Boundary		Environmental Responsibility – Pag. 139-145, 151-152; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Environmental Responsibility – Pag. 139-145.
	103-3	Evaluation of the management approach		Challenging targets for 2022 – Pag. 48-49; Environmental Responsibility – Pag. 139-145.
	303-1	Interactions with water as a shared resource		Environmental Responsibility – Pag. 139-145; Environmental performance – Pag. 151-153; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	303-2	Management of water discharge-related impacts		Environmental performance – Pag. 154-155.
	303-3	Water withdrawal		Environmental performance – Pag. 152-153. Attachments – Environment – Pag. 200-201.
	303-5	Water consumption		Environmental performance – Pag. 152-155; Attachments – Environment – Pag. 200-201.
<b>304: Biodiversity</b>	103-1	Explanation of the material topic and its Boundary		Environmental Responsibility – Pag. 156; Description of material topics – Pag. 208.
	103-2	The management approach and its components		Environmental Responsibility – Pag. 156.
	103-3	Evaluation of the management approach		Environmental Responsibility – Pag. 156.
	304-3	Habitats protected or restored		Environmental performance – Pag. 157.
<b>203: Indirect Economic Impacts</b>	103-1	Explanation of the material topic and its Boundary		Commitment Towards Communities – Pag. 113-117; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Commitment Towards Communities – Pag. 113-117.
	103-3	Evaluation of the management approach		Commitment Towards Communities – Pag. 113-117.
	203-1	Infrastructure investments and services supported		Commitment Towards Communities – Pag. 113-117.
<b>204: Procurement Practices</b>	103-1	Explanation of the material topic and its Boundary		Sustainable Supply Chain – Pag. 166-169; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Sustainable Supply Chain – Pag. 166-169.
	103-3	Evaluation of the management approach		Sustainable Supply Chain – Pag. 166-169.
	204-1	Proportion of spending on local suppliers		Sustainable Supply Chain – Pag. 169-170.

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
<b>308: Supplier environmental assessment</b>	103-1	Explanation of the material topic and its Boundary		Responsible and sustainable value chain – Pag. 171-174; Description of material topics– Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Sustainable Supply Chain – Pag. 171-174.
	103-3	Evaluation of the management approach		Challenging targets for 2022 – Pag. 48-49; Sustainable Supply Chain – Pag. 171-175.
	308-2	Negative environmental impacts in the supply chain and action taken		Sustainable Supply Chain – Pag. 174.
<b>414: Supplier Social Assessment</b>	103-1	Explanation of the material topic and its Boundary		Occupational Health and Safety - Pag. 109-112; Description of material topics – Pag. 208; Analysis of topic boundary of the material aspects for Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Occupational Health and Safety - Page 109-112.
	103-3	Evaluation of the management approach		Challenging targets for 2022 – Pag. 48-49; Occupational Health and Safety – Pag. 109-112.
	103-1	Explanation of the material topic and its Boundary		Responsible and sustainable value chain – Pag. 175; Description of material topics– Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Responsible and sustainable value chain – Pag. 171-174.
	103-3	Evaluation of the management approach		Challenging targets for 2022 – Pag. 48-49; Responsible and sustainable value chain – Pag. 171-174.
	414-2	Negative social impacts in the supply chain and action taken		Responsible and sustainable value chain – Pag. 174.
<b>403: Occupational Health and Safety (2018)</b>	103-1	Explanation of the material topic and its Boundary		Occupational Health and Safety - Page 109-112; Description of material topics - page 208; Analysis of topic boundary of the material aspects for Prysmian Group – Pag. 209
	103-2	The management approach and its components		Occupational Health and Safety - Page 109-112.
	103-3	Evaluation of the management approach		Challenging targets for 2022 – Pag. 48-49; Occupational Health and Safety - Page 109-112.
	403-1	Occupational health and safety management system		Occupational health and safety – Pag. 109-112.
	403-2	Hazard identification, risk assessment, and incident investigation		Occupational health and safety – Pag. 109-112.
	403-3	Occupational health services		Occupational health and safety – Pag. 109-112.
	403-4	Worker participation, consultation, and communication on occupational health and safety		Occupational health and safety – Pag. 109-112.
	403-5	Worker training on occupational health and safety		Occupational health and safety – Pag. 109-112.
	403-6	Promotion of worker health		Occupational health and safety – Pag. 109-112.
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Occupational health and safety – Pag. 109-112.
403-9	Work-related injuries		Occupational health and safety – Pag. 111-112; Attachments- Occupational health and safety – Pag. 191-193; Challenging targets for 2022 – Pag. 48-49.	
403-10	Work-related ill health		Occupational health and safety – Pag. 111; Attachments- Occupational health and safety – Pag. 191-193.	

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
401: Employment	103-1	Explanation of the material topic and its Boundary		Responsibility Towards People – Pag. 90-91; Our employees' wellbeing – Pag. 105-107; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Responsibility Towards People – Pag. 90-91; Our employees' wellbeing – Pag. 105-107.
	103-3	Evaluation of the management approach		Talent development – Pag. 98-101; Our employees' wellbeing – Pag. 105-107.
	401-1	New employee hires and employee turnover		Our human capital – Pag. 94; Attachments – Human Resources – Pag. 188-190.
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Our employees' wellbeing – Pag. 105-106.
402: Labor/ Management Relations	103-1	Explanation of the material topic and its Boundary		Responsibility Towards People – Pag. 90-91; Dialogue with trade unions and collective bargaining – Pag. 107-109; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Responsibility Towards People – Pag. 90-91; Dialogue with trade unions and collective bargaining – Pag. 107-109.
	103-3	Evaluation of the management approach		Dialogue with trade unions and collective bargaining – Pag. 107-109.
	402-1	Minimum notice periods regarding operational changes		Dialogue with trade unions and collective bargaining – Pag. 107-109.
404: Training and Education	103-1	Explanation of the material topic and its Boundary		Responsibility Towards People – Pag. 90-91; Talent development – Pag. 98-101, 103-104; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Responsibility Towards People – Pag. 90-91; Talent development – Pag. 98-101, 103-104.
	103-3	Evaluation of the management approach		Talent development – Pag. 98-101, 103-104.
	404-1	Average hours of training per year per employee		Talent development – Pag. 104-105; Attachments – Human Resources – Pag. 191.
405: Diversity and Equal Opportunity	103-1	Explanation of the material topic and its Boundary		Responsibility Towards People – Pag. 90-91; Diversity and equal opportunities- Pag. 95-98; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Diversity and equal opportunities – Pag. 95-98.
	103-3	Evaluation of the management approach		Challenging targets for 2022 – Pag. 48-49.
	405-1	Diversity of governance bodies and employees		Corporate Governance – Pag. 70-71; Our human capital – Pag. 91-93; Attachments – Human Resources – Pag. 187.
412: Human Rights Assessment	103-1	Explanation of the material topic and its Boundary		Integrated management of sustainability risks – Pag. 67; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Integrated management of sustainability risks – Pag. 67.
	103-3	Evaluation of the management approach		Integrated management of sustainability risks – Pag. 67.
	412-1	Operations that have been subject to human rights reviews or impact assessment		Integrated management of sustainability risks – Pag. 67; Human rights due diligence – Pag 97-98.

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
205: Anti-corruption	103-1	Explanation of the material topic and its Boundary		Ethics and Integrity – Pag. 74-76, 78-79; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Ethics and Integrity – Pag. 74-76, 78-79.
	103-3	Evaluation of the management approach		Ethics and Integrity – Pag. 74-76, 78-79.
	205-2	Communication and training about anti-corruption policies and procedures		Ethics and Integrity – Pag. 74-76, 78-79.
	205-3	Confirmed incidents of corruption and actions taken		Ethics and Integrity – Pag. 76.
206: Anti-competitive behavior	103-1	Explanation of the material topic and its Boundary		Ethics and Integrity – Pag. 76-77; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Ethics and Integrity – Pag. 76-77.
	103-3	Evaluation of the management approach		Ethics and Integrity – Pag. 76-77.
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Ethics and Integrity – Pag. 77.
207: Tax (2019)	103-1	Explanation of the material topic and its Boundary		The Group's Fiscal Strategy – Pag. 80-83; Description of material topics - Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		The Group's Fiscal Strategy – Pag. 80-83;
	103-3	Evaluation of the management approach		The Group's Fiscal Strategy – Pag. 80-83.
	207-1	Approach to tax		The Group's Fiscal Strategy – Pag. 80-83; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	207-2	Tax governance, control, and risk management		The Group's Fiscal Strategy – Pag. 81.
	207-3	Stakeholder engagement and management of concerns related to tax		The Group's Fiscal Strategy – Pag. 80-83.
	207-4	Country-by-country reporting		The Group's Fiscal Strategy – Pag. 82-83; Attachments – Tax – Pag. 179-185.
418: Customer privacy	103-1	Explanation of the material topic and its Boundary		Ethics and Integrity – Pag. 77-78; Cyber security – Pag. 85-87; Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Cyber security – Pag. 85-87.
	103-3	Evaluation of the management approach		Cyber security – Pag. 85-87.
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Ethics and Integrity – Pag. 78 Cyber security – Pag. 87.

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
<b>307: Compliance ambientale</b>	103-1	Explanation of the material topic and its Boundary		Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209; Ethics and Integrity – Pag. 74.
	103-2	The management approach and its components		Integrated management of sustainability risks – Pag. 63.
	103-3	Evaluation of the management approach		Integrated management of sustainability risks – Pag. 63; Environmental Performance – Pag. 145.
	307-1	Non-compliance with environmental laws and regulations		Environmental Performance – Pag. 145.

## MATERIAL ISSUES NOT COVERED BY GRI ASPECTS

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
<b>Customer centricity</b>	103-1	Explanation of the material topic and its Boundary		Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Customer centricity – Pag. 160-165.
	103-3	Evaluation of the management approach		Customer centricity – Pag. 160-165.
<b>Technological development and Eco-design innovation</b>	103-1	Explanation of the material topic and its Boundary		Description of material topics – Pag. 208; Analysis of the Topic boundary of material aspects for the Prysmian Group – Pag. 209.
	103-2	The management approach and its components		Sustainable Innovation – Pag. 130; Environmental Responsibility – Pag. 143-144.
	103-3	Evaluation of the management approach		Sustainable Innovation – Pag. 130; Environmental Responsibility – Pag. 143-144; Challenging targets for 2022 – Pag. 48-49



## SASB INDEX

For purposes other than those related to compliance with the requirements of Legislative Decree No. 254/2016, the 2020 Consolidated Disclosure of Non-Financial Information has introduced additional KPIs specific for the sector in which Prysmian Group operates, taking into account the indicators published by the Sustainability Accounting Standards Board (SASB).

Sector - Industry	Resource Transformation - Electrical & Electronic Equipment		
General Issue Category	Disclosure	Description	Chapter/Page
Business ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Ethics and Integrity – Pag. 74-79.
Business ethics	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Ethics and Integrity – Pag. 76.
Business ethics	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Ethics and Integrity – Pag. 77
Product Design & Lifecycle Management	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency related products	Prysmian Group for the energy transition – Pag. 30.
Energy Management	RT-EE-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Environmental Performance – Pag. 145-146, 155; Attachments – Environment - Pag. 194-195.
Waste & Hazardous Materials Management	RT-EE-150a.1	Amount of hazardous waste generated, percentage recycled	Environmental Performance – Pag. 149-151; Attachments – Environment – Pag. 197-200.
Materials Sourcing	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Governance and Risk Management – Pag. 67; Responsible and sustainable value chain – Pag. 172.

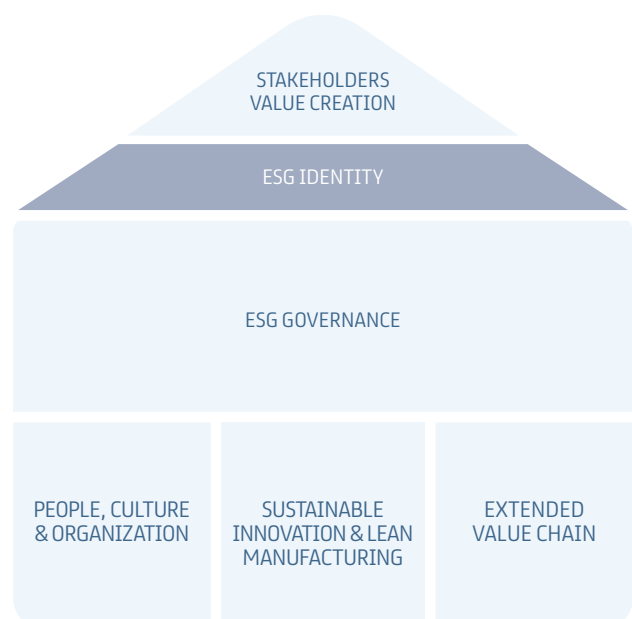
Sector - Industry	Infrastructure - Engineering & Construction Services		
General Issue Category	Disclosure	Description	Chapter/Page
Business ethics	IF-EN-510a.2.	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	Ethics and Integrity – Pag. 76-77;
Business ethics	IF-EN-510a.3.	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	Ethics and Integrity – Pag. 74-79.
Employee Health & Safety	IF-EN-320a.1	1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Occupational health and safety – Pag. 111-112; Attachments – Salute e sicurezza – Pag. 191-193.



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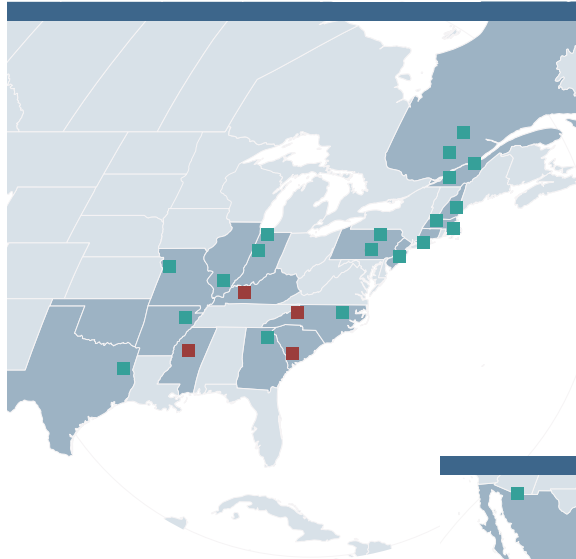
## 02\_ESG IDENTITY

*Presenting the sustainability of Prysmian means presenting that which Prysmian has decided to be and to become as a sustainable entity. This chapter discusses the foundations for our ESG Identity and what that means in terms of commitment, involvement and future responsibilities. From our ESG pillars to our industrial leadership, which places us at the centre of the energy transition and digitalisation; from our values to the systems that measure them; through to the strategies for sharing this ESG Identity with our stakeholders.*



# A truly global Group

*Prysmian operates in over 50 countries worldwide, with 104 plants and approximately 28,000 employees. Our business model is diversified by portfolio and geographical area.*



## NORTH AMERICA

**23**  
plants

Canada  
St. Maurice  
St. Jerome  
Saguenay  
Prescott

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

Williamsport  
Willimantic  
Lawrenceburg  
Abbeville  
Bridgewater  
Claremont  
Lexington  
North Dighton  
Schuylkill Haven



**13**  
plants

## LATAM

Argentina  
La Rosa

Brazil  
Joinville  
Poços de Caldas  
Sorocaba Boa Vista  
Sorocaba Eden  
Vila Velha

Chile  
Santiago

Colombia  
Bogotá

Costa Rica  
Heredia

MEXICO  
Durango  
Tetla  
Piedras Negras  
Nogales

### KEY

- Energy
- Telecom
- Shared

**+50** countries

---

**104** plants

---

**25** R&D centers

---

about

**28,000** employees

---

**4**<sup>17</sup> cable-laying ships

17 The cable-layer Leonardo da Vinci will be operational from 2021.

**48**  
plants

**EUROPE**

**Czech Republic**  
Velke Mzirici

**Estonia**  
Keila

**Finland**  
Pikkala  
Oulu

**France**  
Calais  
Douvrin  
Sainte Geneviève  
Amfreville  
Paron  
Charvieu  
Cornimont  
Gron  
Chavanoz  
Montreau

**Germany**  
Wuppertal  
Berlin  
Nurnberg  
Nordenham  
Neustadt  
Schwerin

**Hungary**  
Kistelek  
Balassagyarmat

**Italy**  
Battipaglia  
Giovinazzo  
Livorno  
Merlino  
Pignataro M,  
Quattordio  
Arco Felice

**Norway**  
Drammen

**Portugal**  
Morelena

**Romania**  
Milcov  
Slatina

**Russia**  
Rybinsk

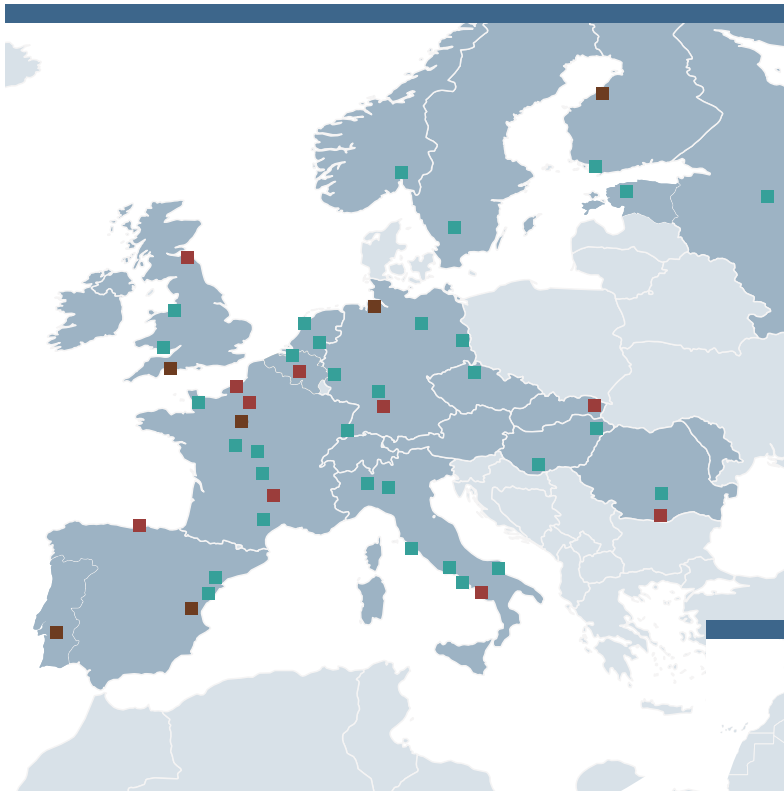
**Slovakia**  
Presov

**Spain**  
Abrera  
Santa Perpetua  
Villanueva  
Santander

**Sweden**  
Nassjo

**The Netherlands**  
Eindhoven  
Delft  
Nieuw Berger  
Emmen

**U.K.**  
Washington  
Wrexham  
Bishopstoke  
Aberdare



**7**  
plants

**MEAT**

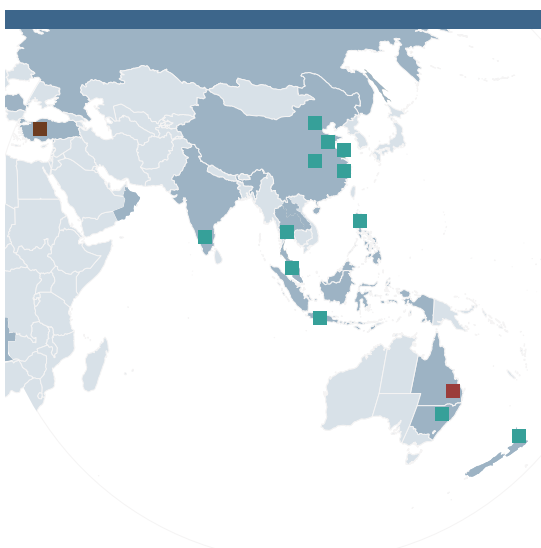
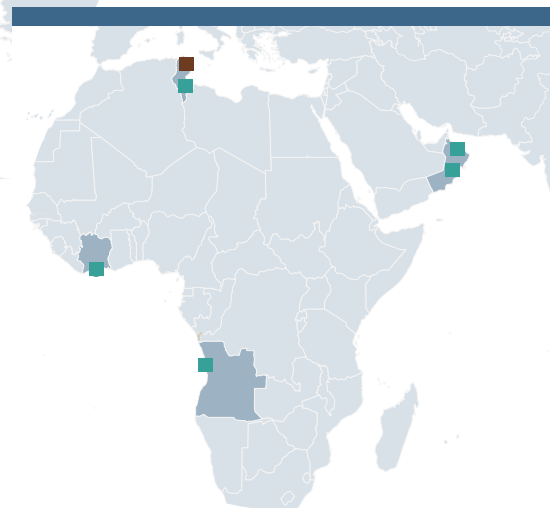
**Angola**  
Luanda

**Ivory Coast**  
Abidjian

**Oman**  
Sohar  
Muscat

**Tunisia**  
Grombalia  
Menzel Bouzelfa

**Turkey**  
Mudanya



**13**  
plants

**APAC**

**Australia**  
Liverpool  
Dee Why

**China**  
Zhongyao  
Haixun  
Yixing  
Tianjin  
Suzhou

**India**  
Chiplun

**Indonesia**  
Cikampek

**Malaysia**  
Melaka

**New Zealand**  
Auckland

**Philippines**  
Cebu

**Thailand**  
Rayong



# Leadership in high-tech markets

*Our ESG Identity is underpinned by solid leadership in the power and telecom cable systems industry. As such, we are at the centre of the transition to a low carbon economy. Our vision of the future is founded on this role.*

Prysmian Group is world leader in the power and telecom cable systems industry. With sales in excess of 10 billion euro and about 28,000 employees, our heavily international presence is evidenced by 104 plants in more than 50 countries. The Group has a consolidated presence in technologically advanced markets, offering a broad range of products, services, technologies and know how are offered to manufacturers that use cabling systems in the production and distribution of energy and telecommunications.




Sales of over **€ 10 bln** 104 production plants in more than 50 countries

Established as Pirelli Cables at the end of the 1800s, the Prysmian Group has grown by acquisitions: from absorption of the activities of Siemens and Nokia in the power cables sector, to the more recent acquisition of the Draka group, based in the Netherlands, and, in 2018, to the absorption of General Cable, a US group. These aggregations sustained expansion of the range of products and services, with constant innovations, improving standards and a greater geographical presence, which is a strength when serving regional market needs. The evolution of the Group over the years has highlighted not only the expansion of our know-how and technological capabilities, but also our operational ability to identify synergies and reduce costs, thereby becoming an industry leader in the area of operational efficiency as well. Our operations are constantly driven by a set of strong beliefs that support our ESG identity in what we do and in how we do it, as well as in our vision for the future. These convictions translate into the concepts of Values, Mission and Vision.



## BUSINESS AREAS

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

Energy	Projects	Telecom
 <p>Comprising business segments that offer a complete and innovative portfolio of products designed to satisfy the many needs of the markets served. This macro-area is organised as follows: Energy &amp; Infrastructure, which includes Trade &amp; Installers, Power Distribution and Overhead Transmission Lines, and Industrial &amp; Network Components, which includes Oil &amp; Gas, Elevators, Automotive, Network Components, Specialties &amp; OEM (serving in turn the following sectors: Cranes, Mining, Railways, Rolling Stock, Marine and Renewables - cables for the solar energy industry and for the operation and connection of wind turbines) and Electronics (Asset Monitoring Solutions).</p>	 <p>Comprising high-tech and high value-added businesses focused on the design, production and customisation of HV and EHV cabling systems for terrestrial and submarine applications. The Group develops pioneering "turnkey" submarine cable systems for installation at depths of up to 3,000 metres, assisted by its cable-laying fleet comprising the Giulio Verne, the Cable Enterprise and the Ulisse (as well as the Leonardo da Vinci, which will become operational in 2021). Prysmian Group also offers advanced services for terrestrial and submarine interconnections between various countries and between offshore wind farms and the mainland, used for both the generation and distribution of electricity.</p>	 <p>Comprising businesses devoted to making the cabling systems and connectivity products used in TLC networks. The product portfolio includes optical fibre, optical cables, connectivity components and accessories, OPGW (Optical Ground Wire) and copper cables. The Group is also among the leaders in the production of optical fibre - the essential component of all types of optical cables. A wide range of optical fibres is designed and made using proprietary technology to cater to the broadest possible spectrum of customer applications: single-mode, multimode and specialty fibres. In both cables and connectivity, the Group focuses on the design of products that provided greater density in a smaller diameter, with ease of use and optimal fibre management.</p>

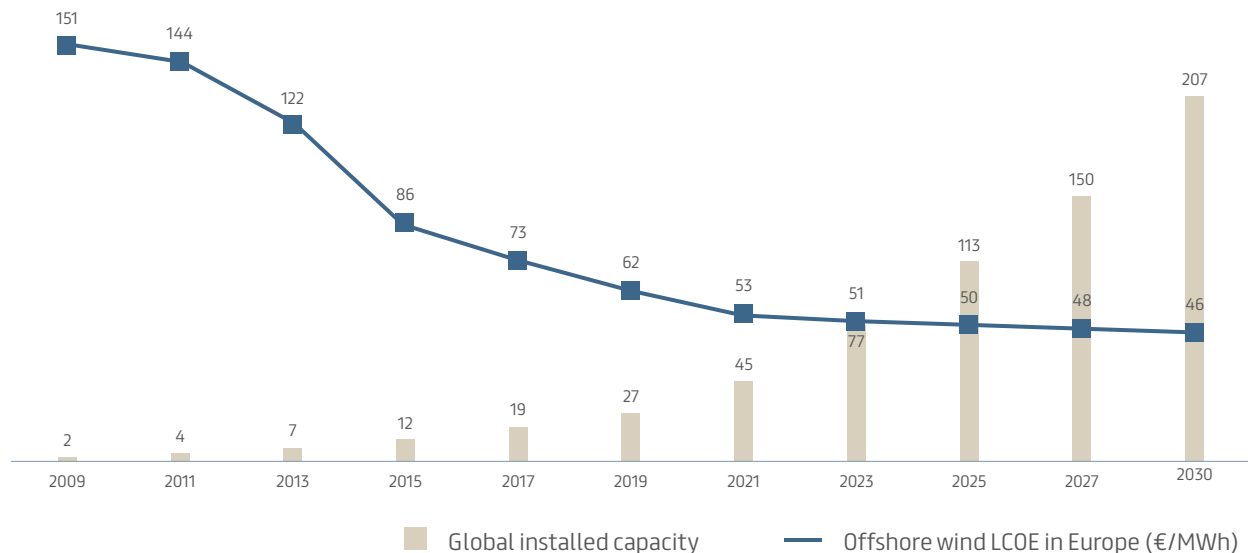
# Prysmian Group for the energy transition

*We explain how our Vision leads us into a world of cleaner energy that is more intelligent and efficient. Our technology enables us to play a central role in the energy transition towards a decarbonised economy.*

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

The energy transition from fossil fuels to renewable sources is one of the greatest and most urgent challenges faced by humanity. The production of electricity and heat generates 25% of all global CO<sub>2</sub> emissions. The European Union was one of the first economies to make a formal commitment by establishing objectives for 2030. By signing the new Green Plan, the European Commission seeks to become carbon neutral by 2050, highlighting the priority need for an integrated energy market that is both digitalised and interconnected with renewable sources. Renewable energy must be transmitted from the places of production (including offshore wind farms) to the places of consumption (communities and urban centres), ensuring a constant flow of energy at a grassroots level. Cable technology will be decisive in this scenario, making it possible to improve the grids needed for this energy transition, while optical fibre will enable the digitalisation of society as an essential step in the development of a low-carbon economy and a new growth model.

## MARKET EVOLUTION: THE LONG TERM PERSPECTIVE



Offshore wind: Global installed capacity (GW, navy bars) vs LCOE in Europe (€/MWh)

Source: Goldman Sachs Global Investment Research, IRENA

**PRYSMIAN A CLEAR BENEFICIARY AND ENABLER OF ENERGY TRANSITION**

**1**

GW of offshore wind requires:

- Submarine Transmission cable (AC or DC)
- Land Transmission Cable (AC or DC)
- Inter-Array cables (MV 33 or 66kV)
- Installation for all

Approx. value for all these items on average **300 € million per Gigawatt**

**2**

Factors that increase cable market:

- Distance from shore
- German legislation

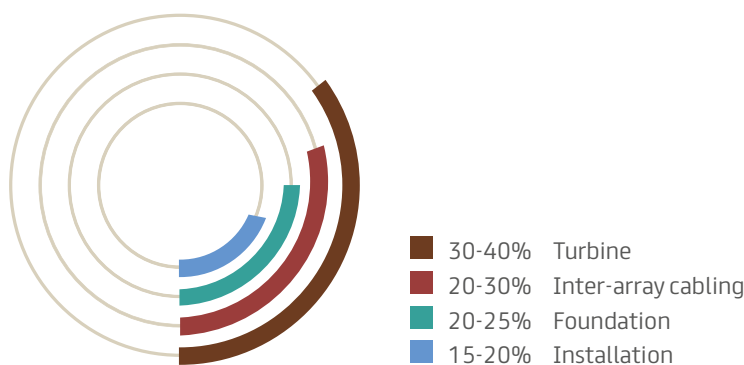
**3**

IEA estimate **1.3 trillion euro** to be invested in Offshore Wind from 2020 to 2040, implying 250 billion euro in cabling in the same period

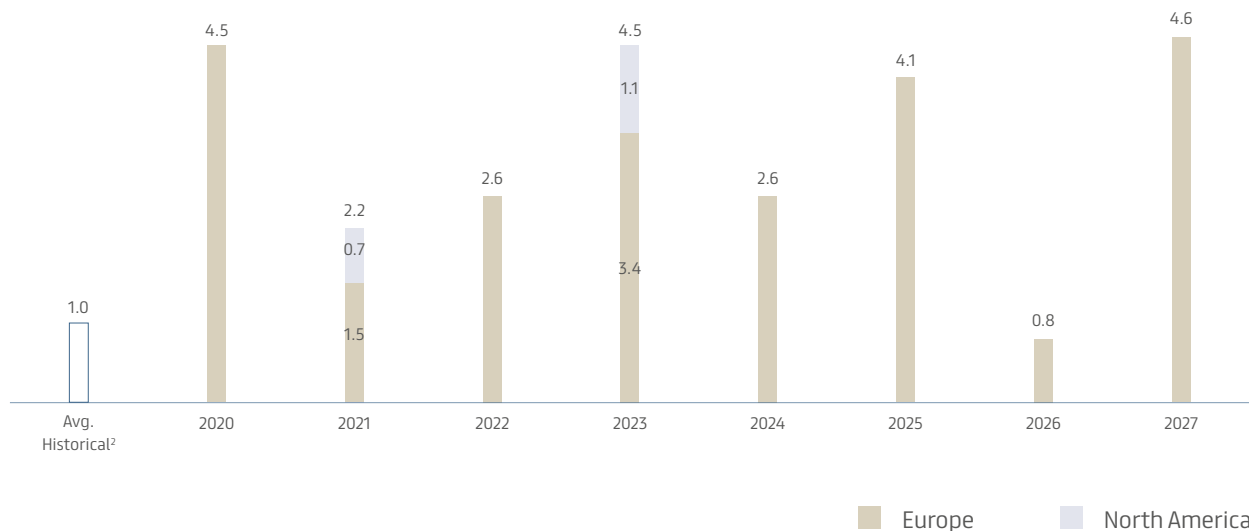
CLIMATE-RELATED INFORMATION

*Indicative shares of capital cost by component*

*Split based on historical figures and projecting the cost per GW*



**INTERCONNECTORS EXPECTED ORDERS BY REGION (B€, commercial award year) <sup>1</sup>**



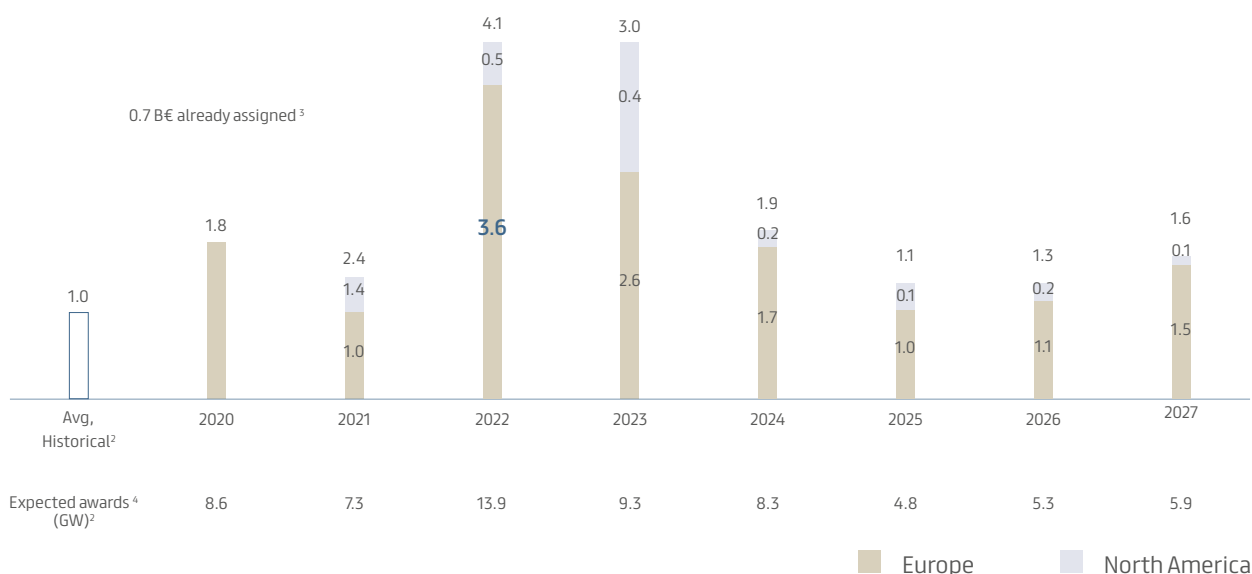
Sources: ENTSOE, Prysmian

<sup>1</sup> Avg, 3.9 years of anticipation of ordering date vs start-up date.  
<sup>2</sup> Last 5 years average.  
<sup>3</sup> A North. Ariadne Connection. SuedLink. SuedOst Link.

**Highlights**

- From the commercial perspective, the pipeline is expected to lead to 26 B€ of new orders in 2020-2027 (avg. 3.2 B€/yr)
- Values including the supply of interconnector cables as well as the installation works

## OFFSHORE WIND EXPECTED ORDERS BY REGION (B€, commercial award year) <sup>1</sup>



<sup>1</sup> Based on expected commissioning of pipeline, assuming an anticipation of ordering date by 3 years when not specified.

<sup>2</sup> Last 5 years average (2015-2019).

<sup>3</sup> Parc des Iles d'Yeu et de Noirmoutier, Projet éolien en mer de la Baie de Saint-Brieuc, Hollandse Kust Zuid Holland I and II – Chinook, Dogger Bank A/B.

<sup>4</sup> Total expected awards of 63.4 GW. With respect to the 67.2 GW of pipeline 2020-2030, it does not include 5.4 GW of projects awarded before 2020 and still in administrative / authorized phase, and it includes 1.6 GW of projects with commercial award year between 2020 and 2027, but start up year >2030.

Sources: 4COffshore, Insight Report, Prysmian

### Highlights

- From the commercial perspective, the pipeline is expected to lead to 17 B€ of new orders in 2020-2027 (avg. 2.1 B€/yr)
- Values including the supply of inter-array and export as well as the installation works
- No impacts on inter-array cable needs expected vs current values due to the potential increase in the size of the turbines

In 2020, the commitment of Prysmian Group to the energy transition towards a low-carbon economy translated into 48% of total Group revenues attributable to products, using the Climate Bond Initiative taxonomy, that facilitate the energy transition and achievement of the COP 21 target, as well as the digitalisation of grids. The Group also announced investment totalling 450 million euro by 2022 in order to improve further the sustainability of its organisation and supply chain, and accelerate the development of advanced cable technologies, assets and services. The new project, supported by **Carbon Trust**, seeks to establish **scientific carbon reduction objectives** for the Prysmian Group, taking into consideration the Scope 1 & 2 (own organisation) and Scope 3 (value chain) GHG emissions. Objectives for the reduction of carbon emissions are considered "**Science-Based Targets**" if consistent with those deemed necessary by climate science in order to achieve the Paris accord objectives: limit global warming to less than 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

**48%**

total Group revenue from  
"low carbon enabling" products

**450**

mIn € of investment by 2022



# WE ARE AMBITIOUS ABOUT DIGITAL

## TOP 3 TARGETS

FROM PURE CABLE SUPPLIER  
TO A #SOLUTIONPROVIDER

By scaling at full speed  
to accelerate value delivery

### DIGITAL PRODUCT

Sustain growth creating  
& integrating software  
solutions at scale

LEVERAGING  
#DATAEXPLOITATION TO  
IMPROVE PRODUCT  
AND SERVICE QUALITY

By designing value roadmap  
and measuring its impact

### DO MORE WITH LESS

Optimize business performance  
through digital solutions and  
automation

INVESTING IN DIGITAL  
TECHNOLOGY AND CULTURE  
TO SUPPORT A #NEWLEADERSHIP

By re-positioning our company  
as a digital player in the market

### DIGITAL PLANKTON

Building next generation skills  
nurturing customers and people  
digital needs

## INNOVATIVE CABLE TECHNOLOGY

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

Cables are an essential component of the energy transition, representing the backbone of power grids and facilitating the distribution and transportation of energy between various areas marked by different consumption patterns.

### Distinctive characteristics:

Cables are the backbone of power grids, without which it would not be possible to transmit and transport energy from one country to another.

Cables make the entire power grid more efficient, facilitating the exchange of energy between different countries/consumption areas with different consumption patterns. Accordingly, they enable consumers to obtain access to cheaper and cleaner energy.

Submarine cables transmit clean and sustainable energy from offshore wind farms to the mainland, where the primary distribution network is located.

Terrestrial cables ensure greater integration between the various power grids, balancing demand and supply and transmitting electricity from the areas in which it is generated (the landfall of submarine cables) to the places where it is consumed.



### The research objectives of Prysmian Group:

Cables that can be installed at ever greater depths and in any marine environment, even reaching a depth of 3,000 metres, partly as a result of lower weight reinforcements.

Ever longer interconnections, to link countries that are far apart or cable the floating wind farms located far offshore in more windy areas that provide a constant flow of electricity.

Increase the intrinsic reliability of cables, limiting their dispersion, and equipping them with sensors capable of monitoring the system.

Increase cable productivity, contributing to a significant reduction in system installation costs. Higher performance and more reliable cables help to optimise installation costs.

With regard to optical fibres, ensure ever greater levels of flexibility without degrading the signal quality. The 5G challenge requires the market to make an infrastructure effort almost without historical precedent.



# Sustainability in our DNA

*We have decided to build social, environmental and governance factors into our DNA. This path represents a natural evolution of our nature as a public company and the decision to be people-centric, consistent with the model of stakeholder capitalism adopted.*



## Public Company

Prysmian Group is, in primis, a **public company** with a broad shareholder base and, as such, it is fundamental to align the interests of the Group with those of all stakeholders. This special nature requires an ability to develop open and transparent dialogue with our shareholders, employees, customers and suppliers, with the institutions and with the communities in which we work.

Prysmian Group has always invested in these values of stakeholder capitalism, striving to comply with the highest international standards of governance. For example, 67% of Board members are independent and 42% are women. Integrity as a corporate value is expressed using a series of instruments and policies disseminated throughout the entire organisation, including: the Code of Ethics, the anti-corruption policy, privacy and data protection, and the helpline programme.



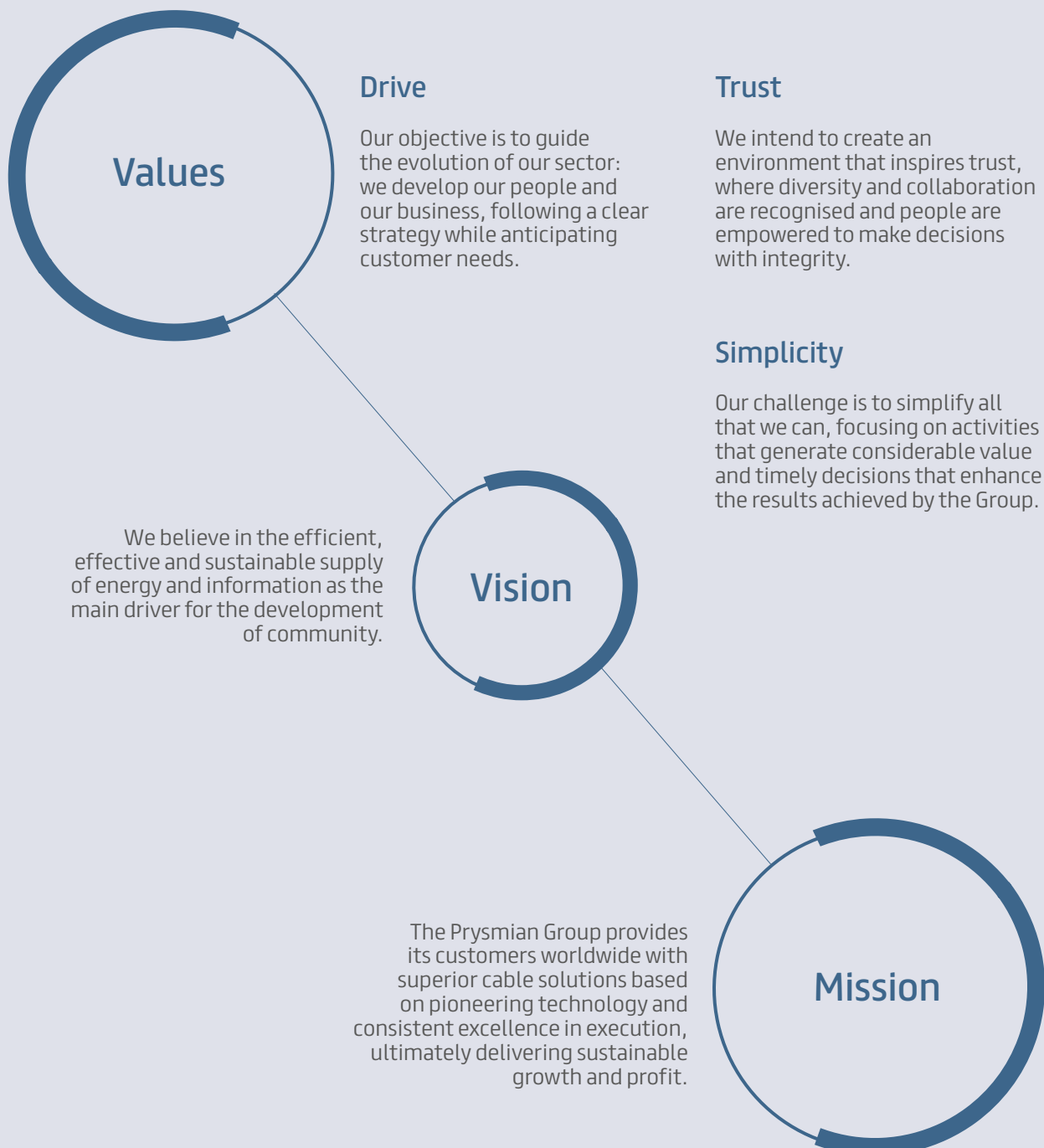
## People Company

Prysmian Group is people-centric, supporting and recognising the abilities of those who work for the Group and for the community in which it operates. To achieve this, continuous multi-disciplinary and specialist training programmes have been developed for employees.

Out of around 28,000 employees, about one third are stable shareholders. Together with management, these employees own more than 3% of the share capital, investing directly in the Company and demonstrating their confidence in us.

# Values, Mission, Vision

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



# SDGs – Sustainable Development Goals

*Discussing sustainability today means describing our ability to create shared value for our stakeholders. This approach, which characterises our DNA as a public company, has resulted in the definition of a strategic sustainability plan that is ambitious and sustainable, consistent with international standards. This section describes how we tackled the challenge of incorporating the various ESG aspects that link Prysmian's People, our principal stakeholder, with our sustainable objectives.*

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

The ESG strategy of Prysmian Group is sustained by three strategic pillars:

## Priority

### SUSTAINABLE AND INNOVATIVE SOLUTIONS FOR THE BUSINESS

Facilitate the deployment of accessible energy and innovation in telecommunications and infrastructure

### RESPONSIBLE USE OF ENERGY AND WATER RESOURCES

Pursue the responsible consumption of natural resources and sustainable supplies

### DEVELOPMENT OF PEOPLE AND COMMUNITIES

Contribute to the development of people and local communities

## Action

1. Develop innovative products and solutions that support improvement of the sustainability of telecommunication and energy infrastructures.
2. Boost the sale of high quality, reliable and "green" products and services.
3. Contribute to the universal dissemination of energy and telecommunications via reliable and accessible infrastructure.
4. Facilitate access to clean energy, via the development of solutions for the producers of renewable energy and support for the research into sustainable technologies.
5. 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.
6. Promote sustainable business practices between our suppliers and business partners.
7. Participate in and contribute to the socio-economic development of the communities in which the Group operates, via the adoption of an appropriate Corporate Citizenship and Philanthropy policy.
8. Promote ethical conduct and the training and professional growth of personnel, protect diversity and the rights of workers and develop a healthy workplace environment.
9. Develop effective, transparent and responsible communications with stakeholders.



The long-term strategy translates into a search for stable equilibrium, balancing the adoption of innovative and efficient processes [organisation], the responsible management of performance throughout the entire value chain [operations], the safeguarding of personnel and the recognition of talent [people].

The Group completed the priority definition process in 2016. Analysis considered the main global and industry trends, the 17 Sustainable Development Goals for 2030 (SDGs) defined by the United Nations, requests from major International Sustainability Indexes (Dow Jones Sustainability Index, FTSE4GOOD, CDP, Bloomberg ESG, etc.) and the needs and expectations of our stakeholders.

## Sustainability strategy

SUSTAINABILITY INDICES	UN SDGS	STAKEHOLDERS
DOW JONES SUSTAINABILITY INDEXES	 	 Employees
CDP	 	 Customers and Business Partners
STANDARD ETHICS	 	 Institutions and Governments
FTSE4GOOD	 	 Universities and Research Centers
ECOVADIS SUPPLIER SUSTAINABILITY RATINGS	 	 Society and Communities
STOXX	 	 Shareholders and Financial institutions
BLOOMBERG	 	 Suppliers and sub-contractors
CLEAN 200	 	
MSCI	 	
SUSTAINALYTICS		

The Prysmian Group has implemented concrete actions designed to achieve the sustainability objectives identified in the scorecard. In particular:



### **MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE**

Increase the percentage of cables covered by the carbon footprint calculation: to this end, a platform has been implemented that can calculate the carbon footprint of various types of cable (Common Analysis).



### **ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL**

Develop innovative solutions that contribute actively to the transition towards the use of renewable sources and the digitalisation of networks, such as cables for the production and distribution of solar and wind energy, undersea cables for interconnections between countries and optical fibre cables.



### **TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS, REGULATING EMISSIONS AND PROMOTING THE DEVELOPMENT OF RENEWABLE ENERGY**

Increase the number of plants with environmental, health and safety management certification.

Investments and other initiatives designed to reduce GHG emissions.



### **ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS**

Increase third-party audits in specific areas, such as governance, the environment and human resources.



### **ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS**

Increase the percentage of women in executive positions via the adoption of specific “diversity and inclusion” programmes, such as the “Side-by-Side” project for the promotion of diversity within the business, and the mentoring of female talents, such as the WLP (Women Leadership Programme).



# Create value with Stakeholder engagement

*Our path towards the creation of shared value involves constant engagement with our stakeholders. This section discusses our activities in the principal international organisations. We also explain how we work with our stakeholders to define the materiality matrix that guides the ESG path of the Group.*

## DIALOGUE WITH STAKEHOLDERS

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

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

Multi-stakeholder engagement initiatives are an integral part of the Group's growth strategy, as well as an effective communications channel.

The purpose of these initiatives is to:

- identify ideas for improvements that lead to product and process innovation;
- improve the management of reputational and other risks;
- inform, engage and build the awareness of stakeholders regarding various aspects of importance to the Group and the society in which it works;
- identify the needs, problems and expectations of stakeholders in order to integrate them into the Group's strategy and develop a relationship based on trust and transparency.

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

In particular with regard to sustainability matters, Prysmian has organised several multi-stakeholder engagement events over the years, in which stakeholders are invited to actively participate and discuss:

- identification of the main impacts (positive and/or negative) of the Group's activities throughout the Prysmian value chain, including additional new actions that the Group may implement to contribute to sustainable development;
- assessment and prioritisation of sustainability issues through a structured survey aimed at bringing the contribution of external stakeholders into the materiality analysis;

- assessment, via an interactive workshop, of their perception of the Group's initiatives and activities regarding the targets of the Sustainability Development Goals (SDGs).

The multi-stakeholder event known as the "Prysmian Sustainability Day", organised once again by the Group in 2020, was held on a virtual basis for the first time due to the special global situation. This event, live streamed in November, was attended by more than 2,000 persons around the world who watched management and Group employees talk about their experiences with initiatives developed by Prysmian on specific sustainability topics, such as diversity&inclusion and innovation.

Following this digital event, 3 specific meetings were held to discuss with stakeholders the principal global challenges faced by Prysmian and the new opportunities emerging on the world stage. The topics included: climate change and the environmental impact of the manufacturing sectors, the importance of diversity within businesses and the welfare policies adopted in favour of employees, as well as the growing and strategic importance of digital innovations for business continuity.

At around the same time, the Group also conducted a survey of key external stakeholders (customers, suppliers, universities and research centres, investors and trade unions) in order to reach a larger number and obtain additional feedback.

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

## **INVESTOR RELATIONS**

Creating value for shareholders and other stakeholders is a key priority for Prysmian, whose policy of strategic and financial communication is directed towards the highest standards of accuracy, clarity and transparency. Actions and procedures are designed to provide the market with credible information about the business, with a view to boosting confidence in the company and facilitating a long-term approach to investment in our shares. Every effort is made to avoid biased disclosures and ensure that all current and potential investors receive the same information, so that balanced investment decisions can be made.

Upon publishing its quarterly data, Prysmian organises conference calls with institutional investors and financial analysts and also invites specialist media representatives to take part. In addition, the Company promptly informs existing and potential shareholders about any action or decision that could have a material impact on their investment. Relations with the financial market were intense during 2020, with more than 500 conference calls and one-on-one or group sessions, which were essentially all held as virtual meetings due to the Covid-19 pandemic. The Company also participated in numerous conferences organised at sector level by leading international brokers (virtual meetings from March onwards), as well as a number of topic-specific road shows (e.g. Energy Transition, Telecom Developments, Innovation).

In addition, the ever increasing attention paid by ESG investors to environmental, social and governance matters was further confirmed by their growing attendance at meetings and conferences held specifically for them. The coverage of Prysmian shares by analysts remains very high, with wide geographical diversification. There are 20 independent analysts who regularly cover the Prysmian stock: AlphaValue, Banca Akros, Banca Profilo, Bestinver, Barclays Capital, BofA

Merrill Lynch, Citi, Credit Suisse, Equita, Exane BNP Paribas, Goldman Sachs, Hammer Partners, HSBC, Intermonte, Intesa Sanpaolo, JP Morgan, Kepler Cheuvreux, Mediobanca, Morgan Stanley, Societe Generale.

**500**

**conference calls  
or one-on-one  
or group sessions**

**20**

**20 offices of independent  
agencies monitor Prysmian's stock**

The Investor Relations function has maintained constant contacts with institutional investors, not least via the website [www.prysmiangroup.com](http://www.prysmiangroup.com), which includes the recordings of conference calls and presentations to the financial community, corporate documentation, press releases and all other information relating to the Group, in both Italian and English. The Investor Relations section also includes the financial calendar, documents relating to shareholders' meetings, the Code of Ethics, the contact details of analysts who cover the stock as well as specific sections about Corporate Governance, Risk Factors and Share Performance.

Contact details for the Investor Relations Office:

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☎ +39 02 6449 1

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## PRYSMIAN GROUP IN THE ESG INDICES

Index	Description	2018	2019	2020
	The DJSI is based on an analysis of Group economic, environmental and social performance.	Rank: 79/100 (ELQ World) (not included)	Rank: 84/100 (ELQ World) included and ranked as 2 <sup>nd</sup>	Rank: 87/100 (ELQ World) included and ranked as 2 <sup>nd</sup>
	The CDP is the most recognised NGO in the world for the assessment of transparency in disclosure by companies of climate change information.	Climate Change Score: B (World)	Climate Change Score: B (World)	Climate Change Score: B (World)
	The Standard Ethics Italian Index is an open-free stock market index with a focus on governance and sustainability.	Score: EE+	Score: EE+	Score: EE+
	The FTSE4Good Index Series are equity indexes launched in 2001 by the FUSE Group to measure the performance of companies that demonstrate strong Environmental, Social and Governance (ESG) practices.	Score: 3.9/5	Score: 3.9/5	Score: 4.0/5
	EcoVadis is a platform that allows companies to monitor the sustainability performance of their suppliers through an assessment.	2018 Score: N/A	2019 Score: 73/100 (Gold)	Score: 76/100 (Platinum)
	The Stoxx ESG Indices are a new group of indices. Their ratings are based on specific environmental, social and governance performance indicators in addition to overall sustainability performance.		Included (STOXX Italy 45 ESG-X and STOXX Europe 600 ESG-X)	Included (STOXX Italy 45 ESG-X and STOXX Europe 600 ESG-X)
	Bloomberg collects Environmental, Social and Governance data from corporate public communications. Bloomberg ESG Disclosure Scores evaluates companies on the basis of their disclosure of ESG data, in consideration of the relevant industries.	Score: 40.1/100	Score: 40.5 <sup>18</sup> /100	Score: 45/100
	Carbon Clean 200 is a report produced by Corporate Knights that classifies 200 leading firms in terms of their clean energy sales.	Rank: 58/200	Rank: 101/200	Rank: 47/200
	The MSCI ESG Ratings seek to measure the resilience of a company to long-term and financially significant ESG risks.	Score: BBB	Score: A	Score: A
	The ESG Risk Rating provides an overall score for the firm based on an assessment of how much it is exposed to ESG risks and the extent to which they are not managed. The more these risks are not managed, the greater the ESG Risk Rating score.			Risk: 26,1 (Medium) <sup>19</sup>

<sup>18</sup> Data restated with respect to that reported in NFS 2019 (40.9).

<sup>19</sup> Range: 0 (Low risk)-40 (High risk). On 4 March 2021 the statistic was 25.9.



# Materiality matrix

In order to identify the latest trends in sustainability, integrate the expectations of stakeholders within the activities of the organisation and define reports that satisfy the requirements of stakeholders and the priorities of the Group, Prysmian launched a process in 2020 to update the materiality analysis in order to identify the most significant sustainability issues for its business.

The matrix update process had two phases:

## 1. Desk analysis

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

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

Based on the results of benchmarking, a number of topics were included, renamed, aggregated or eliminated.

With respect to the 2019 matrix and the results of benchmarking, the following changes were made in the 2020 materiality analysis:

- inclusion of biodiversity as a topic;
- “Attracting talent and developing human capital” and “Company welfare and employee well-being” were grouped together as one topic: “Development of human capital and well-being”;
- The topic previously identified as “Corporate citizenship” was renamed “Community involvement”.

The updated list of topics assessed in 2020 is presented below:



### Prysmian's People

- Human capital development and well-being
- Multiculturalism, diversity and equal opportunity
- Occupational health and safety
- Respect for human rights and workers' rights



### Environment

- Energy efficiency and climate change mitigation & adaptation
- Waste management and recycling
- Efficient use of water resources
- Biodiversity
- Efficient use of raw materials



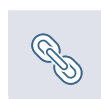
### Products

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



### Local communities

- Community involvement



### Supply chain

- Sustainable supply chain



### Corporate governance and compliance

- Business ethics and integrity
- Cyber security and data protection
- Governance and transparency

## 2. Assessment of topics

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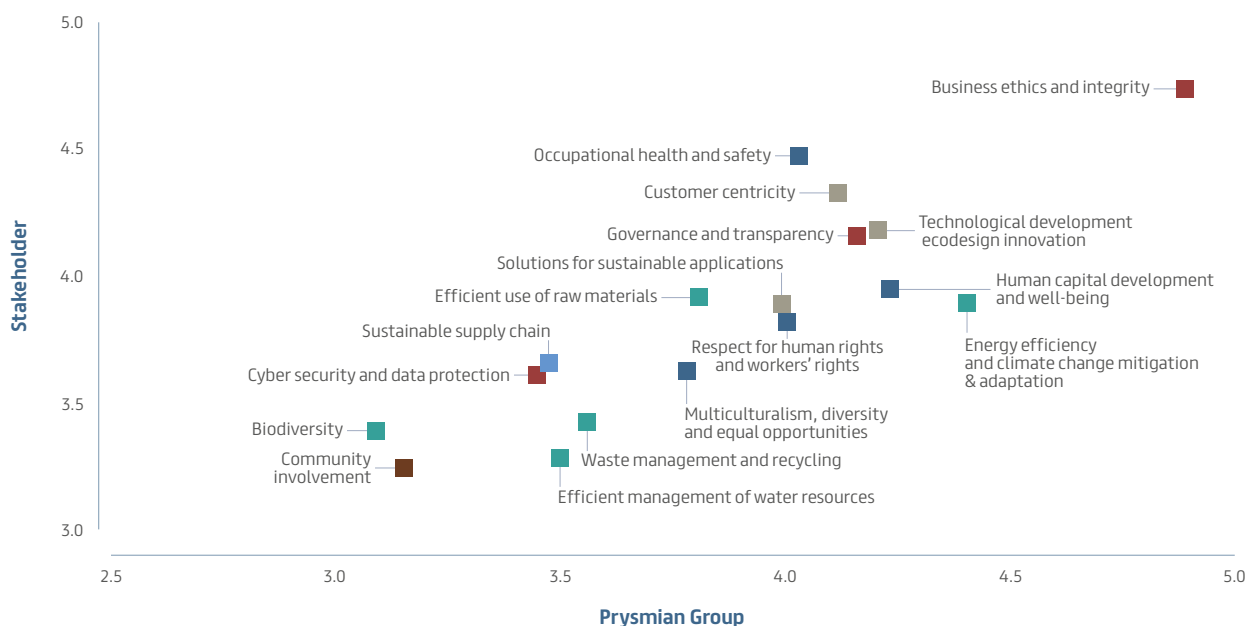
The topics were assessed by both external stakeholders and top management, assigning an order of priority (from 1 to 5) for them within the materiality matrix. The topics were assessed in 2020 during stakeholder engagement activities (digital event and subject workshops, surveys of external stakeholders, a “Speak-Up Survey” of employees and an internal survey of 400 senior leaders within the Group) and internal meetings (Sustainability Steering Committee and interviews with top level managers). The assessment was carried out in the manner recommended in the GRI standards, which call on organisations to focus attention on topics that are important for their business activities and their stakeholders. The materiality matrix provides an aggregated view of the importance of issues both for the Group and its stakeholders, in terms of the actual and potential impact of each on the Group’s ability to create value in the long run.

The finalised matrix was reviewed by both the Sustainability Steering Committee and the Sustainability Committee.

Downstream of this process, the issues have been gathered in a special reconciliation table under the areas of the Decree (environmental, human rights, social, anti-bribery, employees and transversal) in order to align the reporting with the express requirements of the Legislative Decree 254/2016.



2020 MATERIALITY MATRIX



LEGENDA

- Prysmian's People
- Environment
- Products
- Local communities
- Responsible supply chain
- Corporate governance and compliance

The three issues considered to be a priority both by the Group and by Prysmian's stakeholders are:

**Ethics and integrity:** this topic includes the Group's commitment to a business management model based on the most stringent standards of business ethics and integrity, especially with regard to the measures adopted to prevent both active and passive corruption.

**Occupational health and safety:** the Group intends to strengthen the systems for managing occupational health and safety, in order to reduce the number of injuries and occupational diseases and, via suitable training programmes, develop a culture of prevention and management covering these two aspects.

**Customer Centricity:** this topic includes the Group's commitment to a market approach that makes the customer and product quality central to all strategic and organisational decisions.

GRI 207 Taxation was not assessed by the stakeholders or the Group, but is considered material by the Group both as a contribution by the company to the countries in which it operates, and in terms of transparency towards our external stakeholders; accordingly, it has been addressed as part of the "Ethics and integrity" topic.

**CORRELATION TABLE LEGISLATIVE DECREE 254/2016, MATERIAL ASPECTS AND GRI ASPECTS**

Decree 254/16	Material aspects for Prysmian Group	GRI Aspects <sup>20</sup>
<b>Employees</b>	Human capital development and well-being	401: Employment
		404: Training and education
	Occupational health and safety	403: Occupational health and safety (2018)
<b>Anti-corruption</b>	Business ethics and integrity	205: Anti-corruption
<b>Human Rights</b>	Respect for human rights and workers' rights	402: Labor/Management Relations
		412: Human rights assessment
	Sustainable supply chain	414: Supplier social assessment
	Multiculturalism, diversity and equal opportunity	405: Diversity and equal opportunity
<b>Social</b>	Cyber security and data protection	418: Customer privacy
	Business ethics and integrity	207: Tax
	Governance and transparency	206: Anti-competitive behavior
	Community involvement	203: Indirect economic impacts
	Sustainable supply chain	204: Procurement practices
	Customer centricity	n.a.
<b>Environmental</b>	Business ethics and integrity	307: Environmental compliance
	Sustainable supply chain	308: Supplier environmental assessment
	Energy efficiency and climate change mitigation & adaptation	302: Energy
		305: Emissions
	Waste management and recycling	306: Effluents and waste
	Efficient use of water resources	303: Water (2018)
	Biodiversity	304: Biodiversity
	Efficient use of raw materials	301: Materials
Solutions for sustainable applications	301: Materials	
Technological development and Eco-design innovation	n.a.	

The Consolidated Disclosure of Non-Financial Information pursuant to Articles 3 and 4 of the Italian Legislative Decree No. 254/16 has been drawn up in accordance with the GRI Sustainability Reporting Standards ('in accordance – core' option), issued by the Global Reporting Initiative (GRI) in 2016. The document has been prepared taking into account all sustainability topics that are material to the Group and its stakeholders and are presented in the materiality matrix (see section "Materiality Matrix").

In addition, for reasons other than compliance with the requirements of Decree 254/2016, NFS 2020 includes additional specific KPIs for the sector in which the Group operates, having regard for the indicators published by the Sustainability Accounting Standards Board (SASB).

<sup>20</sup> Material aspects that cannot be linked to a specific GRI aspect are marked as "not applicable" (n.a.).

## ASSOCIATION MEMBERSHIPS

Prysmian leadership of the cables sector is evidenced by inclusion of the Group in the principal and most strategic global trade associations. Participation in their technical round-table discussions enables the Group to play a leading role, together with primary partners and international competitors, in defining the guidelines to be followed when pursuing sustainable innovation in the energy and telecoms sector, and in preparing technical solutions and standards.

As a leader in the cables sector, the Prysmian Group must play a proactive role in tackling promptly the new problems that emerge and finding solutions by sharing best practices with the entire sector. Accordingly, our inclusion in industry groupings that seek to improve the sustainability of the sector is strategic for the Group.

### **Europacable**

Synonymous with global technological leadership since 1991.

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

### **Friends of Sustainable Grids (FOSG)**

Non-profit association promoting a pan-European renewable electricity grid that efficiently offers secure and economically-accessible energy. The association mainly focuses on such topics as efficient governance, a harmonised regulatory approach and energy education.

### **Fibre to the Home (FTTH) Council**

Founded in 2004, this group with 150 members seeks to accelerate the dissemination of optical fibre connectivity. Its vision foresees a sustainable future made possible by the economic growth deriving from new services that use high-speed FTTH technology.

### **Wind Europe**

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



## Challenging targets for 2022

*To define a credible path towards sustainability, it is fundamental to set objectives and monitor the progress in their achievement. These are the targets which we are committed to achieving.*

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

It was necessary to **revise** the Scorecard following this integration, enabling Prysmian to take account of the change in perimeter and the time required to implement the required sustainability actions throughout the Group. As always, the process of making this revision took account of the suggestions received from stakeholders and the requirements of the Sustainability Indexes.

The Sustainability Scorecard has been updated to include the General Cable business, revising the KPIs and targets with 2019 as the baseline. The **new Sustainability Scorecard** comprises 16 challenging targets to be met by **2022**.








The entire process is monitored by the Sustainability Steering Committee, which is chaired by the Chief Sustainability Officer of the Group. These results are also agreed with and monitored by the Sustainability Committee established within the Board of the Group during 2020.

Commencing from January 2020, the spread in China of Covid-19 (a new coronavirus) had a significant impact on productive and commercial activities. The effects of Covid-19, until early March mainly found in China with warning signs in Italy, expanded rapidly throughout the world, causing the World Health Organisation (WHO) to declare Covid-19 a pandemic.

The measures adopted, as extended and heightened as a consequence of the global contagion, have had adverse effects on the economic cycle and productive activities, as well as on achievement of the sustainability targets defined by the Group.



## Our Sustainability Scorecard

SDGS	KPI	Baseline 2019	2020	Target 2022
	Percentage of product families covered by the carbon footprint measurement <sup>21</sup>	70%	84%	85%
	Percentage of annual revenues from low carbon-enabling products <sup>22</sup>	48%	48%	48% to 50%
	Percentage reduction in the emissions of greenhouse gases (Scopes 1 and 2)	889 ktCO <sub>2</sub> <sup>23</sup>	-8% <sup>24</sup>	-2% to -3%
	Percentage reduction in energy consumption	9.845 TJ <sup>25</sup>	-6% <sup>25</sup>	-3%
	Percentage of plants certified ISO 14001	83%	83%	95%
	Percentage of waste recycled	63% <sup>23</sup>	69%	64% to 66%
	Percentage of drums (tonnes) reused during the year	46% <sup>26</sup>	54%	Maintain
	Number of sustainability audits carried out based on risks in the supply chain	15	22 <sup>27</sup>	30
	Percentage of cables assessed using Ecolabel criteria developed internally by Prysmian	0%	1%	20%
	Employee Engagement Index (EI)	EI: 65%	EI: 65%	EI: 67% to 70%
	Leadership Impact Index (LI) <sup>28</sup>	LI: 57%	LI: 57%	LI: 59% to 65%
	Average hours of training per employee each year <sup>29</sup>	26 hours	18 hours	30 hours
	Percentage of women executives	12%	13%	14% to 18%
	Percentage of white collar women with permanent contracts	33%	34%	40%
	Frequency rate (IF) - Internal employees <sup>30</sup>	IF: 1.30	IF: 1.30	IF: 1.2
	Frequency rate (IF) - Internal and external employees <sup>31</sup>	IF: 1.31	IF: 1.25	
	Severity rate (IG) - Internal employees <sup>30</sup>	IG: 41.54	IG: 46.40	IG: 41
	Severity rate (IG) - Internal and external employees <sup>31</sup>	IG: 41.94	IG: 44.76	

- 21 Takes account of possible changes in the product portfolio of, and consequently the number of items in, the former General Cable perimeter.
- 22 This figure has been calculated based on the revenues of Prysmian Group's different business areas at 31 December 2020. All business areas, or those among them, that are classified as "low carbon enabling" have been identified by applying the Taxonomy defined by the Climate Bond Initiative.
- 23 Relates to the fully-consolidated perimeter, excluding the plants in Chiaplun (India) and Sohar (Oman)
- 24 The reduction was attributable to several factors that impacted the Group's total CO<sub>2</sub> emissions: the decline of SF6 emissions and of energy consumption, as a consequence of lower production due to the Covid-19 health emergency.
- 25 The decline of the Group's energy consumption in 2020 was mainly attributable to the decrease in plant production due to the Covid-19 health emergency.
- 26 Data restated, as indicated in the 2019 NFS.
- 27 In 2020, following the health emergency and the ensuing containment measures adopted by all countries, some audits were carried out online.
- 28 The Engagement Index considers results greater than or equal to 5 — on a scale from 1 (low) to 7 (high) — on two questions in a survey that measures employee engagement; the Leadership Impact Index considers results greater than or equal to 5 — on a scale from 1 (low) to 7 (high) — on five questions in a survey that measures employee engagement. Indexes have been developed in collaboration with SDA Bocconi.
- 29 The training hours include local and Academy training. The decline in training hours in 2020 was attributable to the limitations imposed on providing in-person training courses due to the Covid-19 health emergency.
- 30 Data only includes Prysmian employees, excluding external personnel and the fleet of the Prysmian Group.
- 31 Figures include Prysmian Group's employees and external personnel. They do not include Prysmian Group's fleet. Compared to the 2019 Consolidated Disclosure of Non-Financial Information, this rate was added in the scorecard following the reliable integration of data regarding the external personnel, as Prysmian Group looks after the health and safety of all people working at its sites, including (but not limited to) temporary staff.

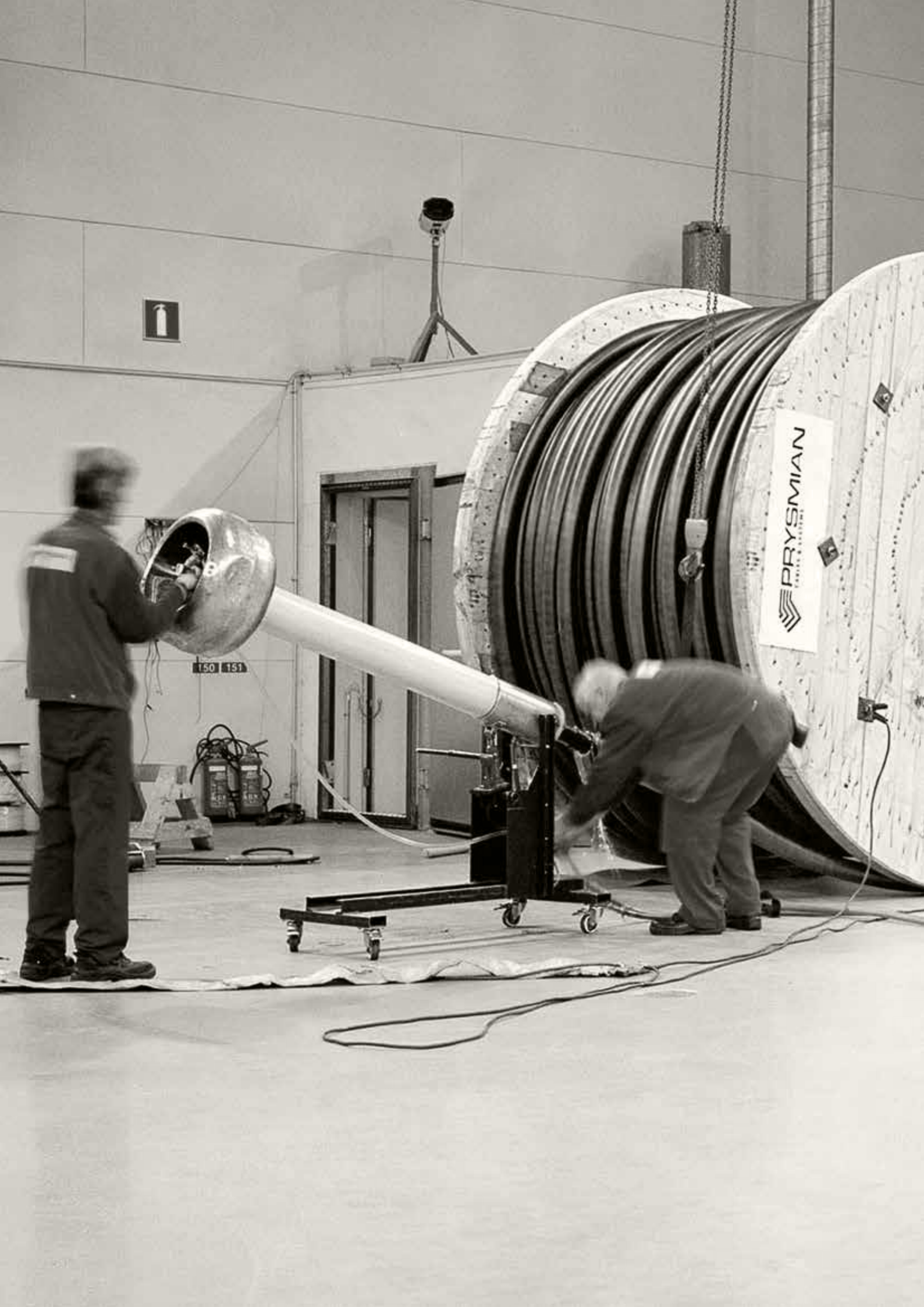
# ESG Indicators & Remuneration Policy

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

## INCENTIVE SYSTEMS

Prysmian Group has adopted a management incentive scheme linked to the achievement of objectives for the improvement of our ESG parameters that applies to all managers. The Compensation, Appointments and Sustainability Committee is responsible for assessing the 2020 performance of the Group against these criteria, with reference to a series of parameters that evidence the progress made by the action plans implemented. The principal parameters considered make reference to the level of gender diversity within management, the reduction of CO<sub>2</sub> emissions and topics relating to occupational health and safety. Compliance with the parameters defined by the leading sustainability indices to which we belong is also important.



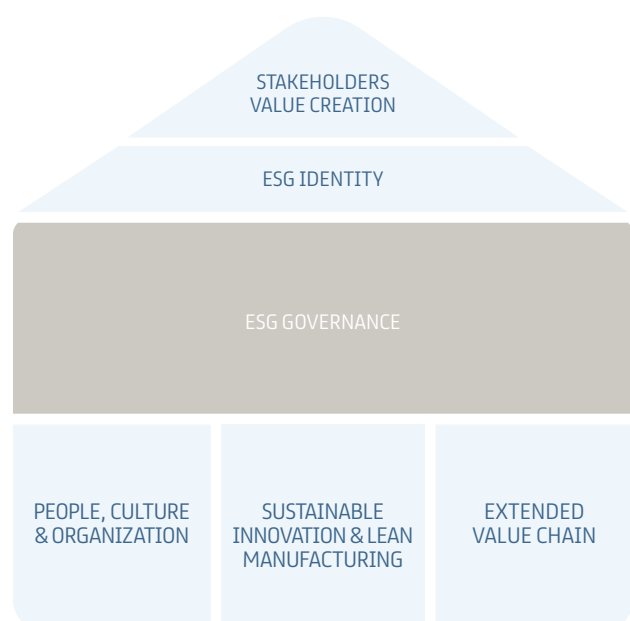




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## 03 ESG GOVERNANCE

*For Prysmian, building our ESG Identity is — above all — a choice and a cultural stand, consistent with our DNA as a public company and our model for the creation of stakeholder value. A culture that we translate into facts and concrete actions, via a solid, ethical and transparent model of corporate governance that manages risks in an integrated manner and monitors KPIs and project performance using the latest digital tools.*



# Being a Public Company

*We are one of the few Italian manufacturers with a global presence that has achieved widespread share ownership. This provides the DNA for our ESG identity. Indeed, over the past two years the weighting of our ESG-focused investors has increased substantially, from about 13% to 35% now.*

## OWNERSHIP STRUCTURE

Prysmian Group has been a public company in all respects for many years: its free float is equal to 100% of capital, of which around 78% is held by institutional investors.

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

At 31 December 2020, the Company's free float was equal to 100% of the outstanding shares and significant shareholdings (in excess of 3%) accounted for approximately 26% of total share capital, meaning there were no majority or controlling interests. Prysmian is now one of Italy's few globally present industrial concerns to have achieved true Public Company status in recent years.

As at 31 December 2020, the share capital of Prysmian S.p.A. amounted to Euro 26,814,424.60, comprising 268,144,246 ordinary shares with a nominal value of Euro 0.1 each. The ownership structure at that date is indicated below.



**SHARE OWNERSHIP BY TYPE AND SIGNIFICANT SHAREHOLDERS**

- 78.0% Institutional Investors
- 8.3% Retail
- 1.8% Treasury shares
- 11.9% Other (\*)



- 5.2% BlackRock, Inc.
- 4.0% UBS AG
- 3.9% T. Rowe Price Group. Inc.
- 3.7% Crédit Agricole S.A.
- 3.2% Sun Life Financial, Inc.
- 3.1% AXA S.A.
- 3.0% Schroders PLC
- 2.8% The Vanguard Group. Inc.
- 2.7% Hardman Johnston Global Advisors LLC
- 68.4% Other

Source: Nasdaq, January 2021

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

**INSTITUTIONAL INVESTORS BY GEOGRAPHICAL AREA**



- 30% US
- 25% UK
- 11% France
- 8% Italy
- 3% Sweden
- 18% RoE
- 5% RoW

Source: Nasdaq, January 2021

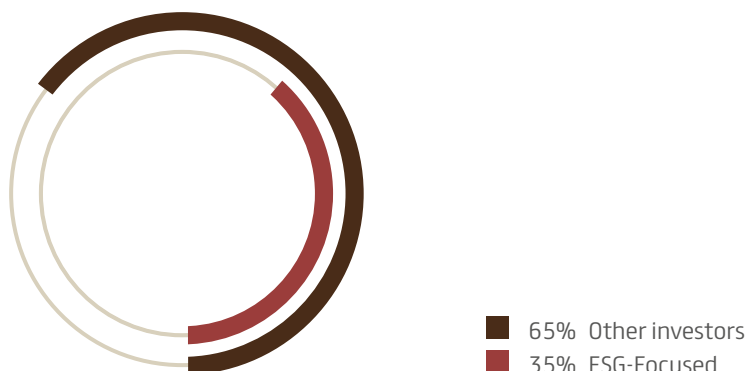
**INSTITUTIONAL INVESTORS BY INVESTMENT STYLE**



- 37% Growth
- 19% GARP
- 17% Value
- 15% Index
- 4% Hedge Fund
- 8% Other

Source: Nasdaq, January 2021

## INSTITUTIONAL ESG INVESTORS



Source: Nasdaq, January 2021

The geographical ownership structure shows a predominant presence of the United States, with 30% of capital held by institutional investors, followed by the United Kingdom with 25%, up respectively from 28% and 21% in the prior year. Italy is represented with about 8% of capital held by institutional investors, down from 13% since 2019, while France has decreased slightly to about 11%. The proportion of Asian investors (principally Japan and Hong Kong) was basically unchanged.

Overall, around 73% of the share capital held by institutional investors is represented by investment funds with Value, Growth or GARP strategies, therefore focused on a medium to long-term investment horizon. With respect to 2019, there has been a slight decrease in the number of shareholders adopting an Index investment strategy, based on the principal stock indices, while the weighting of the Hedge Fund component - with a shorter time horizon - has increased to 4% of the total from 2% in the prior year.

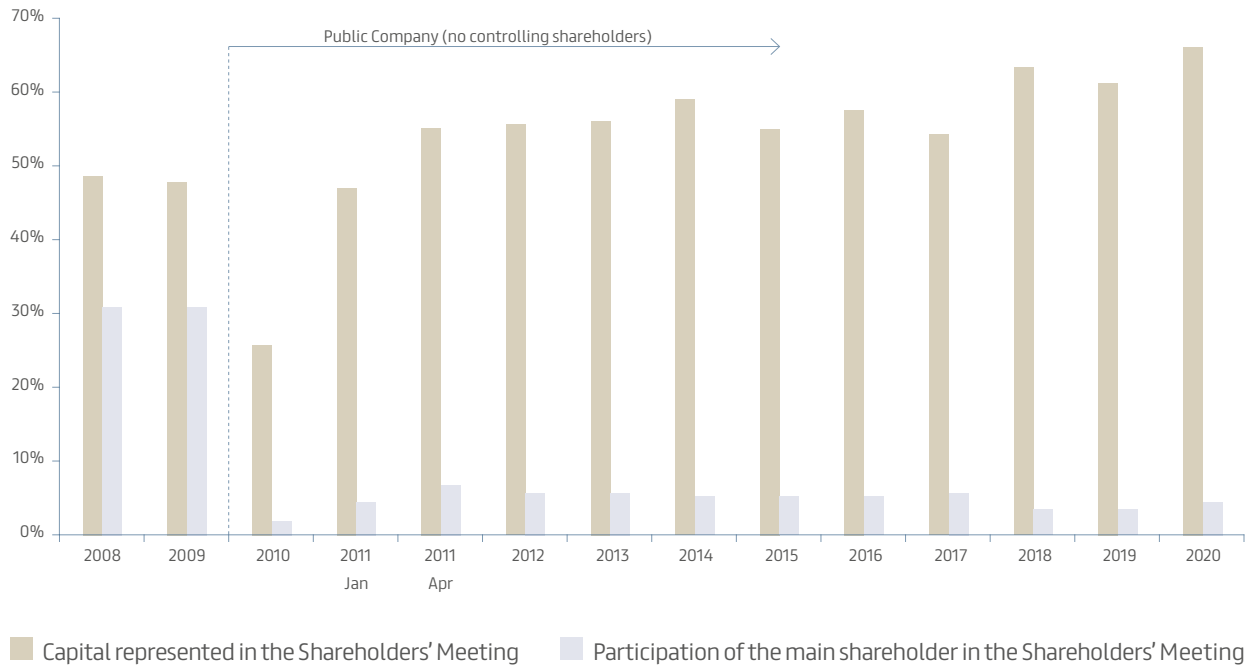
The weighting of ESG investors within the ownership structure of Prysmian has continued to grow, focusing their investment strategies on various environmental, social and governance matters. Indeed, this weighting has increased substantially over the past 2 years, from about 13% to 35% now.

## SHAREHOLDERS' MEETING

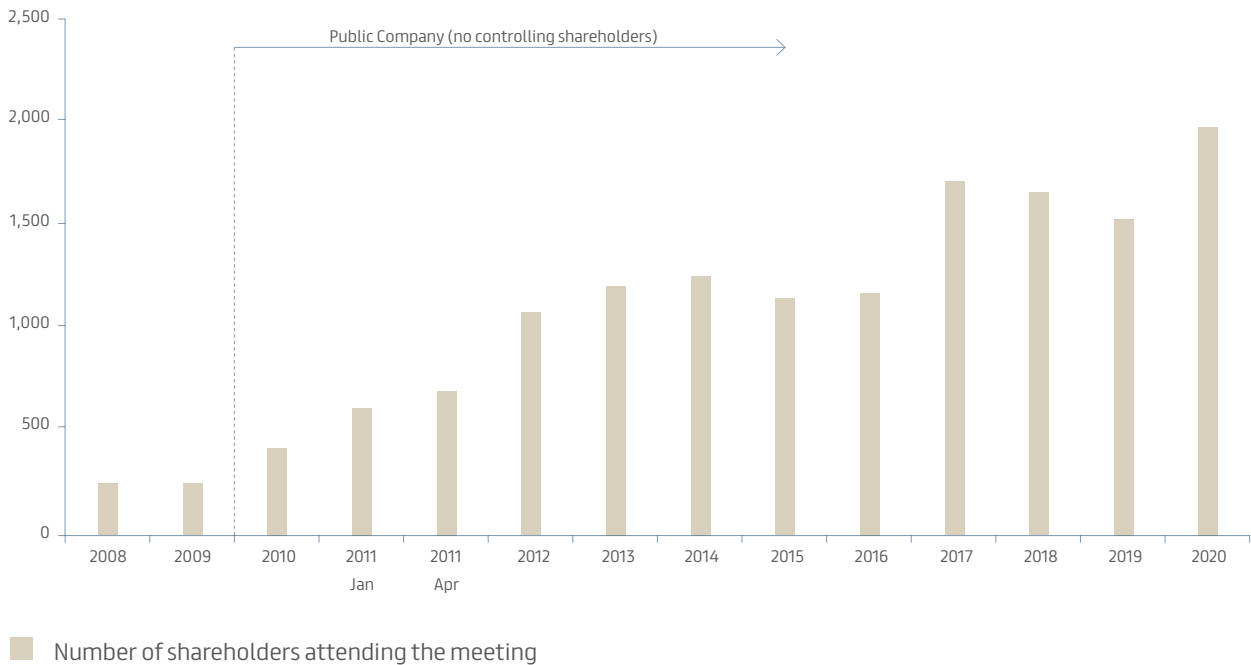
On 28 April 2020 the Shareholders' Meeting of Prysmian S.p.A., held in first and only calling, discussed and resolved on several items on the agenda, including approval of the 2019 financial statements, allocation of the profits for the year and the distribution of dividends, adoption of an employee incentive plan with related authorisation to increase capital to service that plan, approval of the remuneration policy and consultation on the report on remuneration paid. The Meeting, which was attended by proxy by 1,973 shareholders, representing more than 66% of share capital, approved every item on the agenda by large majorities.

The Annual General Meeting also approved the declaration of a dividend of Euro 0.25 per share. The dividend was paid on 20 May 2020, involving a total pay-out of approximately Euro 66 million.

### SHAREHOLDERS' MEETING: REPRESENTED CAPITAL



### SHAREHOLDERS' MEETING: NUMBER OF PARTICIPANTS PRESENT OR REPRESENTED



**FINANCIAL CALENDAR**

10 March 2021	Approval of the draft financial statements and consolidated financial statements as of 31 December 2020
28 April 2021	Shareholders' Meeting to approve the Annual Report as of 31 December 2020
13 May 2021	Approval of the quarterly financial report as of 31 March 2021
28 July 2021	Approval of the half-year financial report as of 30 June 2021
11 November 2021	Approval of the quarterly financial report as of 30 September 2021



# Governance and Risk Management

*Foreseeing, mitigating and managing the significant exposures, not least with regard to environmental, social and governance matters, are integral to our culture and organisation. Accordingly, our ESG identity rests on a system of integrated corporate governance that, via an effective system of information flows, that enables us to manage our business risks, whether financial, reputational or linked to sustainability.*

## INTEGRATED MANAGEMENT OF SUSTAINABILITY RISKS

The Prysmian Group adopts a system of internal control and risk 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 financial, environmental and social risks.

The Enterprise Risk Management (ERM) model adopted by Prysmian allows the Board and management to evaluate in an informed manner those risk scenarios that might compromise the achievement of strategic objectives, and to adopt additional tools that are able to foresee, mitigate and manage significant exposures.

The guidelines for the System of Internal Control and Risk Management approved by the Board back in 2014 are now part of the Group ERM Policy, which formalises the ERM model adopted. This model adopts a top-down approach, being guided by senior management and our medium/long-term business objectives and strategies. This extends to all types of risk/opportunity that are potentially significant for the Group. These are shown in five families that each include internal and external issues characteristic of Prysmian's business model (so-called Group Risk Model): Strategic Risks, Financial Risks, Operational Risks, Legal and Compliance Risks, and Planning and Reporting Risks.

The Group's Chief Risk Officer (CRO), appointed to govern the ERM process, is responsible for ensuring together with management that the main risks faced by Prysmian and its subsidiaries are identified, assessed and monitored on a timely basis. In addition, an Internal Risk Management Committee comprising senior managers ensures, via the CRO, that the ERM process remains dynamic to reflect changes in the business, requirements and events affecting the Group over time. The CRO reports periodically (at least twice each year) to senior management on these changes.

Each year, the Group's main business/function managers participate in the process of identifying and evaluating the most significant risk factors. These include economic, social and environmental sustainability matters, as well as climate change. A common and clearly defined methodology is used to measure and evaluate specific risk events in terms of their impact, probability of occurrence and the level of adequacy of the control system in place. More information can be found in the Annual Report, in the section entitled "Risk Factors and Uncertainties".

This section focus attention on the sustainability risks, identified as a result of the above evaluation process, to which the Group is exposed under its business model. Some relate directly to sustainability, while others may have a sustainability impact (and are therefore also contained in the Annual Report in the section entitled “Risk Factors and Uncertainties”). Relevant information, including the key strategies adopted to mitigate the risks, is presented below.

A process for updating the sustainability risk assessment was developed in 2020, with a view to refining the analysis and integrating ESG (Environmental, Social, Governance) topics more closely within the ERM process. This process ensures the identification and evaluation of all sustainability risks that might have an impact on all Group stakeholders, considering the various time horizons: short, medium and long term. The process also highlights the interconnections, opportunities and principal dynamics in the aggregation of risks.







## ENVIRONMENT

Risk identified	Material topic 2020
Risks related to the availability of water	Efficient use of water resources
<b>Description of risk</b>	
<p>Water is consumed at Prysmian plants principally for industrial use and, in particular, for cooling purposes during certain processes. Cooling water is recycled, in whole or in part, at most plants in order to reduce the volume of water drawn. The water used for cooling is not contaminated and, accordingly, the quality specifications seek to ensure the absence of biological risks and corrosion within the circulation systems.</p> <p>Prysmian has carried out a water stress analysis (chronic physical risk<sup>32</sup>), considering the ratio of water demand to water available over a time horizon extending out to 2040. This analysis used the web-based "Aqueduct" platform, developed by the World Resources Institute (WRI), as also recommended by GRI 303 Water and TCFD, to evaluate the geographical position of the Group's plants exposed to the risk of reduced water availability.</p> <p>About 23% of the plants are located in areas with an elevated water stress risk, in a high CO<sub>2</sub><sup>33</sup> emissions scenario.</p>	
<b>Mitigation actions adopted</b>	
<p>Prysmian measures regularly the volume of water drawn at its production locations. This data is monitored at both local and Group levels, recorded in the Environmental Management System at Corporate level and disclosed in the Group Sustainability Report in accordance with the GRI Standards, with reference to GRI 303 Water and effluents (2018).</p> <p>The cooling process parameters are also analysed and checked in order to ensure the efficiency of water consumption; in this regard, water supply systems are maintained appropriately in order to avoid significant losses.</p> <p>For the majority of plants for which a potential risk has been evidenced, it must also be borne in mind that current production processes employ water recycling in order to reduce consumption. Lastly, the mitigation plan already envisages further improvements in the percentage of water recycled and/or the installation of new recycling systems for the optimisation of water consumption, where necessary or cost effective, thus lowering exposure to the risk.</p>	
Risk identified	Material topic 2020
Risks linked to the rise in sea level (climate change), with possible damage to production plant	Energy efficiency and mitigation and adaptation to climate change
<b>Description of risk</b>	
<p>Since 2017, the Group has monitored the risk of climate change and, in particular, of rising sea levels, with a view to evaluating the potential impact on its production locations. A detailed analysis of the exposure to rising sea levels (chronic physical risk<sup>32</sup>) was carried out in 2020, supporting the analyses performed using CatNet®, a profiling tool that measures the exposure to geo-specific risks developed by Swiss Re, with the analyses of water stress risk performed using Aqueduct, in a high CO<sub>2</sub><sup>33</sup> emissions scenario.</p> <p>The analysis confirmed, over a time horizon extending out to 2080, the absence of direct impacts on the Group's production plant. Nevertheless, the rise in sea level could increase exposure to the risk of coastal flooding caused by storms; this situation would however affect a very limited number of production plants (&lt;2%). The situation will be monitored so that action can be taken ahead of time, including the introduction as necessary of additional control systems.</p>	
<b>Mitigation actions adopted</b>	
<p>The Group implements an established loss prevention programme at all production plants, which seeks to foresee and mitigate material losses and stoppages, not least by monitoring changes in the weather.</p> <p>Local flood protection measures, such as dams, walls etc. also mitigate the risk of coastal flooding.</p> <p>Additionally, agreement has been reached with an international company specialised in "disaster recovery &amp; restoration" services and insurance cover has been arranged for both direct losses and loss of profits due to production stoppages.</p>	

<sup>32</sup> As defined in "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures – Appendix 1 Table A1" – June 2017".

<sup>33</sup> Representative Concentration Pathways (RCP) scenario 8.5 described in the Fifth Assessment Report prepared by the Intergovernmental Panel on Climate Change (IPCC). This is the scenario with the highest GHG emissions into the atmosphere, reflecting a future without political action to reduce emissions that is consistent with a business-as-usual scenario.

Risk identified	Material topic 2020
Risks linked to the increased severity of extreme weather events, with possible damage to production plant	Energy efficiency and mitigation and adaptation to climate change
<b>Description of risk</b>	
<p>The Group monitors constantly the exposure of its production plants to such meteorological events as storms, floods, hail etc. (acute physical risks<sup>34</sup>) using CatNet®, a profiling tool that measures the exposure to geo-specific risks developed by Swiss Re. This tool was also used to evaluate their exposure over a time horizon extended out to 2035, in a high CO<sub>2</sub><sup>35</sup> emissions scenario, confirming their low overall exposure to risks deriving from changes in the summer/winter rainfall and higher temperatures, with the exception of a few plants in areas with a maximum temperature rise of 1.5°C.</p> <p>Lastly, a sensitivity analysis was carried out for the period 2020-2035, hypothesising a further increase in the severity and frequency of extreme meteorological events and considering the impact of such events on the assets of the Group over the past 20 years. This analysis confirmed the low exposure to this risk.</p>	
<b>Mitigation actions adopted</b>	
<p>The Group implements an established loss prevention programme at all production plants, which seeks to foresee and mitigate material losses and stoppages caused by meteorological events, not least by monitoring changes in the weather. Additionally, risk mitigation actions include a Group agreement with an international company specialised in "disaster recovery &amp; restoration" services, as well as insurance cover for both direct losses and loss of profits due to production stoppages.</p>	

Risk identified	Material topic 2020
Risk of increased production costs caused by the higher cost of GHG emissions (Carbon Taxes or Emission Trading Schemes)	Energy efficiency and mitigation and adaptation to climate change
<b>Description of risk</b>	
<p>This risk relates to a potential increase in production costs (Policy &amp; Legal<sup>36</sup> transition risk) deriving from the expanded application of GHG emission laws and regulations, both in the form of taxation (carbon taxes) and via the emissions market (Emission Trading Schemes).</p>	
<b>Mitigation actions adopted</b>	
<p>The Group strives to monitor constantly the changes in the laws and regulations governing GHG emissions at an international level, especially in the countries where production plants are located.</p> <p>In addition, the Group has defined a strategic plan (Sustainability Scorecard) with quantitative targets for the reduction of GHG emissions, using specific indicators aligned with the GRI Standards and, in particular, GRI 305 Emissions (2016). During 2020 the Group began work to quantify and manage its Scope 3 emissions and define objectives for reducing the Scope 1 and 2 emissions identified in accordance with the Science Based Target Initiative (SBTi) and considering the envisaged temperature rise scenarios.</p>	

Risk identified	Material topic 2020
Environmental risks	Business ethics and integrity
<b>Description of risk</b>	
<p>The Group's manufacturing activities are subject to specific environmental regulations. These include the management of raw materials, energy resources and hazardous substances, atmospheric emissions and waste, as well as the prevention of pollution and minimisation of the impact on environmental factors (soil, sub-soil, water resources and the atmosphere).</p> <p>Furthermore, changes in these regulations tend to impose increasingly stringent requirements on firms, often calling for improvements in technology (best available techniques) and the relevant risk prevention systems, which generates additional costs.</p> <p>Given the large number of Group plants, the probability of an incident with environmental consequences and possible loss of production continuity brings the real possibility of significant economic and reputational impacts.</p>	
<b>Mitigation actions adopted</b>	
<p>In order to prevent and mitigate environmental risks, the Group has adopted an ISO14000-certified environmental management system at 83% of its production locations.</p> <p>Environmental matters are managed centrally by the Health, Safety &amp; Environment (HSE) function. In coordinating the local HSE functions, this function adopts systems intended to guarantee strict compliance with the regulations in accordance with best practices, collects and analyses environmental data using a centralised platform, monitors the exposures to risk using specific indicators, organises specific training and carries out audit work at the production locations.</p>	

34 As defined in "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures – Appendix 1 Table A1" – June 2017".

35 Representative Concentration Pathways (RCP) scenario 8.5 described in the Fifth Assessment Report prepared by the Intergovernmental Panel on Climate Change (IPCC). This is the scenario with the highest GHG emissions into the atmosphere, reflecting a future without political action to reduce emissions that is consistent with a business-as-usual scenario.

36 As defined in "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures – Appendix 1 Table A1" – June 2017".

Risk identified	Material topic 2020
Risks of non-compliance with the regulations governing environmental matters, energy efficiency and the management of emissions of greenhouse gases, including stricter reporting requirements	Business ethics and integrity Energy efficiency and climate change mitigation & adaptation
<b>Description of risk</b>	
Prysmian carries out its activities in compliance with the national and international requirements and regulations in force in the environmental field, paying particular attention to the risk of failed or non-timely compliance with regulatory changes that may occur within its business context. In particular, the Group has analysed the risk of not complying with changes in the local legislation that implements the "Energy Efficiency Directive" 2012/27/EU (EED) on the efficiency of end-use energy (Policy & Legal <sup>37</sup> transition risk).	
<b>Mitigation actions adopted</b>	
In order to manage this risk, several actions have been taken, including: <ul style="list-style-type: none"> <li>• definition of an Energy Audit Plan at the Group's plants, including sites that to date are not required by law to perform energy diagnoses;</li> <li>• development of energy efficiency projects at local and global level;</li> <li>• periodic plant visits to check their compliance with the rules and standards defined;</li> <li>• specific training sessions for all Prysmian personnel involved in managing activities with an environmental impact;</li> <li>• use of specific indicators to monitor the exposure to risk and promptly implement the actions necessary to reduce risk within the tolerance thresholds.</li> </ul> In addition, in 2020 the Group began a process to define medium/long-term targets for the reduction of Scope 1 and 2 emissions and for the quantification and management of Scope 3 emissions. These targets will be defined on a scientific basis in accordance with the SBTi (Science Based Target Initiative) and taking into account the expected temperature increase scenarios.	



## SOCIAL MATTERS

Risk identified	Material topic 2020
Cyber security risks	Cyber security and data protection
<b>Description of risk</b>	
The increasing spread of technologies that allow the transfer and sharing of sensitive information via virtual spaces leads to the emergence of IT vulnerabilities. The Group therefore strives to protect its IT systems from the theft of or damage to hardware, software and the information held, as well as from interruptions in the services provided by them. In particular, the exposure to potential cyber attacks derives from several factors, such as the global distribution of IT systems and the cloud storage of high value-added information (such as patents, technological innovation projects, as well as financial projections and strategic plans not yet disclosed to the market).	
<b>Mitigation actions adopted</b>	
Since 2016 the Group has implemented an Information Security Strategy that clarifies the related governance structure adopted by the Group and provides guidelines for cyber risk management in the field of IT architectures and company processes. In particular with regard to cyber risks, the Group has implemented a Cyber Security Program, complete with governance, policies and procedures, training, security reports, security assessment for the selected plants, annual vulnerability assessment and penetration tests (VAPT) etc. Manufacturing cyber attacks are increasingly frequent in the industrial sector and, in this regard, a program for the segregation of production plants has been introduced, starting with those considered most strategic. Once again, social engineering and phishing campaigns were carried out within the entire Group during 2020, aimed at testing the readiness of personnel to recognise these specific types of cyber attack. These were accompanied by the related security training sessions for all employees.	

37 As defined in "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures – Appendix 1 Table A1" – June 2017".

Risk identified	Material topic 2020
Risks of non-compliance with Data Protection legislation (Privacy)	Cyber security and data protection
<b>Description of risk</b>	
<p>In the current context, marked by the increasing globalisation of business, the proliferation of channels and methods of access to information, as well as an increase in the volume and types of data managed, Prysmian is tackling the different data management topics that range from alignment with the latest industry regulations, to defence against potential threats against the confidentiality, completeness, accuracy and availability of information.</p> <p>Furthermore, the European GDPR (General Data Protection Regulation) entered into force in May 2018 and has become one of the major points of reference for a renewed effort in the area of data protection, with a focus on personal data.</p>	
<b>Mitigation actions adopted</b>	
<p>The programme for the protection of personal data adopted by the Group is based on the following fundamental elements that involve the entire business structure:</p> <ul style="list-style-type: none"> <li>• use of a model based on mapping the personal data processed by business functions and keeping a register of processing activities;</li> <li>• definition of a governance model designed to comply with the requirements of the GDPR and other emerging data protection requirements;</li> <li>• evaluation and implementation of adequate technical and organisational measures to ensure a level of security appropriate to the risk, partly with the help of new tools such as the data protection impact assessment introduced by the GDPR;</li> <li>• definition of the communications and training materials specifically reserved for the roles identified with the data protection organisational model.</li> </ul>	



## PERSONNEL-RELATED RISKS

Risk identified	Material topic 2020
Risk of not having or losing key personnel	Development and wellbeing of human capital
<b>Description of risk</b>	
<p>The Group is exposed to the risk of not having or losing key personnel with strategic operational functions. These persons can be identified with reference to their managerial responsibilities and/or the specific know-how needed to implement business strategies. They are difficult to replace in the short term.</p>	
<b>Mitigation actions adopted</b>	
<p>In order to guarantee business continuity in line with the established strategic objectives, the Group is organised as follows:</p> <ul style="list-style-type: none"> <li>• "Job Band Program" that positions personnel based on a proper weighting of their business roles, considering their responsibilities, problem-solving abilities and know how, in line with the established corporate strategies and using a shared and widely adopted organisational language;</li> <li>• "Group Academy" to train and develop Leadership (Management School), Technical (Professional School) and E-Learning (Digital school) skills within the Group;</li> <li>• "Make it", Sell it, Sum it Program" for the recruitment of professionals for the production, quality, purchasing, logistics, sales and finance functions;</li> <li>• "People Performance Program" for the management of career paths;</li> <li>• "Talent management program" to accelerate the development of talented personnel;</li> <li>• "Long Term Incentive Program" designed to motivate and build the loyalty of key managers within the Group;</li> <li>• "Graduate Program" to attract and recruit talented and high potential personnel, thus preparing for future internal replacements and succession planning in general;</li> <li>• "Non-compete agreements" formalised for those employees whose technical know-how in the areas of product and process innovation represents strategic value added for the business in the competitive sector addressed.</li> </ul> <p>Lastly, an Internal Job Posting system has been established for personnel at a regional level, with a view to worldwide adoption later, in order to facilitate the development of their cross-functional skills and enhance the global business culture of the Group.</p>	

Risk identified	Material topic 2020
Health and safety risks	Occupational health and safety
<b>Description of risk</b>	
<p>The Group has always been committed to ensuring that the of the integrity, health and welfare of workers are safeguarded in their workplaces. With particular reference to health and safety risks, the Group has adopted a centralised management system based on the identification and evaluation of factors deemed critical at various levels, with respect to the Group, country and operating unit.</p> <p>This approach allows for a complete picture of the risks associated with individual production activities, in order to manage, monitor and, where possible, minimise the health and safety risks. The adoption and application of the approach at production unit level involves identifying all health and safety risks, their assessment in accordance with a specific procedure and in compliance with local legislation, guaranteeing the level of safety established by Prysmian, and their periodic update.</p> <p>Lastly, 71% of plants within the Prysmian Group perimeter (including those acquired together with General Cable) have OHSAS 18001/ISO 45001 (safety management) certification.</p>	
<b>Mitigation actions adopted</b>	
<p>In order to apply the health and safety standards defined at Group level, Prysmian uses tools and operating procedures for the collection, evaluation, aggregation and reporting of data at central level, as well as the implementation and verification of corrective and preventive actions; the monitoring of significant events (injuries, near misses, non-conformities and reporting); and training not only for the transfer of technical knowledge, but also to impart understanding of the approach taken and the risks incurred by non-compliance with the H&amp;S rules and procedures. The Group has defined quantitative targets extending out to 2022 (Sustainability Scorecard) for reducing the frequency and seriousness parameters monitored.</p>	

Risk identified	Material topic 2020
Risks related to changes in the legislative environment governing health and safety	Occupational health and safety
<b>Description of risk</b>	
<p>The Group's production activities are subject to national and international laws and regulations governing health and safety. Future legislative and/or regulatory changes, more or less foreseeable, might affect the operations of the Group, its ability to compete in the marketplace and its financial results, unless those changes are identified, foreseen and managed on a timely basis.</p>	
<b>Mitigation actions adopted</b>	
<p>Via the HSE Management System, centralised and coordinated by the Corporate HSE team, the Group is able to monitor constantly any changes and/or developments in the HSE requirements, including:</p> <ul style="list-style-type: none"> <li>• periodic monitoring of health and safety legislation and related changes, at local and Group level;</li> <li>• periodic reporting to the Group bodies involved in the management of risks, in order to discuss any actions that must be taken for compliance with the law (the Sustainability Directive Committee and the Internal Risk Management Committee);</li> <li>• the analysis of identified risk situations, with the aim of estimating their impact, the probability of occurrence and the adequacy of the internal control system to mitigate the risk;</li> <li>• the definition of improvement actions that may be necessary to reduce exposure to current risk, and related follow up;</li> <li>• the evaluation of health and safety performance, downstream of the improvement actions introduced.</li> </ul>	



## ANTI-CORRUPTION

Risk identified	Material topic 2020
Non-compliance risks concerning the Code of Ethics, Policies and Procedures	Business ethics and integrity
<b>Description of risk</b>	
<p>The risk of non-compliance generically represents the possibility of incurring legal or administrative sanctions, significant financial losses or reputational damage as a result of breaches of current regulations.</p>	
<b>Mitigation actions adopted</b>	
<p>The Prysmian Group puts in place a series of organisational tools aimed at defining the principles of legality, transparency, fairness and loyalty used to operate. In particular, the Group:</p> <ul style="list-style-type: none"> <li>• has adopted a Code of Ethics containing guidelines and ethical and behavioural principles that all those carrying out activities on behalf of Prysmian or its subsidiaries are required to observe (including managers, officials, employees, agents, representatives, external collaborators, suppliers and consultants);</li> <li>• through the Internal Audit &amp; Compliance Department, constantly monitors compliance and the concrete application of these rules, not tolerating any type of violation.</li> </ul>	

Risk identified	Material topic 2020
Risks of non-compliance with the anti-bribery legislation	Business ethics and integrity

#### Description of risk

New legislation and regulations have made significant efforts in the fight against corruption in recent years and organisations, increasingly exposed to the risk of corruption, now have to comply with many regulations on the subject, such as Decree 231/2001, the Anti-corruption Law (Law 190/2012), the Foreign Corrupt Practices Act (US), the UK Bribery Act, etc., all with the same objective: counteract and suppress corruption.

The business model of the Group requires continuous interaction with numerous third parties (suppliers, intermediaries, agents and customers). In particular, in the Energy (Submarine and High voltage) and Oil & Gas businesses, the management of large international projects requires the establishment of commercial relations even in countries with a potential risk of corruption (as per the Corruption Perception Index<sup>38</sup>), often through local and commercial agents and public officials.

#### Mitigation actions adopted

The Prysmian Group has implemented the following preventive actions designed to tackle corruption:

- Third-Party Program as a tool to carry out due diligence - using a dedicated on-line platform - before establishing any business relations with certain third parties (such as agents, distributors and particular categories of supplier);
- Anti-Corruption Policy and Policy on Gifts and Entertaining expenses;
- Policy on Conflicts of Interest, including training and the mandatory disclosure of any conflicts of interest via the completion of a dedicated questionnaire;
- Training on the above topics for all employees, as well as for high-risk third parties;
- Compliance Audits (Site Reviews, Project Audits, Third-Party Audits).

Risk identified	Material topic 2020
Risks of non-compliance with Antitrust legislation	Business ethics and integrity

#### Description of risk

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

#### Mitigation actions adopted

In order to mitigate the risk, the Group has adopted an Antitrust Code of Conduct that all directors, executives and employees of the Group are expected to know and comply with in the performance of their duties and in relations with third parties.

The Antitrust Code of Conduct, which is an integral part of this training programme, seeks to describe the issues relating to the application of Italian and EU competition policy with regard to cartels and the abuse of dominant positions. The training programme includes on-line and classroom sessions for the Commercial, Finance and Purchasing functions, among others. In addition, more detailed documents were also adopted covering the antitrust regulations in force within the European Union, North America, China and Australia.

Risk identified	Material topic 2020
Risk of incurring export sanctions	Business ethics and integrity

#### Description of risk

Many countries regulate their international trade and apply laws and regulations that govern trade in products, software, technologies and services, including financial transactions and broking activities.

These export control regimes, governed by the legislation of the United States, the EU (art. 215 TFEU) and the United Nations (chapter VII of the UN Charter), identify those parties (individuals and entities) for which targeted restrictions (e.g. arms embargoes, travel bans, financial or diplomatic restrictions etc.) are mandatory.

Failure to comply with the above may result in fines and criminal and/or civil penalties, including imprisonment.

#### Mitigation actions adopted

In order to prevent and mitigate the risk, the Prysmian Group has adopted a policy for the management and control of exports that includes the following actions:

- Monitoring of the countries and parties subject to restrictions, as well as the level of the restrictions in force;
- Due diligence on the parties subject to restrictions, in order to avoid transactions with forbidden parties, including the screening of Prysmian Group employees and visitors;
- Classification of products to determine which export compliance requirements are applicable. This classification enables the Prysmian Group to understand where and to whom products can be exported, and whether or not a licence or other authorisations are necessary;
- Basic training for all employees on export controls and targeted training for persons in functions responsible for international commercial transactions and the control of exports;
- Request for formal confirmation from the end user that the purchaser or the end user of the goods/technologies complies with the current regulations governing exports.

<sup>38</sup> The Corruption Perception Index (CPI) is an indicator published annually by Transparency International, used to measure the perception of corruption in the public sector in various countries around the world.





## HUMAN RIGHTS

Risk identified	Material topic 2020
Risks related to the social sustainability of the organisational structure and business model	Respect for human rights and workers' rights
<b>Description of risk</b>	
<p>The Prysmian Group faces daily complexities deriving from the management of organisational and business activities carried out by persons with different social and cultural backgrounds. Despite constant commitment, careful supervision and periodic awareness building, with the provision of specific information and training sessions, it is never possible to exclude episodic improper conduct in violation of policies, procedures and the Code of Ethics and, therefore, of current regulations concerning human rights by those that carry out activities on behalf of Prysmian, with consequent possible penalties, significant reputational damage and business impacts.</p>	
<b>Mitigation actions adopted</b>	
<p>In order to mitigate this risk, the due diligence on human rights in the operations of the Group was updated during 2019 and extended to include the former General Cable perimeter. The analysis sought to identify the potential impacts on human rights deriving from all Group activities and business relations. In accordance with the so-called Ruggie Framework, the due diligence process comprises the following stages:</p> <ul style="list-style-type: none"> <li>• assessment of the potential impact on human rights;</li> <li>• assessment of the results and definition of the necessary actions to prevent and/or mitigate the potential impact identified;</li> <li>• monitoring of performance;</li> <li>• resolution of breaches;</li> <li>• communication of governance activities and potential risks via the usual internal and external communication channels (corporate public website).</li> </ul> <p>The Group has also launched a challenging audit plan that comprises both distance and on-site checks (having regard for the Covid-19 pandemic that resulted in travel restrictions), in order to identify potential gaps with respect to the international principles on human rights contained in the Group Human Rights Policy and national legislation in each country in which the Group operates. The scope of the audit plan is limited to the plants identified, following a desk analysis, as those most exposed to the risk of violating human rights.</p>	



## OTHER RISKS

Risk identified	Material topic 2020
Risks related to the sustainability of the Group supply chain	Sustainable supply chain
<b>Description of risk</b>	
<p>The Group's business model, with a global presence in over 50 countries and a high diversification of product applications, is based on a complex supply chain that requires a continuous interface with numerous suppliers of different sizes and cultural background. Without prior investigation and control, the management of a complex supply chain might result in the Group procuring goods and services from suppliers that do not comply with the guidelines embodied in the Group's Code of business conduct, with the risk of supporting suppliers that do not operate in line with international standards. In addition, the Group recognises a responsibility that goes beyond its organisational boundaries and, accordingly, is able to limit any reputational risks by managing the sustainability of its supply chain.</p>	
<b>Mitigation actions adopted</b>	
<p>In addition to a commitment to the evaluation of counterparties, the Group has adopted guidelines and policies that suppliers are required to comply with and accept (for example, the Code of Ethics and the Code of Business Conduct). There will be an immediate reaction should it emerge that third parties involved in the supply chain have implemented actions not conforming to the principles of environmental and social sustainability, which would expose the Group to potentially significant image and reputational risks. If the issues flagged are not promptly corrected and eliminated, the Group reserves the right to activate a procedure for the termination of existing business activities and temporary, or in serious cases, definitive exclusion from the Group's supplier list.</p> <p>The assessment of risks related to the sustainability of third parties is a fundamental step in the entire supply chain management process and defines clear rules for i) the introduction of new suppliers, ii) the periodic evaluation of the supply chain, iii) the monitoring and improvement of the supply chain management strategy.</p>	

Risk identified	Material topic 2020
Risk of adverse evaluation or misunderstanding of the corporate strategies for sustainability and/or ESG performance by stakeholders including, in particular, the financial community	Transversal
<b>Description of risk</b>	
The risk relates to possible adverse evaluations or partial misunderstandings of the Group strategies for sustainability and/or ESG performance by stakeholders including, in particular, the financial community, which might result in higher borrowing costs and/or restrict the availability of capital.	
<b>Mitigation actions adopted</b>	
<p>The sustainability strategy of the Prysmian Group is founded on continuous dialogue with our stakeholders. The various categories of Group stakeholder were identified from specific interviews, as well as from documentary analyses of the overall context and benchmarking against peers and competitors, with the involvement of top management within the Group. Multi-stakeholder engagement initiatives are an integral part of the growth strategy of the Group, in order to identify the needs, problems and expectations of stakeholders, integrate them into the Group's strategy and develop a relationship based on trust and transparency.</p> <p>In addition, the Materiality Matrix topics were evaluated by external stakeholders, as well as by top management. Lastly, publication of the sustainability report and press releases is intended to facilitate stakeholder comprehension of the Group's ESG strategies.</p>	

Risk identified	Material topic 2020
Risk related to Covid-19, including market contraction or slower demand	Transversal
<b>Description of risk</b>	
<p>The global macroeconomic situation deteriorated during 2020 following the spread of the Covid-19 pandemic. In order to tackle this healthcare emergency, governments in most countries adopted such containment measures as travel bans, quarantines and other public emergency action, with serious consequences for economic activity and the entire productive system.</p>	
<b>Mitigation actions adopted</b>	
<p>The extraordinary people-centric measures implemented promptly by the Group from the start of the Covid-19 pandemic are proving effective. In this regard, in order to maintain the continuous employment of all resources, major efforts were made to safeguard the health of employees via, for example, regular testing and the supply of healthcare materials and personal protective devices. The Group also took a series of actions designed to mitigate the risks deriving from the Covid-19 pandemic. In particular, steps to protect cash generation included strict working capital management and the effective monitoring of expenditure, with a view to lowering both fixed and variable costs. Further, a much more rigorous investment policy was adopted, while ensuring the strategic allocation of resources.</p>	

## CORPORATE GOVERNANCE

Prysmian is aware of the importance of a good corporate governance system to achieve strategic objectives and create long-term sustainable value, by having a system that is effective in complying with the legal and regulatory framework, efficient in terms of cost-effectiveness, and fair towards all the Group's stakeholders.

Accordingly, Prysmian Group keeps its corporate governance system constantly in line with latest recommendations and regulations, adhering to national and international best practices.

In addition, the Group has adopted principles, rules and procedures that govern and guide the conduct of activities by all its organisational and operating units, as well as ensuring that all business transactions are carried out in an effective and transparent manner.

Prysmian continued to comply with the Code of Self-Regulation during 2020<sup>39</sup>. On 31 January 2020, the Corporate Governance Committee promoted *inter alia* by Borsa Italiana S.p.A. published a new edition of the Code of Self-Regulation. Now known as the "*Code of Corporate Governance*", this Code took effect from the start of the first financial year subsequent to 31 December 2020, with related disclosures in the report on corporate governance to be published in 2022. During the current year, the Board of Directors will evaluate the need for actions to adopt the new recommendations included in the above *Code of Corporate Governance*.

For further information about:

- i. compliance with the principles and recommendations of the Code of Self-Regulation and the reasons for any non-application of one or more requirements and
- ii. any corporate governance practices actually applied by the Company that go beyond the related legal or regulatory obligations.

See the "Report on Corporate Governance and the Ownership Structure" approved by the Board of Directors and available on the corporate website [www.prysmiangroup.com](http://www.prysmiangroup.com), in the section on Il Gruppo/Governance.

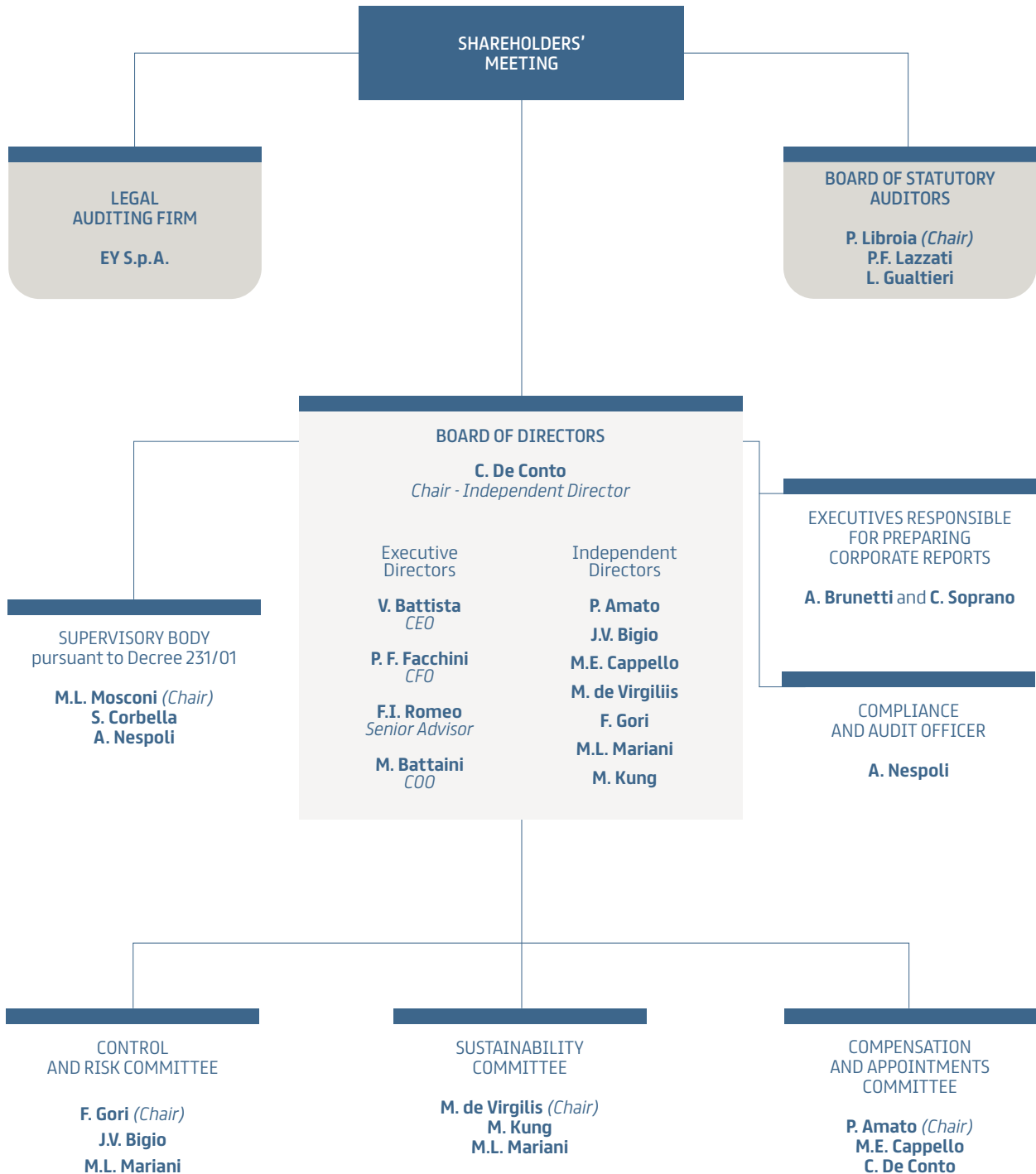
## CORPORATE GOVERNANCE STRUCTURE

The traditional model of governance and control adopted by Prysmian involves the presence of a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors. Prysmian's corporate governance structure is based on the central role of the Board of Directors (as the most senior body responsible for managing the company in the interests of shareholders) in providing strategic guidance, in ensuring the transparency of the decision-making process and in establishing an effective system of internal control and risk management, including decision-making processes for both internal and external matters.

<sup>39</sup> Code of Corporate Governance for Listed Companies — ed. July 2018 — approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

An overview of the Company's corporate governance structure as of 31 December 2020 now follows, along with a description of its main features.

## GOVERNANCE STRUCTURE



In compliance with the provisions of art. 14 of the By-laws, the Company is currently managed by a Board of Directors consisting of twelve members - who will remain in office until the date of the annual general meeting that approves the financial statements for the year ended 31 December 2020 - of whom eight are non-executive.

Seven of the directors are men and five women, four are in the 45-55 age group and eight are over 55 <sup>40</sup>.

The Board of Directors exercises the widest powers of ordinary and extraordinary administration, except for those that by law are reserved solely for the Shareholders' Meeting; Consistent with the recommendations of the Code of Self-Regulation, the number and standing of the non-executive directors ensures that their opinions carry significant weight in the adoption of Board resolutions. Seven of the non-executive directors are independent within the meaning of art. 148, par. 3 of Legislative Decree 58 dated 24 February 1998 (known as the Unified Finance Act) and of art. 3.C.1. and art. 3.C.2. of the Corporate Governance Code, while one non-executive director is independent within the meaning of art. 148, par. 3 of the Unified Finance Act. The Board of Directors has appointed a Chief Executive Officer and General Manager from among its members and granted him all the authority and powers of ordinary management of the company necessary or useful for conducting its business.

Management of the business is the responsibility of the directors, who take the actions necessary to implement the corporate purpose. The Board of Directors is also responsible for the Group's system of internal control and risk management and, accordingly, must check its adequacy and adopt specific guidelines specified by that system. The Board is assisted in this work by other persons involved in the system of internal control and risk management, being the Audit Committee, the Director responsible for the system of internal control and risk management, the manager of the Audit & Compliance function, the Board of Statutory Auditors and the Executive responsible for corporate financial reporting.

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

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

## GOVERNANCE OF SUSTAINABILITY

From 1 January 2016, the Board of Directors (Board) of Prysmian S.p.A. tasked the Compensation, Appointments and Sustainability Committee (now the Compensation and Appointments Committee) with overseeing the sustainability issues of the Group's operating practices and the dynamics of its interaction with all stakeholders. Given the increased attention paid to Environmental, Social and Governance matters and the significant commitment required to supervise these aspects, the Board acted during the year on a proposal from the Chairman to establish a specific Sustainability Committee (the "Committee"), which took over the tasks and functions relating to the above matters with effect from 5 March 2020.

<sup>40</sup> As of 31 December 2020.

This Committee, which meets at least once a year to address sustainability issues, carries out the tasks assigned by the Board in 2020 and is responsible for:

monitoring the Company's positioning on the main sustainability indices;

providing advice on the main sustainability initiatives developed by the Group;

approving, prior to the Board meeting, the Disclosure of Non-Financial Information (DNF)/Group Annual Sustainability Report.

CLIMATE-RELATED INFORMATION

The Sustainability Steering Committee also supports the Group by advising on the principal initiatives in the fight against Climate Change, such as the adoption of Science-Based Targets. Furthermore, the Sustainability Steering Committee works together with the Audit Committee to supervise the monitoring of physical and transitional risks linked to climate change matters, as well as the implementation of projects and initiatives designed to manage them.

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

promoting a culture of sustainability within all company activities;

defining and/or evaluating the implementation of projects or programs aimed at improving the sustainability agenda;

monitoring the objectives of the Group Sustainability Policy, progress with respect to the "Sustainability Scorecard" and the progress of the actions to ensure compliance with the Group's policies, and developing an ever growing internal responsibility towards results in areas of sustainability;

supervising all ongoing initiatives that have an impact, current and potential, on the performance of economic, social and environmental sustainability;

ensuring the effective communication of our commitment and results achieved in the field of sustainability;

supporting initiatives to protect diversity and inclusion both internally and externally.

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

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

The strategic lines of sustainability are defined and promoted at the corporate level, and then integrated into local policies and all daily activities.



# ESG Digital Governance

*A solid ESG Identity is based on high quality, reliable and traceable data. Accordingly, we have invested in an ambitious project to digitise our ESG information and ensure its digital governance. This represents a crucial step in managing the ever greater complexity of sustainability and creating new value to share with our stakeholders.*

During 2020 the Prysmian Group launched an ambitious process for the integrated management of environmental, social and governance information via the adoption of a digital ESG tool and the structuring of digital ESG governance. This last term refers to the application of technology to the monitoring, collection, management, securing and reporting of non-financial data. The breakdown of the sustainability variables affecting many parties and areas multiplies exponentially the complexity of managing the core ESG information, which however plays an ever more crucial role in the various economic and financial processes. The adoption of a digital ESG tool represents necessary evolution, in order to produce high quality and efficient ESG data.

In particular, the digital ESG tool project seeks to:

- Digitise the collection of ESG data in order to:
  - Improve the method of reporting;
  - Make the process more structured and fluid;
  - Track all steps in the preparation of the Non-Financial Statement (NFS);
  - Guarantee supervision and coordination in all phases of the procedure.
- Be compliant with both the internal procedure and the standards used for the NFS (the GRI standards);
- Provide the Group with a tool for the constant monitoring of ESG performance and the consolidation of non-financial data;
- Increase the reliability of data;
- Improve engagement with the shareholders and all other stakeholders.

The adopted digital ESG tool, provided by ESGeo, has a user-friendly interface with a dashboard and a reporting tool, and is based on the GRI reporting standards.

Among its other characteristics, the tool can show the status of each information flow (completed, revised, closed or open), attach documents to support the input of data, analysis material topics, extract data in Excel format and track the input of data to the platform.



# Focus on Ethics and Integrity

*The Code of Ethics represents our “Constitution”, being the charter of rights and moral duties that defines the ethical-social responsibilities of each of us. A document in line with international standards that helps us every day to progress our business, work with our colleagues and dedicate particular attention to environmental and social matters. Consequently, it also represents our “ESG identity card”.*

## CODE OF ETHICS OF THE PRYSMIAN GROUP

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

- Ethics in business activities;
- Ethics in internal relations;
- Ethics in environmental and social matters.

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

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

Specific, worldwide on-line training on the Code of Ethics was provided to all white-collar workers within the Group during 2020 (88% completed by the end of December 2020).

## ANTI-CORRUPTION POLICY

Prysmian Group has implemented a series of actions aimed at managing corruption issues on a preventive basis; the first of these is the adoption of an Anti-Corruption Policy that prohibits the corruption of both

public officials and private individuals and requires Prysmian's employees to abide by it and to observe and comply with all anti-corruption legislation in force in the countries in where they are employed or active, if these are more restrictive.

Specific actions to prevent corrupt practices within the Group include:

- Implementation of the "Third Party Program" during 2019. This new Group policy is intended to prevent and manage the risk of corruption deriving from relations with third parties (such as agents, distributors and certain categories of supplier). In particular, before establishing business relations with any third party, it is necessary to carry out due diligence in relation to that party using a dedicated on-line platform. As a result of the above activity, a level of risk (high, medium, low) is assigned to each third party that, consequently, is subjected to an approval procedure responsive to the identified risks. Additionally, the due diligence work must be repeated every 1, 2 or 3 years, depending on the level of risk identified and the type of third party concerned.

Further, the Code of Ethics adopted by the Group (which includes the anti-corruption clause) is accepted and signed by all contractors, suppliers and agents and, with the introduction of the new Third Party Program, all new agents, distributors and 15 categories of suppliers must also sign the anti-corruption certificate. The programme introduced in 2019 has remained current throughout 2020.

- Supply of periodic information from each area to the Supervisory Body, pursuant to Decree 231/2001. These areas comprise:
  - New Prysmian agents;
  - Results of due diligence;
  - Commission payments above a certain threshold.
- Training on compliance with the anti-corruption rules applicable to all Group personnel. In particular, due to the Covid-19 emergency, classroom sessions were replaced during 2020 with specific video conference training for the Commercial, Finance and Purchasing functions, among others. A total of 1,902 white collar employees (up 69% compared with the prior year) were trained during 2020 (their courses included both Anti-Bribery and Anti-Trust modules).

At the same time, e-learning sessions were published on the company intranet covering the following topics: Trade Compliance, Conflicts of Interest (COI) and Code of Ethics. In particular, specific, worldwide on-line training on Export Control/Trade Compliance was provided to all white-collar workers during 2020 (97% completed by the end of December 2020). They also received specific on-line training on COI matters (87% completed by the end of December 2020).

- Training in how to use the platform to carry out due diligence work on the third parties mentioned earlier. In particular, specific refresher training was provided during 2020, with 672 white collar employees receiving courses via video conference.
- Implementation of ACL (a software programme that enables the extraction and processing of bulk information from SAP or other information systems), with the definition of a number of determined extractions and key indicators for the "Purchasing", "Sales", "General Ledger" and "Assets" processes.
- In line with the objectives set in prior years, during 2020 the Prysmian Group continued to monitor and focus on compliance issues as part of a specific Anti-Corruption Compliance Program inspired by the guidelines set by ISO 37001: 2016 "Anti-bribery management systems". This program, in addition to giving greater control over the management of the risk of corruption, is also aimed at minimizing the risk of being subject to sanctions following the commission of corruptive offences by employees or third parties.

- The compliance policies of Prysmian and General Cable were reviewed, updated and merged in 2019, in order to create documentation valid for the entire Group. With specific reference to the anti-corruption programme, the relevant policy was revised in 2020 together with that covering gifts and entertainment expenses. In particular, the anti-corruption policy now provides further clarification about the requirements to be met with regard to high-risk transactions, such as donations, sponsorships, governmental interactions/projects, business relations with high-risk third parties (e.g. agents, consultants), gifts and entertaining expenses related to private individuals and the Public Administration.

In addition, a new conflicts of interest policy was issued in 2019, consistent with the constant commitment of the Group to ensuring that the financial and personal interests of employees and consultants do not conflict with their ability to perform their duties with professionalism, ethics and transparency.

The new policy, approved by the Board of Directors on 12 November 2019<sup>41</sup>, required all employees and consultants to disclose in 2020 all potential conflicts of interest, which were then appropriately analysed and assessed. Lastly, with support from the Human Resources function, the necessary corrective actions were adopted in order to mitigate or eliminate any potential conflicts.

The compliance policies (Code of Ethics, Global Compliance, Helpline, Anti-Corruption, Gifts & Entertainment, Third-Party Program, Antitrust, Antitrust EU, Conflicts of Interest, Export Control) have been published on the corporate intranet and are available in the official languages of the Prysmian Group.

With regard to and in accordance with the three-year non-prosecution agreement (“NPA”) signed by General Cable with the U.S. Department of Justice (“DOJ”) in December 2016 and the related disclosure made to the U.S. Securities and Exchange Commission (“SEC”) regarding violations of the U.S. Foreign Corrupt Practices Act (“FCPA”), Prysmian submitted the final report to the above Authorities at the end of 2019 without receiving any requests for clarification.

Furthermore, the DOJ and the SEC did not raise additional matters with regard to the above during 2020. There were no cases of corruption within the Prysmian Group during the three-year period 2018-2020.

## ANTI-TRUST REGULATIONS

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

Consistent with the priorities defined in the ERM process, the Board of Directors has adopted an Anti-trust Code of Conduct that all directors, executives and employees of the Group are expected to know and comply with in the performance of their duties and in relations with third parties.

<sup>41</sup> The Board is the body responsible for approving all anti-corruption policies and procedures, after having analysed and discussed them. Board members do not receive the training, as they are responsible for approving the entire Anti-Corruption Program.

As with the other policies, the Antitrust Code of Conduct was also updated following the acquisition of General Cable, in order to have a document, valid for the entire Prysmian Group, that provides an overview of the problems associated with applying the antitrust regulations and the consequent principles of conduct to be followed.

In addition, more detailed documents were also adopted covering the antitrust regulations in force within the European Union, North America, China and Australia.

In 2017, Prysmian introduced an anti-trust training programme — Integrity First — designed to increase awareness among those who work in the name and on behalf of the Group, so that during their activities they comply with the rules safeguarding competition. This programme continued throughout 2020 (refer to the “ANTI-CORRUPTION POLICY” section for the training courses provided). The Antitrust Code of Conduct, which is an integral part of this training programme, seeks to describe the issues relating to the application of the competition policy with regard to cartels and the abuse of dominant positions.

On 15 April 2020, the Prysmian Group disclosed that, in the context of proceedings commenced in 2011, the Court of the Brazilian Competition Authority (CADE) had issued a ruling on the alleged anti-competitive practices of the Prysmian Group in the Brazilian market for high voltage terrestrial and submarine cables. The Court held the Prysmian Group responsible for such practices between February 2001 and March 2004 and sentenced it to pay a fine of BRL 10.2 million (about Euro 1.8 million), which is in line with the provisions recorded by the Group for this specific matter. The Prysmian Group has appealed against this ruling made by CADE.

On 24 September 2020, the Group disclosed that the European Court of Justice had ruled on the appeal filed by Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.l. against the ruling of the European Court dated 12 July 2018 which, as notified to the market on that day, had upheld the decision made of European Commission dated 2 April 2014 following an anti-trust investigation into the markets for high voltage terrestrial electricity cables and for submarine electricity cables. In this ruling the Court rejected the appeal filed by the Group companies, thus confirming the responsibilities and fine specified in the original decision. In addition, during 2020, the Group made additional payments following the settlement of certain disputes promoted by third parties seeking the reimbursement of alleged losses incurred as a consequence of Prysmian's participation in the anti-competitive conduct penalised by the European Commission (follow-on cases), as well as for legal expenses. The total cash outflow in relation to the above matters, including therefore payment of half the fine imposed by the European Commission, was about Euro 112 million.

With regard to the antitrust investigations still underway, details on which are provided in section “Provisions for risks and charges” of the Explanatory Notes to the Consolidated Financial Statements, it should be noted that the Group's provisions for risks and charges amounted to approximately €120 million at 31 December 2020. Despite the uncertainty of the outcome of the investigations and legal action in progress, the amount of this provision is considered to represent the best estimate of the liability based on the information now available.

## **PRIVACY AND DATA PROTECTION**

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

Furthermore, the European GDPR (General Data Protection Regulation) entered into force in May 2018 and became one of the major points of reference for a renewed effort in the area of data protection, with a focus on personal data.

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

- Implementation of a “data centric” model, by mapping the personal data processed by business functions and keeping a register of processing activities;
- Definition of a governance model designed to comply with the requirements of the GDPR and other emerging data protection requirements, marked by:
  - an organisational structure that assigns an advisory and monitoring role to the data protection officer (DPO) in the management of personal data, delegating duties and the related responsibilities to the roles that actually process that data;
  - a series of policies and documents that support the model (business policies, information sheets, internal appointments, clauses applicable to suppliers etc.);
- Evaluation and implementation of adequate technical and organisational measures to ensure a level of security appropriate to the risk, partly with the help of new tools such as the data protection impact assessment introduced by the GDPR;
- Definition of the communications and training materials specifically reserved for the roles identified with the data protection organisational model, so that all roles involved are aware of the renewed regulatory obligations and take steps to implement all specified requirements;
- Update of the video surveillance systems, with particular reference to the new European guidelines and the regulations applicable in Italy.

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

The work performed on alignment with the European regulations was leveraged as much as possible in the compliance work required by national regulations in the countries where the Group operates, considering also that the “Ley General de Protección de Datos” now applied in Brazil is founded on the same principles.

During the three-year period 2018-2020, the Prysmian Group was not the subject of complaints about the infringement of customer privacy or the loss of customer data.

## **THE HELPLINE PROGRAMME: INTEGRITY FIRST IN PRYSMIAN GROUP**

As part of its commitment to ethical and legal behaviour, Prysmian invites all the Group’s stakeholders to report any real or apparent violations of the law, the Code of Ethics, or of ethical standards, so that they can be examined and dealt with appropriately. In order to meet this requirement and create the necessary conditions of confidentiality, security and ease of reporting, in 2017 Prysmian adopted a Whistleblowing Policy that allowed everyone (employees or not) to report to the Group any improper behaviour and alleged unlawful activities identified within the organisation.

In 2019, topics as the reporting of alleged violations of the law, the Code of Ethics or Group policies and, more generally, the reporting of unlawful conduct were revisited, including through a re-branding of the name itself, which, in order to facilitate communication with employees and third parties and reduce any fear of retaliation, changed from Whistleblowing to Helpline. In this context, a Helpline Policy was



issued in August 2019 and a unique, new platform for the management of reports from around the world has been implemented. This platform, administered by independent operators, is available in the 26 languages used by the Group. Three reporting channels are currently available (web, telephone and e-mail).

The new policy reiterates the importance of communications within the Group, guaranteed by the anonymity available to the reporter, as well as the ban on reprisals against those who report violations.

Lastly, role of the management committee mentioned above has been retained (now the Helpline Committee) to analyse and evaluate the reports received, carry out any specific investigations deemed necessary and adopt the appropriate measures.

The Helpline system and the reporting channels described above remained current and in use throughout 2020.

	2020 <sup>42</sup>	2019 <sup>43</sup>
Total number of complaints received via the whistleblowing channel	105	82
Confirmed claims received through whistleblowing channel	50	26
<i>of which of anti-corruption</i>	-	-
<i>of which covering other topics</i>	50	26

## COMMITMENTS FOR THE FUTURE

During 2021, Prysmian Group will strive to strengthen and improve, where necessary, all of the compliance programmes described above, keeping abreast of regulatory updates and the progress made by the relevant best practices. The Group is also considering whether or not to obtain certification for its existing compliance systems in accordance with such standards as ISO 37001: 2016 "Anti-bribery management systems".

<sup>42</sup> The number includes cases that were partly justified.

<sup>43</sup> The number includes cases that were partly justified.

# Group's Tax strategy

*The ESG identity is underpinned by an honest and proper tax strategy, compliant with the regulations, that bases relations with the tax authorities and third parties on cooperation and transparency. Our guiding principles are presented here, together with the governance applied in practice.*

The tax strategy of the Prysmian Group was approved by the Board of Directors of Prysmian S.p.A. and applies to all Group companies.

This strategy seeks to ensure that taxes and tax risks are managed in a manner consistent with the strategic and commercial objectives of the Group. Consistent with the fundamental values set out in the Code of Ethics, Prysmian intends to pursue a tax strategy founded on the principles of honesty, propriety and compliance with the applicable tax regulations, guaranteeing that relations with the tax authorities and third parties are founded on cooperation and transparency, in order to minimise the substantive impact of any tax and reputational risks.

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

- Compliance – conformity with the tax laws, regulations and circulars issued by the tax authorities;
- Legality – satisfaction by all Group companies of their tax and tax payment obligations;
- Sustainability – efficient, effective and sustainable management of the tax variable, in order to support the Prysmian business and, like all other aspects of our business operations, maximise shareholder value;
- Equity – diligent exercise of professional judgement in order to ensure that all tax decisions are consistent with domestic and international best practices, following proper analysis and with appropriate documentation;
- Trust and Transparency – positive and transparent approach to the tax authorities, in order to develop and maintain fair and honest relations.

The above principles of tax strategy are implemented as follows:

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

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

- Mitigation of tax risks: tax management by complex multinational Groups, such as Prysmian, may give rise to uncertainties about the proper tax treatment of operations that do not fall into clearly defined categories. In these cases, the Group applies the tax treatment deemed most proper and appropriate, having due regard for any legitimate tax-saving opportunities and for the opinions of subject experts and related best practices. Prysmian strives to endorse solid and reasonable interpretations, adopting a cautious approach in order to avoid any reputational losses for the Group.
- Transparency and relations with the tax authorities: As a general principle, Prysmian adopts a transparent and proactive approach to relations with the tax authorities. Indeed, the Group has an open, honest and collaborative attitude. Prysmian seeks transparency in the management of tax matters. If the regulations are subject to conflicting interpretations, the Group enters into proactive discussions with the tax authorities and even requests advance rulings, so that agreed solutions can be found before tax returns are filed.

## GOVERNANCE AND THE CONTROL OF TAX RISKS

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

Under the Group Tax Director, the tax function at the Parent Company is organised as follows:

- International Tax: support for the CFOs/tax focal points in each country, with the central management and coordination of transfer pricing; the tax aspects of cross-border operations; non-routine and/or non-recurring transactions; inspections by the tax authorities in relation to the above operations.
- Italian Tax: responsibility for compliance with the Italian regulations governing direct and indirect taxation (e.g. calculation of taxes, preparation of tax forms); management of inspections by the tax authorities; provision of advice and training to management on tax matters.
- Tax Risk: responsibility for tax governance, with specific focus on the tax control framework (Italian companies).

At local (individual entity) level, CFOs are responsible for: managing tax compliance; managing and disseminating the tax risk culture; facilitating the centre-periphery exchange of information on cross-border matters; involving the HQ Tax Dept promptly in the event of non-routine and/or non-recurring transactions; notifying any changes in the selection/management of tax advisors.

At Group level, the HQ Tax Dept has launched the process for defining and implementing the Tax Control Framework (TCF), a system to manage and monitor tax risks, already applied by the Italian Group companies. Prysmian intends to launch cooperative compliance processes at its foreign companies as well.

In addition, the Group Tax Director attends the meetings of the Control and Risks Committee at Prysmian S.p.A., in order to report on specific matters.

Prysmian's HQ Tax Dept, in the person of its Group Tax Director, takes part as expert on the matter in tax groups organised by the major trade associations.

## APPROACH TO RELATIONS WITH THE TAX AUTHORITIES AND ASSURANCE PROCESSES WITH REGARD TO TAX INFORMATION

As a general principle and as envisaged in the tax strategy, Prysmian adopts a transparent and proactive approach to relations with the tax authorities. Indeed, the Group has an open, honest and collaborative attitude. Prysmian seeks transparency in the management of tax matters. If the regulations are subject to conflicting interpretations, the Group enters into proactive discussions with the tax authorities and even requests advance rulings, so that agreed solutions can be found before tax returns are filed.

With respect to the procedures for tax audit assurance, taxation falls within the regular assessments as per Law No. 262/2005 and the independent auditors' scope of work. As far as tax disclosure is concerned, no specific assurance is in place.

## TAX REPORTING IN OUR COUNTRIES

In 2019, Prysmian Group operated in as many as 68 countries with 185 legal entities and 45 branches. Details on legal entities and branches and on their operations are provided in section "Attachments" of this Disclosure of Non-Financial Information.

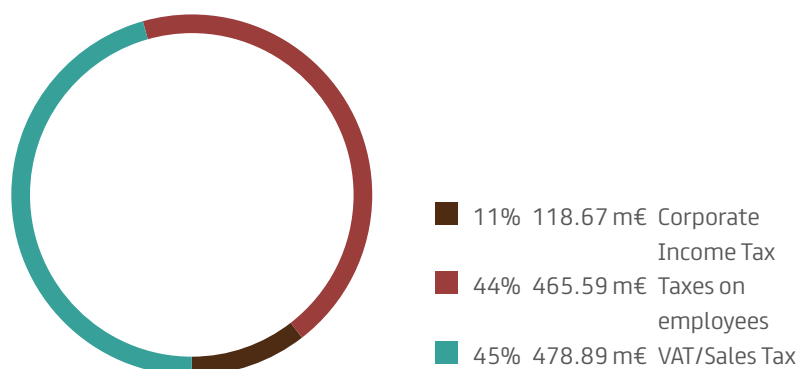
Each of these countries applies its own tax regulation and tax assessment procedures. Accordingly, Group companies may be subject to different tax rules and/or tax rates. The Group's effective taxation is subject to be adjusted and changed following any developments in legislation in force in each country, as well as in light of the net profit generated by individual Group companies located in different countries.

Prysmian's business operations generate taxable income for the countries in which the Group operates. In addition to income taxes (corporate taxes), Prysmian pays many other taxes, such as taxes on employees and on value added (VAT) and sales taxes, which account for nearly all the taxes paid. Data given below include corporate income taxes; VAT, Sales Taxes and taxes on employees (withholding taxes on employee salaries and social insurance contribution). These types of taxation represent the scope of the analysis reported hereunder.

The figures given in the following charts are expressed in Euro (data are gathered in foreign currency and then converted at the 2019 average exchange rate).

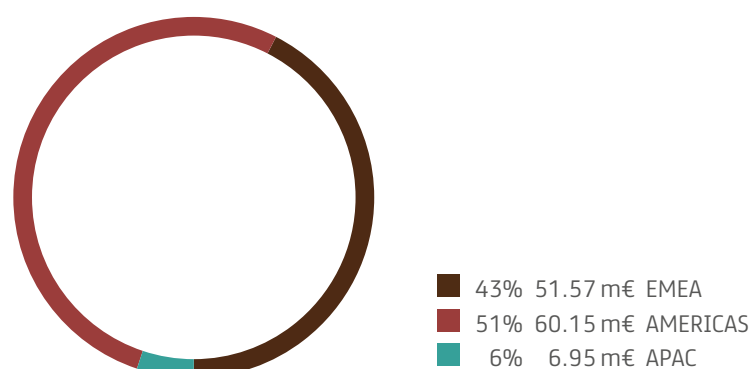
In 2019, Prysmian paid taxes for **1,063.15 m€**, of which **118.67 m€** Corporate Income Tax (CIT), **478.89 m€** VAT/Sales Taxes, **465.59 m€** taxes on employees, including withholding taxes and social insurance contributions.

### TAXES PAID BY TYPE OF TAXATION (2019)



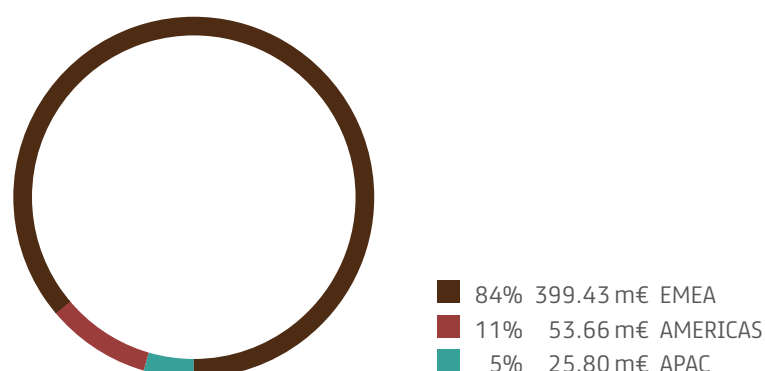
In 2019, Prysmian paid Corporate Income Tax (CIT) amounting to **118.67 m€**, broken down as follows: EMEA **51.57 m€** (equal to 43%); AMERICAS **60.15 m€** (equal to 51%); APAC **6.95 m€** (equal to 6%).

#### CORPORATE TAX PAID BY GEOGRAPHICAL AREA (2019)



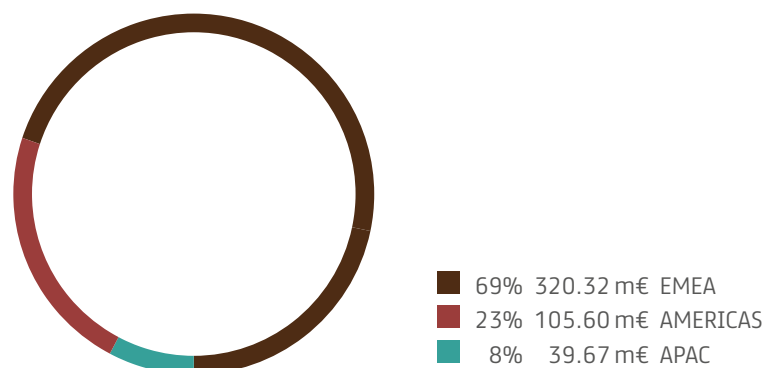
In 2019, Prysmian paid VAT/Sales Taxes amounting to **478.89 m€**, broken down as follows: EMEA **399.43 m€** (equal to 84%); AMERICAS **53.66 m€** (equal to 11%); APAC **25.80 m€** (equal to 5%).

#### VAT/SALES TAXES PAID BY GEOGRAPHICAL AREA (2019)



In 2019, Prysmian paid taxes on employees amounting to **465.59 m€**, including withholding taxes and social insurance contributions, broken down as follows: EMEA **320.32 m€** (equal to 69%); AMERICAS **105.60 m€** (equal to 23%); APAC **39.67 m€** (equal to 8%).

#### TAXES ON EMPLOYEES (WITHHOLDING TAXES AND SOCIAL INSURANCE CONTRIBUTIONS) PAID BY GEOGRAPHICAL AREA (2019)



For further quantitative information on taxes paid by geographical area, reference should be made to the table "Taxes" in the section "Attachments".





# Protecting our data

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

In this ever-changing scenario, it is progressively challenging to achieve a secure environment, minimizing potential adverse impacts on business operations and guaranteeing compliance to regulatory requirements.

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

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

The unit is structured to manage four main capabilities:

1. Governance, ensure the organization has the right governance structures in place to enhance and maintain its preventive, detective and respond & recover security capabilities;
2. Prevention, mitigate cyber exposure surface thanks to preparation and protection of the organization assets;
3. Detection, ensure the organization is aware of the internal and external threats and can proactively mitigate them and
4. Response & Recovery, defend the organization against successful cyber attacks and recover from the impacts generated.

The organizational structure envisages the involvement of the Business Lines in activities related to IT security through the Information Security Committee, in the figures of the Head of Industrial Relations (CSO), the Group Chief Information Officer (CIO), the Audit & Compliance Director, the Chief Risk Manager Officer (CRO), the Group Chief Operation Officer (COO) and the HR & Organization Senior VP.

The Group is provided with a comprehensive set of policies, procedures and operating instructions to address and regulate, at different level of details, Information Security topics and processes, according to the Information Security Strategy and Framework. Main covered topics by the policies are Information Security, Security Incident Management, IT Change & Configuration management, Backup, Hardening, Logging, Cloud Security, BYOD Management and Removable Devices. Coherently, the main covered topics by the procedures are Security Incident Management, Patch & Vulnerability Management, IT Change & Configuration management, BYOD Management and Removable Devices.

During 2020, the set has been enriched with 3 new documents, Clear Desk and Clear Screen Policy, Third Parties Security Policy and IoT/OT Security Policy in order to better address new IT technologies and processes.

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

Prysmian has launched in 2017 a Cyber Security Program to strengthen information security through a well-defined set of security initiatives, while reducing overall cyber and compliance risks over time.

During the 2020 four main initiatives (streams) were completed

- 1.** First stream (ISO 27001 Gap Analysis) provided an overview of the topics to be addressed in order to obtain a potential certification, identified the requirements, the current state of Group's posture and the measures to be taken to achieve implementation.  
Further development of the activities led to obtaining in 2020 the Cyber Essential certification for the Group's UK subsidiaries and the first-level CMMC compliance for the Group's US subsidiaries
- 2.** Second stream (IoT/OT Security Control Framework Initiative) delivered a framework of IS controls applicable to the OT and IoT environments in Group factories. Prysmian has already adopted a Cyber Security Framework, divided into Capabilities, Domains and Areas, aimed at managing Information Security topics in a structured way. The IoT/OT Framework has been designed as an in-depth and structured approach to address the ICS/IoT Security area and is specifically tailored for Industrial Environments: it is structured in 12 Domain, divided into 35 Areas, where each of them contains specific controls to enhance Information Security within production Plants.
- 3.** Third stream (Crisis Management Initiative) included activities relating to Crisis Management. The published guidelines, based on industry best practices, address decision-making process, the strategic and planned way to coordinate and involve different Functions to respond to a large-scale Crisis affecting the Group, providing the overall "command and control" structure, and ensuring that the necessary/appropriate actors are involved in the decision-making process.
- 4.** Fourth stream (Culture) introduced specific trainings for remote working and to identify and prevent the risks of scams linked to the context of the pandemic. These trainings got alongside the traditional initiatives aimed at increasing the Security Culture, targeting all Prysmian Group staff with global multichannel awareness campaigns.

The Information Security Program will continue over the next years and new initiatives have already been planned, according to the Group Strategy.

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

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

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

The pandemic context of 2020 in many cases has accentuated the levels of stress and anxiety, leading to interference with the processes of concentration. Remote work with an increasing use of devices in the home can reduce the level of attention and perception of risk precisely in relation to the greater confidence that everyone experiences in their own home (comfort zone), exposing to less prudent behavior. Finally, the difficulty of separating family and professional circles for logistical reasons can lead to episodes of distraction that favor imprudent conduct. Consequently, we have recorded a greater number of incidents and violations throughout 2020, credential theft and intrusion attempts for which the Security has activated in real time in order to contain the effects.

If the risks factors are not properly managed with remediation actions and treatment plan, the confidentiality, integrity and availability of Group Information cannot be properly protected and this can result in damages or loss in financial (loss of competitiveness on the market in terms of margin reduction or cost increase), reputational (loss of brand reputation), operational (interruption or delay of business processes) and legal (lack of compliance to regulations, laws and contractual requirements) domains.

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

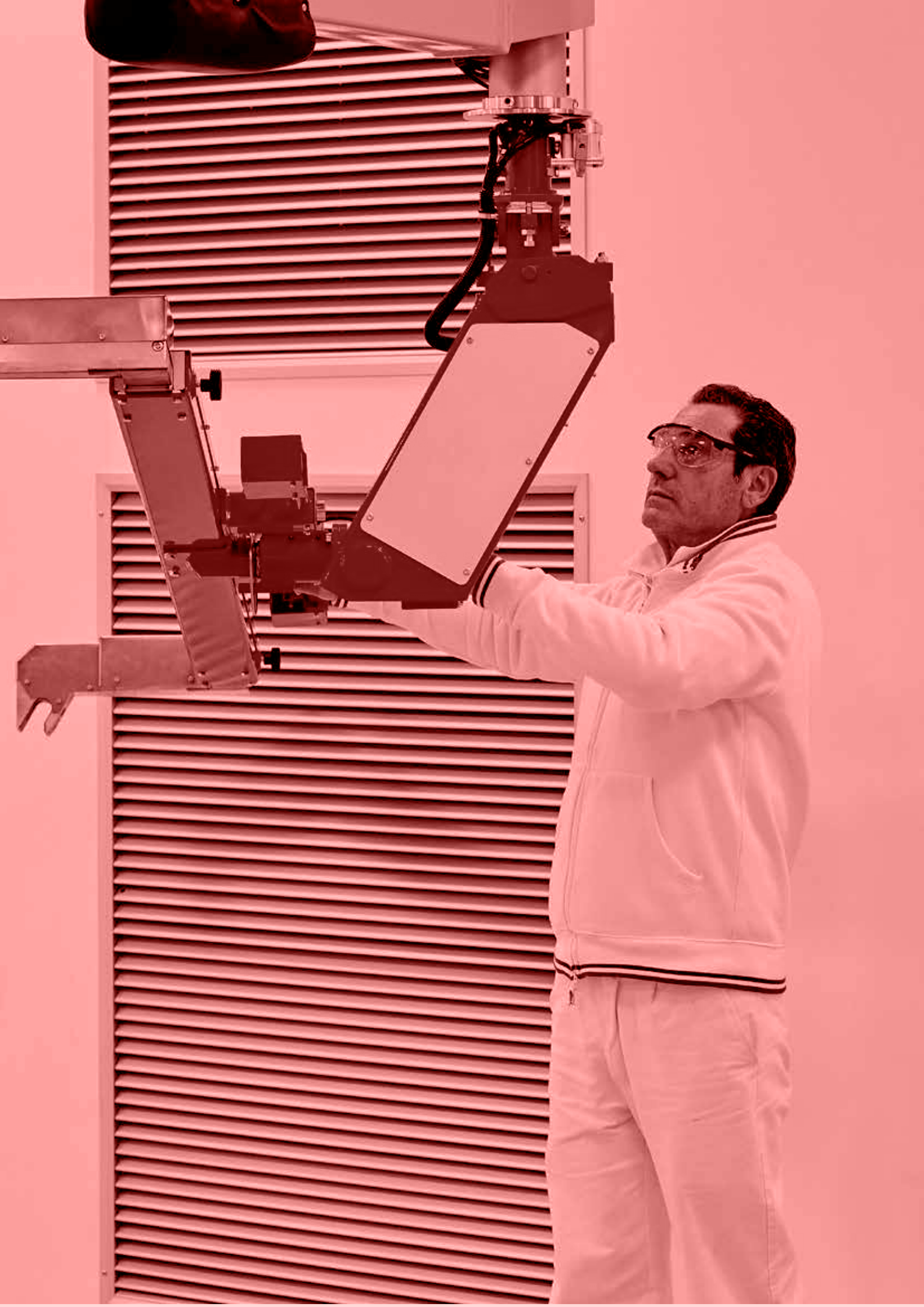
The indicators cover all areas of the Information Security framework defined at Group level, targeting two different needs: business-oriented metrics provide management the clearest and most direct possible representation of Prysmian Information Security status, while technically driven metrics measure and improve the posture of the Group technology.

As for the Group Cyber Security Program, the Information Security Committee supervised the operating plans for the implementation of the planned initiatives during periodic updates in 2020.

In 2020 over 120 information security events (“incidents”) with various severity were monthly handled, 87 suspect internet domains used for phishing and ransomware campaigns were identified and reported, over 130 monthly security clearances were issued, to authorize significant changes on IT systems or providing access to Company critical assets, 33 investigations were conducted to reduce and prevent theft and fraud activities, business interruption and reputational damage, carried out by insiders and hostile external hackers.

To cope with the significant increase in incidents, the ability to prevent malware infections has been increased, collecting a greater amount of traces (activity logs) of endpoints, servers and critical network nodes, and basing analysis and correlations no longer alone on the recognition of known infection patterns, but on machine learning techniques; monitoring of data exchange was also enhanced, intervening on the aspects of protecting the digital identity of individuals (two-factor authentication required in increased risk contexts) and implementing encryption for all new data flows exchanged by the Group’s systems outwards.

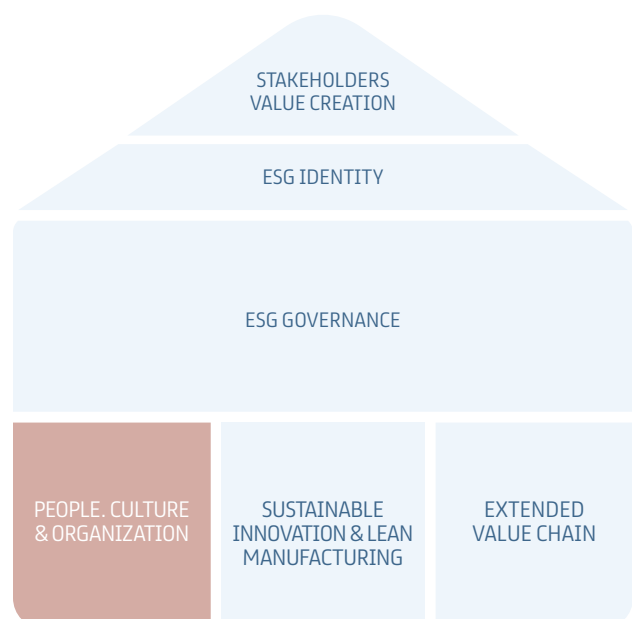
Description	UM	2020	2019
Number of Information Security training courses	Number	11	10
Avg time for high-risk vulnerability resolution	Weeks	33	37
Percentage of log sources integrated with SIEM solution	Percentage	82	79
Number of Security incidents	Number	1439	534
Percentage of cyber-attacks on total security incidents	Percentage	9	19
Avg time for forensic activities after an incident	Hours	4	3



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## 04 PEOPLE, CULTURE & ORGANIZATION

*The primary drivers for the creation of stakeholder value are our people and the communities in which we work. As such, we can only implement our ESG Identity by investing in human capital and the local territories. We made greater efforts in 2020 to guarantee the resilience of the Group and all our people: resilience that enabled us to strengthen our leadership despite the Covid-19 pandemic. We renewed existing projects and launched new initiatives, adopted strict health and safety measures in the field and extended our recourse to remote working, while confirming our commitment to local communities.*





# Responsibility towards people

*We are a People Company: the successes achieved over our 140-year history were founded on the skills of our employees. Accordingly, we invest willingly in wide-ranging training and talent-building programmes, promote the values of meritocracy, diversity and respect for human rights, and develop a sense of belonging and leadership. We have implemented remuneration policies that align the long-term interests of employees, management and shareholders, pursuing the priority objective of creating sustainable value over time for all stakeholders.*

The Group has built its history and successes on the abilities of its employees, who have been leading actors in the achievement of these results. Their ability to transmit values, experience and attachment to the firm to younger colleagues, generation after generation, has proved to be a fundamental driver in the creation of value for the Group for almost 140 years. The “human capital strategy”, launched in 2015 in support of our business strategy, and the growth of the business towards 2020 in terms of our sustainability objectives, guides the development of specific initiatives in this area, based on the following pillars:

- **constant improvement and development of the organisational model**, consistent with our business strategies and priorities;
- **strategic planning of resources** in order to ensure, over the medium term, the compatibility of our human capital with the needs of the company in terms of capacity and skills;
- **development of employer branding**: increase knowledge and awareness of the Prysmian brand as an employer and develop the positioning of the brand in the international job market, partly via strategic recruitment initiatives;
- **creation of a strong talent pipeline** that ensures the sustainability of the Group’s human resources strategy;
- **development of technical, professional and managerial skills** via the training initiatives of the Prysmian Academy, which has now been active for eight years;
- **meritocracy** as a basic element for the development of resources to ensure long-term sustainability;
- **development of employee engagement** and sense of belonging via a structured approach to measuring the corporate climate, in order to align management and initiatives with the priorities perceived by employees and, in particular, via a broad share ownership programme designed to make most of them shareholders.

In terms of engagement, a decision was made in 2019 to revise the Speak-Up survey and extend it to all employees, including blue-collar workers. The results obtained in 2020 were extremely positive in terms of both participation, 67% overall (76% WC, 64% BC), and engagement rate, 65%. Employee satisfaction is hugely important for Prysmian. In this regard, despite the good overall results, a global action plan was requested and received from all plants, countries and regions. The objective is to ensure continuous improvement and ever greater “people care”.

Working together with SDA Bocconi - which helped us with the survey in order to ensure comparability, confidentiality and substance - we have also identified two indices, the Leadership Impact Index and



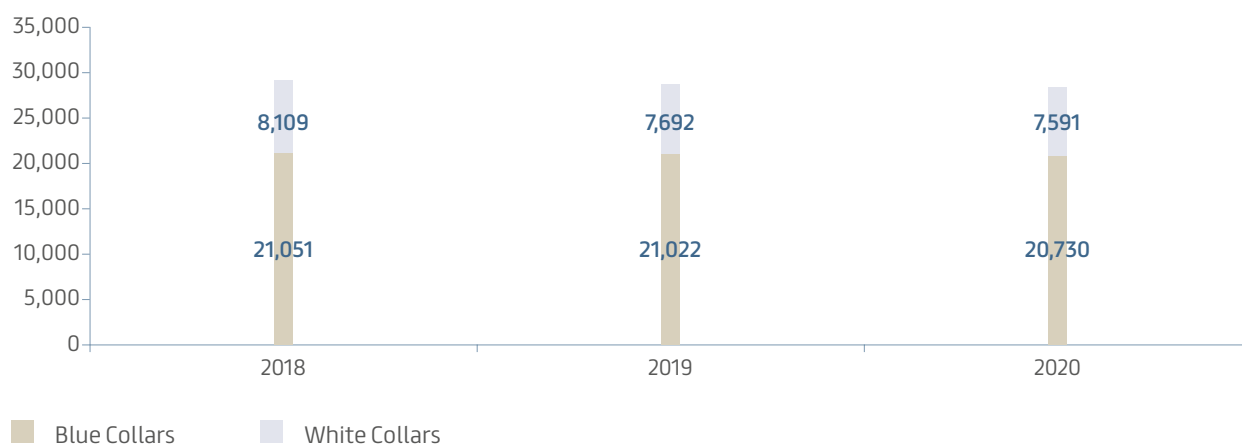
the Employee Engagement Index, that will become an integral part of our MBO plan with targets that must be met in order to benefit from the plan.

Commencing from January 2020, the spread in China of Covid-19 (a new coronavirus) had a significant impact on productive and commercial activities. The effects of Covid-19, until early March mainly found in China with warning signs in Italy, expanded rapidly throughout the world, causing the World Health Organisation (WHO) to declare Covid-19 a pandemic. In order to tackle the spread of Covid-19 and protect our people, the Group took mitigating action to safeguard employees with the implementation of strict health and safety measures at plants and offices, including significant recourse to remote working.

## OUR HUMAN CAPITAL

The Prysmian Group employs<sup>44</sup> 28,321 FTEs at 31 December 2020, comprising 7,591 White Collar (WC) staff including executives and 20,730 Blue Collar (BC) workers.

### GROUP WORKFORCE (FTE)

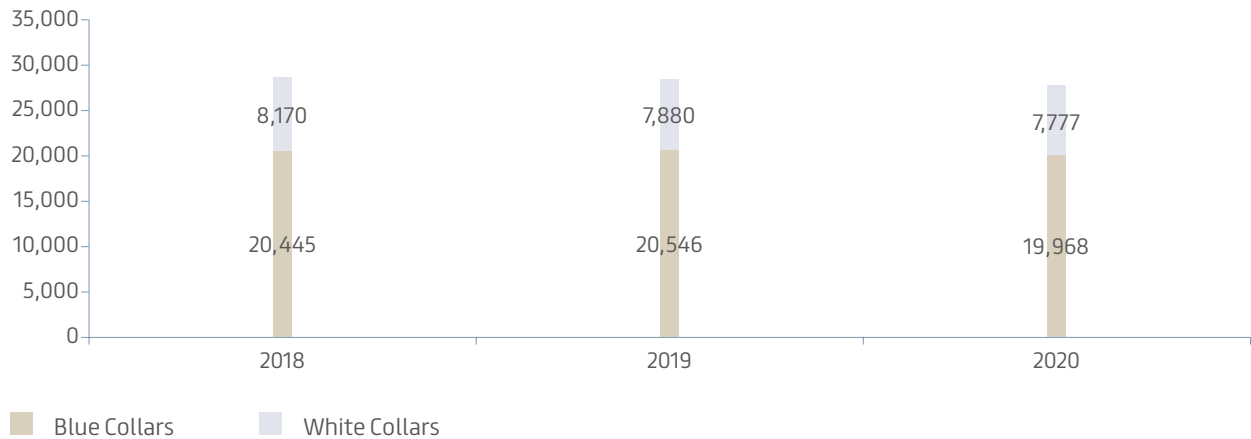


The number of employees at 31 December 2020 amounted to 27,745 persons<sup>45</sup>.

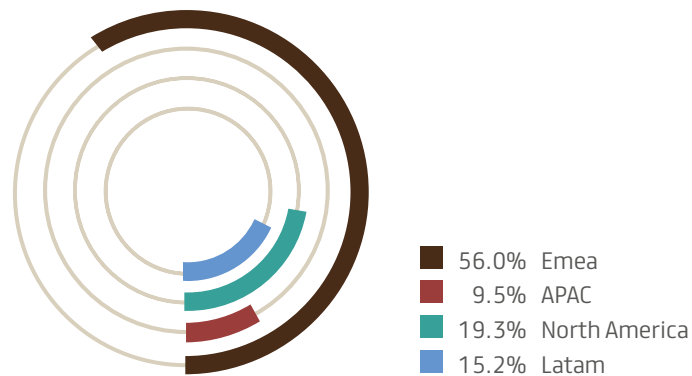
White collar staff account for 28%, while blue-collar workers are in the majority at 72%.

<sup>44</sup> The total represents the total workforce of the Group, calculated in FTE, and represents 100% of the total of Prysmian's employees, i.e., all Group companies controlled or subject to the Management, including estimated figures of Associated Cables Pvt. Ltd.. This calculation also includes the staff of agencies (interns and contractors). Note that in order to guarantee the reliability of this document and its comparability with previous editions, estimates have been made with regard only to the data of Associated Cables Pvt. Ltd., on the basis of the best available methodologies. In fact, due to a lack of data, the number of persons employed by Associated Cables Pvt. Ltd. Prysmian India has not changed for four years, while the qualitative breakdowns have been estimated with reference to Group averages.

<sup>45</sup> There may be slight misalignments between the headcount data for 2019 and 2020, due to the internal transformation of contracts and early departures of non-operational personnel.

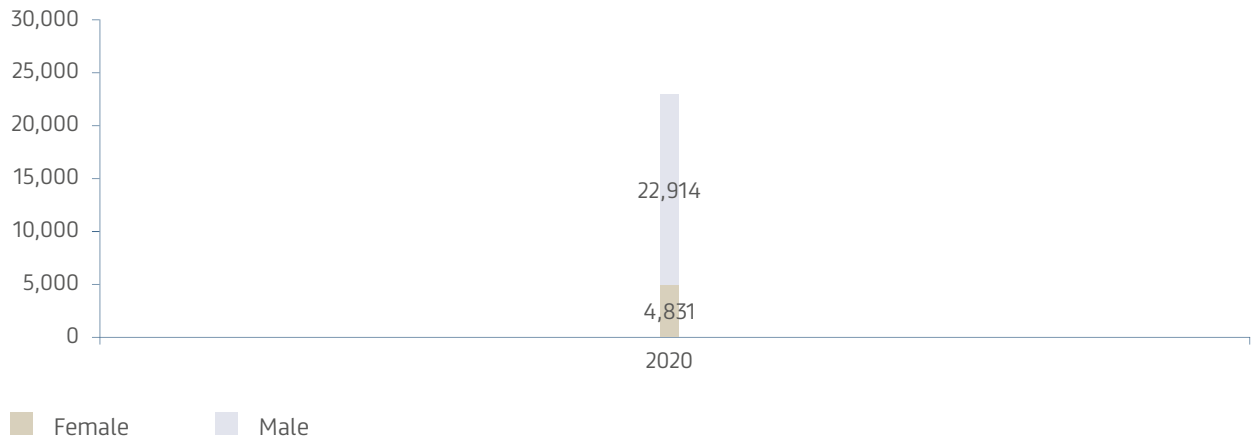
**GROUP EMPLOYEES (NO.)**

With regard to geographical distribution, in line with prior years more than half of employees are located in the EMEA area (Europe, Middle East and Africa). North America (US and Canada) and LATAM respectively hosted 19.3% and 15.2% of employees, while the remaining 9.5% were in the APAC area<sup>46</sup>.

**EMPLOYEES BY GEOGRAPHICAL AREA (%)**

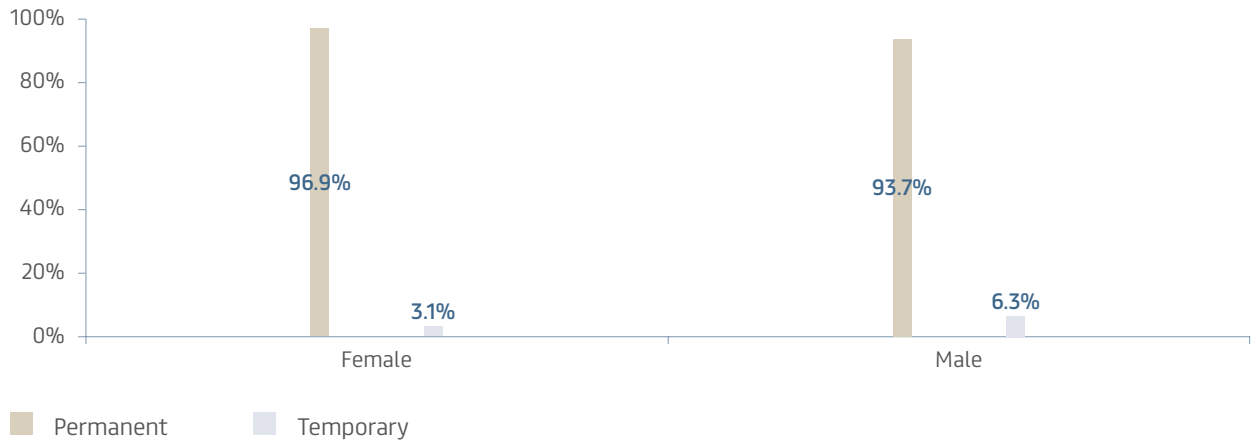
In consideration of the type of business, men made up 82.6% of all employees, and women the remaining 17.4%. The Group continually strives to implement equal opportunities programmes. See the following section for more information.

<sup>46</sup> For details of the countries included in the geographical regions, please refer to the map of the Group's plants shown in the "Prysmian Group in the world" section. Countries were reclassified following the inclusion of General Cable in 2018. Accordingly, Mexico has been included in the LATAM region since 2018, having been categorised in the North and Central America region in previous years.

**EMPLOYEES BY GENDER (NO.)**

Regarding types of contract, the majority of employees have permanent contracts.

The preference for permanent employment contracts demonstrates the Group's commitment to creating long-term relationships with its employees, focusing on long-term prospects.

**GROUP EMPLOYEES BY TYPE (FIXED-TERM/ PERMANENT) AND GENDER**

As regards demographics, the majority of employees (54.0%) were aged between 31 and 50 years. About 30.4% of employees are above the age of 50, while the remaining 15.6% are under 31 years of age. The Group constantly strives to attract young recruits, especially through specific programmes such as Make It, Sell it and the Graduate Program.

With regard to new hires and departures, the current perimeter combines Prysmian Group and General Cable to represent the Prysmian Group in its entirety, having excluded General Cable in 2018 as it was only consolidated from 6 June 2018<sup>47</sup>.

2020	Total new employee hires (No.) - Prysmian Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	311	164	475	157	44	201	203	38	241	481	219	700	1,152	465	1,617
31-50	338	147	485	147	57	204	244	56	300	294	144	438	1,023	404	1,427
>50	64	8	72	9	1	10	89	18	107	12	7	19	174	34	208
<b>Total</b>	<b>713</b>	<b>319</b>	<b>1,032</b>	<b>313</b>	<b>102</b>	<b>415</b>	<b>536</b>	<b>112</b>	<b>648</b>	<b>787</b>	<b>370</b>	<b>1,157</b>	<b>2,349</b>	<b>903</b>	<b>3,252</b>

2020	Total employee departures (No.) - Prysmian Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	242	109	351	141	24	165	154	24	178	361	171	532	898	328	1,226
31-50	581	101	682	213	104	317	248	52	300	303	152	455	1,345	409	1,754
>50	348	32	380	46	16	62	216	54	270	59	15	74	669	117	786
<b>Total</b>	<b>1,171</b>	<b>242</b>	<b>1,413</b>	<b>400</b>	<b>144</b>	<b>544</b>	<b>618</b>	<b>130</b>	<b>748</b>	<b>723</b>	<b>338</b>	<b>1,061</b>	<b>2,912</b>	<b>854</b>	<b>3,766</b>

The overall outgoing turnover rate was: 9.1% in the EMEA area, of which 2.5% voluntary; 20.7% in the APAC area, of which 9.0% voluntary; 13.9% in North America, of which 6.6% voluntary; and 25.2% in LATAM, of which 8.0% voluntary. With regard to outgoing turnover grouped by age, the most significant changes were found in employees under thirty (28.3%, of which 11.5% voluntary), followed by employees aged between thirty and fifty (11.7%, of which 4.4% voluntary) and finally those over fifty (9.3%, of which 2.0% voluntary).

The turnover rate for new hires was 6.6% in the EMEA area, 15.8% in the APAC area, 12.1% in North America and 27.4% in LATAM. In terms of age groups, the new hires turnover rate was 37.3% among the under-thirties, 9.5% between 31 and 50 years, and 2.5% over fifty years.

New hires totalled 3,252 while departures amounted to 3,766 including 1,323 voluntary; see details in the tables above. This data is not comparable with that reported in the tables for 2018 and shown in the "Attachments" section, as it pertains to different corporate perimeters, time periods and cases.

<sup>47</sup> Commencing from the 2019 reporting year, non-financial reporting has been improved by disclosing all employee turnover, including both white- and blue-collar workers and all departures, not just those that were voluntary.

### International mobility

As of 31 December 2020, the Prysmian Group's expat population counts about 209 employees from about 27 different countries (32% are Italians) who are living in 27 different destination countries. Of these, 67% are at a non-executive level and 18% are women. There were 47 new departures during 2020. This number was seriously affected by the pandemic, which limited and/or delayed the activation of new secondments. By contrast, 71 secondments were terminated.

Although the global situation in 2020 was heavily conditioned by Covid-19, with the closure of borders and an inability to travel, the above numbers confirm that international mobility is an aspect of fundamental importance to Prysmian. On the one hand, it allows the diffusion of Prysmian culture and values in all countries and affiliates and, on the other, international mobility helps us meet local organisation requirements, enabling the transfer of managerial and technical know-how from country to country, as well as the spread of multiculturalism which enhances the benefits of diversity.

## DIVERSITY AND EQUAL OPPORTUNITY

Prysmian has identified the promotion of diversity and equal opportunity as a strategic objective for the management of human resources and, therefore, the development of an increasingly inclusive organisation. Given this commitment, the Group has adopted a global **Diversity & Inclusion Policy** and is developing a number of supporting initiatives. The latter are included in the Group's **Side by Side** programme. This was launched in 2016 and now focuses on diversity in terms of gender, age and culture as drivers for the creation of value in line with our business objectives.

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

- 1. Global Diversity Recruitment Policy.** This procedure, formalised at corporate level, defines an appropriate recruitment process that applies a standardised methodology to ensure equal opportunity at all stages in the selection process, while also avoiding stereotypes linked to gender or other diversities. The Diversity Recruitment Policy was formalised at global level in March 2019. It has been translated into seven languages in addition to English (Italian, German, Spanish, French, Portuguese, Russian and Chinese) and is accompanied by an internal communications campaign entitled "*Turn off your bias*". The objective is to highlight errors that are typically, albeit subconsciously, made during selection processes, raising awareness about them and prompting improved decisions and behaviour.
- 2. Inclusion of diversity and diversity management in all programmes of the School of Management,** i.e. as part of the syllabus of the Prysmian Group Academy, which trains leaders of the Group.
- 3. Involvement of senior managers as teachers in the Professional School programmes,** in order to ensure that the new generations, in particular, benefit from their experience and knowledge.
- 4. Training on Unconscious Bias and Inclusive Leadership,** to be delivered through the Digital Academy.
- 5. WLP (Women Leadership Program).** This training programme is aimed at female talent in the company. Through their development, it can nurture the internal pipeline for succession plans.
- 6. Mentoring programme for female talent,** to be delivered after the training of internal mentors.

7. **Programme of Reverse Mentoring**, organised in 2020 and continued in 2021, with a view to benefiting from the generational diversity that exists within the business, by enabling both Juniors and Seniors to develop by comparing their mindsets and methods of working in order to find common ground.
8. In terms of age diversity, 2020 also saw the launch in the Central-Eastern Europe Region of a pilot project known as the **Cross-Generational Exchange Program**. Employees from different generations will follow a shared growth and development path, enabling them to examine and understand the fundamentals of how they work and the differences attributable to generational diversity.
9. **Gender Pay Gap Analysis**, prepared for all desk-workers.
10. **Health and well-being programmes for more senior employees**, delivered mostly at local level and taking account of specific conditions in each area. As an example, the two-yearly check-up of office personnel in Milan is offered on an annual basis to persons over the age of 55.
11. **Initiatives to recognise the role of caregivers**, with the launch in 2019 and continuation throughout 2020 of a pilot project entitled "Life-Based Learning". The related on-line training models highlight work-life synergies and are available to all employees: parents, caregivers and managers. Further information and details are available from the intranet page, which is even accessible by mobile phone.
12. **Company crèches**, projects that support caregivers. The first Prysmian crèche was inaugurated in September 2020 at the Slatina plant in Romania. Another crèche is scheduled to open at the Milan HQ during 2021.
13. **Actions to facilitate the work-life balance**, such as flexi-hours and remote working. These practices, already implemented at a number of Group locations, were applied to an unprecedented extent as a consequence of the Covid-19 pandemic. This was especially true for remote working that, whenever possible and feasible given the duties of each person, helped to safeguard the health and safety of Prysmian personnel, while also testing new ways of working based on digitalisation, personal responsibility, trust and effective team management. As a result, Prysmian is preparing a new Working Policy that will be applied initially at the Milan offices, but with guidelines for all Group locations. The objective is to define new methods of working post-Covid-19, drawing on the learnings and changes that the pandemic generated and, in many cases, accelerated.
14. **Launch of the Diversity Academy at the Prysmian site in Cebu, Philippines**, where the training organised will largely focus on the topic of racial and ethnic diversity.
15. **Internal and external communication campaigns for the project and success stories based on cases of diversity of all kinds** (gender, age, culture), in order to enhance collaborator and stakeholder awareness about diversity and inclusion.
16. **Global Maternity Policy**, with the granting of at least 12 weeks of maternity leave to all Prysmian employees in every country and the encouragement of initiatives at local level to support the subsequent return to work. The new policy was launched in May 2020, but each country must implement it at local level and include it in their local policies by December 2021.

With regard to the objectives for diversity in its various forms, the Group seeks to improve the gender balance of the overall workforce by 2022, raising female<sup>48</sup> recruitment to 40% of the total (from 34% in 2020 and 30% in 2016) and to increase the percentage of women in all management positions (from junior to top) from 21.9% at present to 25%.

In addition, there is also focus on improving the gender balance of executive positions: from 6% in 2016 to 18% in 2022 (currently 13.4%). Side by Side also strives to create an ever more inclusive working environment. A place where various generations can understand each other and work well together, and where all employees, regardless of culture and leadership style, are offered equal growth opportunities. Consistent with this, the *We value diversity* principle is now part of the Group's Leadership Model, in recognition of the TRUST business value.

<sup>48</sup> White-collar women with permanent contracts.



## PRYSMIAN GROUP OBJECTIVES FOR THE IMPROVEMENT OF GENDER BALANCE

KPI	Group (actual 2020)	Side by Side Target Group (2022)
Percentage of women in the Total Workforce	17.4%	17% to 19%
Percentage of White Collar women hired <sup>49</sup>	34%	40%
Percentage of women in Junior Management positions	24.4%	27% to 29%
Percentage of women in Middle Management positions	22.3%	25% to 27%
Percentage of women in all Executive positions	13.4%	14% to 18%
Percentage of women in Top Management positions	2.4%	10% to 12%
Percentage of women in all Management positions	21.9%	25% to 27%
Percentage of women in Management positions in Revenue-generating Functions	15.4%	17% to 19%

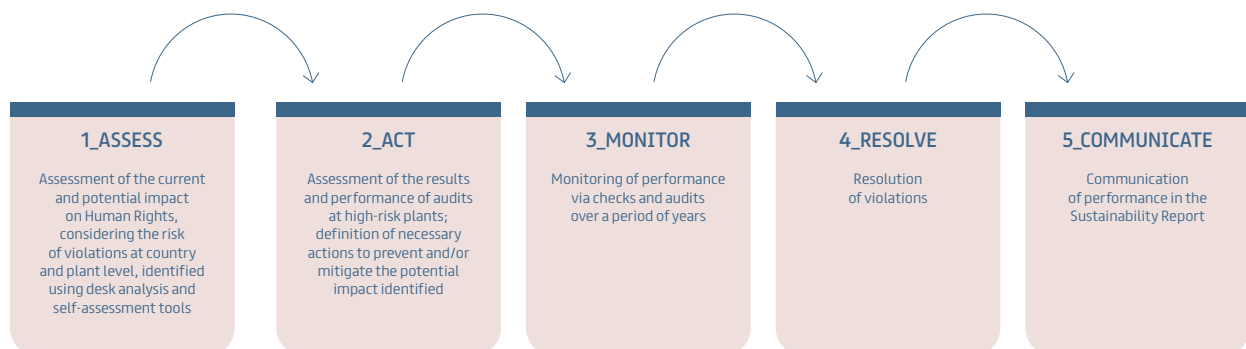
## HUMAN RIGHTS DUE DILIGENCE

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

Our objective is to ensure that we are not involved in any way, neither directly nor indirectly, in activities that infringe on human rights.

In this light, the Prysmian Human Rights Policy was introduced in 2017, making reference to various international standards on human rights (such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact etc.) and applied at all locations and in all Group activities.

In addition, a Human Rights Due Diligence process has been implemented since 2018, enabling Prysmian to map the potential Human Rights impact of Group operations.



<sup>49</sup> White-collar women with permanent contracts.

Applying this Due Diligence process, an assessment of 106 plants that commenced in 2019 (100% of production locations<sup>50</sup>) was completed during 2020. Following this assessment, 8 plants found to be at high risk of violating human rights were audited to check if there was any substance to this analysis.

Outside of the Group, Prysmian seeks to ensure that suppliers also respect human rights, applying a specific Due Diligence process that assesses the risk at supply chain level. This aspect is described in more detail in the “Responsible and sustainable value chain” section of this document.

Various prevention and mitigation actions have been developed and implemented over the years, in order to manage the principal human rights issues identified in the Human Rights Policy and prevent any adverse effects for the stakeholders identified and for vulnerable categories.

Furthermore, at Group level, 5,891 hours<sup>51</sup> of training were delivered in 2020 on the topics of Ethics and Human Rights, with a view to building and disseminating awareness about them within Prysmian.

## THE DEVELOPMENT OF TALENT

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

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

The Talent Strategy is founded on 4 main pillars:

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

## EMPLOYER BRANDING AND TALENT ACQUISITION

2020 was a year of consolidation and constant investment in initiatives designed to strengthen further the position of Prysmian Group as an “*Employer of choice*” in the market for talents, both internally and externally. Despite the situation caused by Covid-19, a number of global initiatives were pursued, both electronically and via traditional channels, with a view to attracting and retaining the best talents and sustaining the recruiting initiatives, such as the established Group programmes.






The positioning of Prysmian Group provided further support for the new employer branding strategy, with the “Make your mark” campaign launched in 2019; this campaign seeks to highlight individual contributions made within the business and recognise the contribution of each person in its success.

<sup>50</sup> This analysis, based on the perimeter of the Group in 2019, excluded the plants in OCI, Sicable, OAPIL (Sohar) and Chiplun (India).

<sup>51</sup> The training hours refer to the e-learning courses of the Prysmian Group Academy.

The Internal Job Posting (IJP) programme was also launched in 2019, firstly as a pilot scheme in the United States and then globally from Q3 2020. Internal recruitment during the US pilot covered more than 35% of needs and, in the first 2 months following the global launch, more than 40 internal candidates came forward, resulting in 4 insertions. The IJP programme highlights the importance for Prysmian Group of developing further the human capital already available, focusing on internal mobility and inclusivity while also improving the employee experience.

With a view to building on the initiatives launched in 2019, their content was revised in 2020 and a strategic investment was made on Instagram, Facebook and LinkedIn in order to reach our employer branding objectives and specific targets, such as new graduates, via these channels. As an example, a new section on the Prysmian Group Instagram page was launched in 2020, dedicated solely to the Graduate Program. During the social media campaign and recruiting period, between July and November 2020, more than 50 thousand accounts were reached via Instagram and almost 10 thousand on Facebook, with roughly 1,200 interactions; additionally, there were nearly 3 thousand interactions on LinkedIn.

			
	213,700 (158,000 in 2019)	38,000	5,000 (3,000 in 2019)
	3,000 interactions resulting from the graduate campaign	1,200 interactions during the graduate campaign	+ 50 thousand accounts reached during the graduate campaign
<b>Social media activities</b>	<ul style="list-style-type: none"> <li>■ Campaigns</li> <li>■ Business testimonials</li> </ul>	<ul style="list-style-type: none"> <li>■ Live-streaming feeds made with applicants to the various recruitment programmes</li> <li>■ Branding campaigns and testimonials</li> </ul>	<ul style="list-style-type: none"> <li>■ Campaigns focused on graduates</li> <li>■ Branding campaigns</li> </ul>

In addition to increasing its presence on on-line platforms, the Group has continued to invest in University presentations and dedicated “corners”. These were mostly virtual in 2020, with business testimonials, talks and live Q&A sessions. Among the various initiatives to report in 2020, a campaign dedicated to talent and “what talent is” for young Group employees saw the participation of 5 graduates, 3 experienced talents, the HR leader and the Talent manager from 7 different countries. Here too, the objective was to describe the characteristics of Prysmian and its talents in concrete terms.

As already mentioned, over the past 10 years Prysmian has implemented specific recruiting programmes that have helped to diversify the offer portfolio, not only with “Spot” job offers but also with programmes to attract and retain talent.

- ***Build the Future, the Graduate Program***  
**41 young graduates from over 40,000 candidates**

“*Build the Future, the Prysmian Group Graduate Program*” is an international recruiting programme that reached its tenth edition at the start of 2021. The objective is to place young graduates with high-potential profiles in various functions and geographical areas. The Graduate Program comprises various stages, from a careful selection process to the assignment of an important technical or managerial role after 3 years of international experience. During the first half of 2020, 41 new international staff were taken on, while, in the second half of 2020, 40,000 applications were received. This will lead to the selection and recruitment of another 41 new graduates in 2021.

Despite the current difficult situation, the programme that continued throughout 2020 will be maintained in 2021. With further innovation in response to current needs, 2020 was marked by the implementation of a virtual recruitment process, with the related induction programme (in collaboration with SDA Bocconi) and training also making use of new digital platforms.

This programme contributes to the creation of a pipeline of out-performing talents. Their performance exceeds by 15-20% that of the same cluster in the internal working population, with a much higher coverage in terms of succession planning (+20%).

This programme also includes young professionals, who contribute to the formation of an even more inclusive workforce. The gender balance of recruitment in 2017 was 37% women and 63% men, while recruitment in 2020 was balanced at 50% each. This trend will be confirmed, if not actually improved upon, in 2021.

- ***Make It***  
**33 young engineers from about 13,000 candidates**

The “*Make It*” international recruitment programme is aimed at identifying engineers from other sectors to cover highly challenging key roles in the Group’s most important production plants. The main objective is to introduce new skills, augmented by diversity in terms of culture and background, that can contribute to the process of cultural change and recognition that is blossoming throughout Prysmian.

In addition to a period of training (*On-Boarding & Training on the Job*) for approximately 2 months, leading to placement in the specific role in the local unit, the programme includes the assignment of a corporate mentor and continuous technical training.

The programme led to the hiring of more than 200 engineers from around the world between 2016 and 2020, during which time 33 recruits were placed in international locations. Here too, efforts were made to draw on and differentiate the experiences offered by candidates, as well as their diverse backgrounds, in order to broaden the interactions among different leadership styles and types of know-how. This programme and the recruitment plan have been confirmed despite the Covid-19 situation and will be continued during 2021.

- ***Sell It***  
**19 salespeople from about 10,000 candidates**

The “*Sell It*” programme aims to further the growth and development of the sales force and follows the same steps as the “*Make it*” programme, commencing from the careful selection of candidates (application, test, group assessment, group and local interviews). This year, “*Sell It*” attracted about 10,000 applications and led to the recruitment of 19 salespeople, with about 5 years of experience, interested in covering key and highly challenging roles in various Energy & Telecom business areas. Recruitment under the *Sell It* programme expanded during 2020 with respect to 2019 and has been maintained despite the current difficult situation.

- *Sum It*  
4 industrial control experts from about 1,000 candidates

Prysmian Group launched a new programme within its Talent Acquisition strategy during 2020. This programme, *Sum It*, is dedicated entirely to professionals working within the industrial control function. This function is central to the Group strategy for the further improvement of operations at plant level. The new programme saw the recruitment of 4 professionals in its first year and will continue throughout 2021. Sum It is also a global programme, following similar recruiting, induction, training and management logic to that of the Make It and Sell It programmes.

All the communication materials and campaign details for the 3 Group programmes described above have been revised, in order to improve the effectiveness of the recruiting system.

Consistent with the people strategy, the talent acquisition priorities for 2021 will continue to focus on the employer branding strategy and the employee value proposition, linked to the Group's values and leadership model. The objective is to make the unique offer made by the Group, in terms of experience, culture, benefits and growth, both visible and transparent to persons who are already part of the Prysmian Group and those who will be in future. In addition, we will continue to give priority to the quality of recruitment and the diversity of backgrounds and skills.

All these "Experienced programs" allow the introduction of new persons able to perform at a high level immediately, with a significant benefit for the succession plan: about 10% better than the same cluster in the internal working population.

## PERFORMANCE AND TALENT MANAGEMENT - P3 AND P4 PROGRAMS

### Prysmian People Performance (P3)

In order to achieve our business objectives and continue to improve our results, each employee must be put in a position to make a daily contribution. This requires the allocation of clear objectives agreed with their own manager and the provision of constant feedback about the work performed and results obtained. For this, the performance of Group employees is monitored through the programme known as "Prysmian People Performance (P3)". P3, supported by an on-line platform, has the following aims:

- align personal objectives with those of the Group, thereby motivating each employee to do their best and generate value for the entire organisation, creating a single business identity;
- guide leadership behaviour;
- facilitate communication between managers and staff, so that the results achieved can be shared;
- train those deemed most deserving, based on objective appraisals.

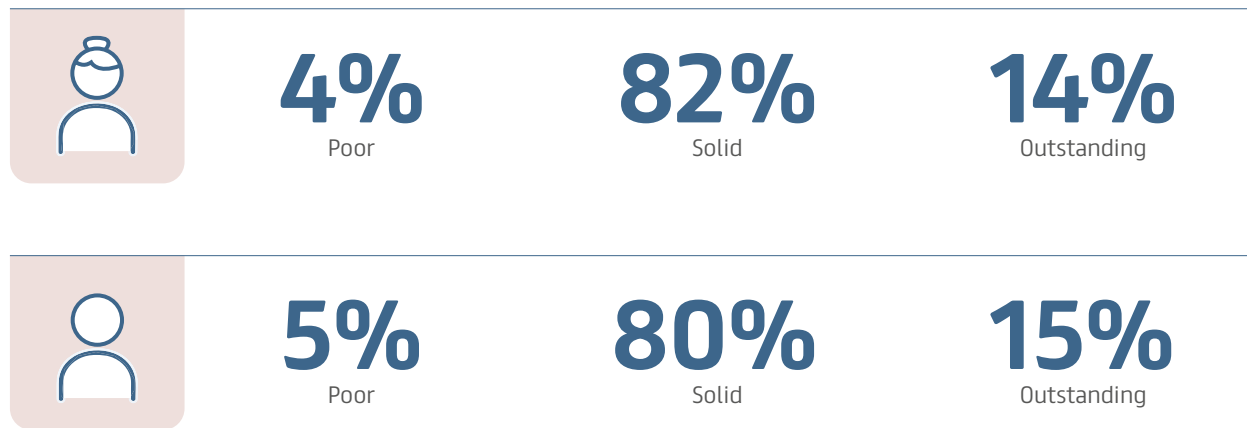
P3 currently involves white-collar employees within the Prysmian Group w/o General Cable, engaging about 7,000<sup>52</sup> in total in 2020. About 90% of the Group's white-collar workers (including the front line) were given periodic performance appraisals during 2020.

The data defined below as P3 2019 relate to performance that was assessed in 2020, as the P3 process relates to the prior year. The following two figures present data for involvement in the P3 programme and an analysis of gender balance measured as poor/solid/outstanding for the 2019 performance year (processed in 2020).

<sup>52</sup> The data reported includes only permanent employees, with the exclusion of the companies OAPIL (Oman Aluminium Processing Industries LLC), Associated Cables Pvt. Ltd., Nantong Haixun Draka Elevator Products Co. Ltd. and Nantong Zhongyao Draka Elevator Products Co. Ltd.

**PERFORMANCE MANAGEMENT PROCESS P3**

2020	Men	Women	Total
Gender (no., %) of WC employees included in the P3 programme	70.2% (4,907)	29.8% (2,080)	6,987



In 2019, all employees participated in the revision of leadership behaviours, collaborating on the definition of new values and behaviours that provide guidance for all. P3 is a key tool in the culture to be promoted internally, and the new values identified via employee involvement have helped to define a new leadership model that comprises 6 key principles:

**NEW LEADERSHIP MODEL**

	Leadership Principles
We are customer focused	We actively explore and understand the needs of our customers. We give them maximum priority and do everything possible to meet and exceed their expectations.
We think ahead	We consider market trends and strategic objectives in order to anticipate the future. We pursue innovation and continuous improvement.
We value diversity	We welcome diversity and encourage inclusion, recognising their benefits for collaboration and cooperation within the organisation.
We empower people	We encourage a culture of responsibility towards the business. We always provide an example to others in everything we do, guaranteeing integrity and meeting our commitments.
We take action	We simplify as much as possible, in order to facilitate timely and effective decisions. We balance short-term actions with a longer-term vision.
We deliver results	We obtain significant results, focusing priorities and ensuring efficient and effective delivery.





## Prysmian People Performance Potential (P4)

In 2017, with a view to rationalising the assessment of potential and establishing a process for the identification of talent and the preparation of succession plans, Prysmian introduced a structured process known as the “Prysmian People Performance Potential (P4)”. This process was renewed in 2019 to include General Cable top performers, to ensure definition of the proper perimeter and guarantee recognition of the various talents.

In order to guarantee a proper level of awareness about the new models, more than 2,500 managers around the world received training between February and the end of March 2019.

The P4 process extends over 2 years and is initiated every two years. The first year is dedicated to assessing the potential of talents (those who were high performers in P3 during the previous 2 years). The second year is dedicated to communication of the potential and the definition of development plans.

During 2019, 16% of Group WC employees were assessed, being the persons who had performed very well for 2 years. As a result, the high performer ratio remains stable at 15% of the internal working population.

### TALENT MANAGEMENT PROCESS P4

2019-2020	Men	Women	Total
% of WC employees included in the performance assessment programme	17.1%	14.3%	16.3%

Work in 2020 focused on the definition of target development paths for all talents. In addition, about 40 training sessions were held ahead of the “feed-forward meeting P4”, in order to prepare managers to manage and support the development of talents so they can maximise their contribution to the business. During the year, 30 top talents were also involved in an assessment carried out by one of the principal global providers, in order to identify and confirm succession plans for our top management positions.

Alongside this, a new system for the assessment of high potential individuals will become available, supporting both employees and the Group with a targeted development plan. In this regard, the Compensation team carried out a major reward & recognition analysis during 2020, aligning the LTI element of remuneration with the talent pool.

Additionally, new processes were prepared and stabilised during 2020, ready for the launch of the new Workday system at the start of 2021.

## TRAINING AND DEVELOPMENT

As a training body, the task of the Prysmian Group Academy is to define and implement the personnel development strategy at a global level. In order to respond to the various behavioural, technical and functional requirements, the Academy offers three modular schools: the Prysmian Business School and the Prysmian Professional School, available to about 10% of WC employees on a rolling basis, and the Prysmian Digital school that, by its nature, creates courses and training paths on demand, almost all of which are open to everyone. 2020 saw the speedy conversion of Business and Professional classroom programmes into virtual paths. This expanded the Digital catalogue by 50%, with the involvement of 70% of WC employees. Indeed, the Professional School turned the challenges into an opportunity, with a 30% jump in registrations. More than 75% of participants evaluated the training delivered by Prysmian

as useful or very useful, 70% considered it interesting and 75% thought it well designed and delivered. The focus of Prysmian is to increase the impact of courses on the achievement of business objectives and, therefore, enhance their usefulness.

The rapid transformation and customisation of courses in 2020, with a shift to digital platforms, ensured their continuity and the quality of their content, covering 100% of the needs identified at the start of the year and resulting in expansion of the number of persons involved.

Prysmian Business School	Prysmian Professional School	Prysmian Digital School
The School of Management, directly connected to systems of measuring and developing Potential (P4 programme), is established by Prysmian in partnership with SDA Bocconi and a network of 10 major international Business Schools (ESADE, FUDAN, SMU, STENBEIS, CORVINUS, SSE, FGV, ESSEC, USC, UFS). While the school supported the integration process in 2019, during 2020 it actively adapted classroom content for virtual delivery.	The Professional School, directly linked with the systems of measurement and performance development (P3 programme), is organised into function academies and centres of expertise. Two major efforts were made in 2020: the conversion of courses into virtual sessions and their optimisation based on feedback obtained as part of the continuous improvement process.	In 2020, the Digital School added 11 courses to the 9 already available and now represents an important on-demand asset of the Academy. Additionally, during the year, the Digital School launched a foreign languages platform, signed a contract with Harvard for 10 leadership training paths and developed a course on smart working. Aside from the Harvard courses, the Digital School is available to the entire internal working population. Indeed, in 2021, the modular nature of the virtual paths will be enhanced, making them accessible on demand and reducing the content of virtual classes to make them less dense.

Two principal innovations are planned for 2021. Firstly, the launch of **Local Schools** that, complementing the Academy but working in close collaboration, will gather and recognise the more immediate needs linked to the work performed by individuals, rather than to their professional growth. Secondly, the adoption of Workday, which is an HR platform that - in the context of training and development - will integrate and harmonise training data and actions with P3, P4 and similar processes. The Regions will also be able to develop and distribute complementary self-study modules held in the Cloud, on condition that they satisfy the quality criteria adopted at a global level. The Kirkpatrick Feedback Model will be adopted for the first time throughout Prysmian.

This tool will enhance the organisational structure of the Academy and improve localisation and inclusivity, ensuring 100% coverage of the entire WC and BC population.

Below are the hours of training provided in 2020 by the School of Management and the Professional School programmes. Both programmes together totalled 25,239 hours with more than 1,200 participants (excluding the Prysmian Digital School e-learning courses).

Average hours of training by the Prysmian Academy 31.12.2020	Men	Women	Total
Prysmian Business School	2.01	2.20	2.07
Prysmian Professional School	1.20	1.15	1.18

With regard to the training of non-desk workers, extra attention has been dedicated to safety, compliance and the OTJ activities that provide constant updates on industrial processes. These activities have involved the majority of workers around the world.

There was also significant training carried out at local level in the individual countries of the Group.

2020	Average hours of (local) training by professional category <sup>53</sup>		
	Men	Women	Total
Blue Collar	19.57	30.54	20.90
White Collar	8.15	7.70	8.02
<b>Total</b>	<b>16.91</b>	<b>19.36</b>	<b>17.33</b>

## THE WELLBEING OF OUR EMPLOYEES

### REMUNERATION POLICIES <sup>54</sup>

The remuneration policy adopted by the Prysmian Group is designed to attract and recognise talent with the skills needed to address the complexity and specialised nature of the business, as well as the competitive international context in which the Group operates. This policy is defined in a way that aligns the long-term interests of employees, management and shareholders, pursuing the priority objective of creating sustainable value over time for all stakeholders. The remuneration policy is largely founded on the principle of sharing the results achieved, via systems that establish a real and verifiable link between pay and performance, both individually and at Group level.

Participation in the creation of sustainable value over time is open to all employees, via the broad Group share ownership plan that enables employees to become stable shareholders. The objectives pursued by the Group via this plan are to increase the participation, involvement, sense of belonging and business understanding of our employees, confirming the long-term mutual interests of employees, customers and shareholders, as well as strengthening the internal perception of Prysmian as truly “One Company” and creating a stable base of employee shareholders. Via the YES - Your Employee Shares plan, about one third of employees are stable shareholders in the Group, owning more than 3% of the share capital.

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

Remuneration policy is defined at central level for executives and expatriates while, for the rest of the population, local programmes are implemented in compliance with guidelines for remuneration systems defined centrally.

The remuneration policy for executive directors and executives with strategic responsibilities is determined as the result of an agreed and transparent process, during which the Compensation and Nominations Committee and the Board of Directors both play a central role. Periodically the Committee submits the remuneration policy to the Board of Directors for approval and checks on its application during the year. The pay structure for executive directors and managers with strategic responsibilities and executives comprises a fixed component, a short-term variable component and a medium-long-term variable component.

<sup>53</sup> Training hours include the hours of mandatory training and the hours of OTJ training, when certified, with the exclusion of OAPIL (Oman Aluminium Processing Industries LLC) and Associated Cables Pvt. Ltd..

<sup>54</sup> Further information are available in the 2020 Remuneration Report.

The remuneration policy has been well received by shareholders (votes in favour exceeded 97%). Feedback and suggestions regarding the remuneration policy are sought regularly from investors and shareholders, and considered when preparing the compensation policy that is submitted to a consultative vote at the annual general meeting.

In the context of transparency on compensation matters, the Group has issued guidelines, in compliance with local laws, that link pay measures to all levels of the organisation and variable remuneration plans to the appraisal of individual performance. The fixed element of remuneration is reviewed annually and, if necessary, updated to remain competitive with market conditions, the position held and personal performance, while always complying with local regulations. This meritocratic approach is based on a global system of organisational role and performance assessment, which is applied on a consistent basis throughout the entire Group.

## GROUP WELFARE SYSTEM

With regard to the Prysmian Group, the monetary-equity offer is amplified by additional benefits such as supplementary welfare, additional medical care, personal accident policies, a company car for staff who are entitled to one, and company canteen or restaurant vouchers. These benefits are adapted to local conditions, having regard for market characteristics and relevant regulations. This focus on individuals is confirmed by the Prysmian Group's commitment to investing in the development of employee-company relations, via numerous initiatives designed to encourage involvement. The Group also signs agreements with external partners for the supply of products and services on attractive terms to employees, such as discounts on theatre tickets, gym subscriptions, magazines and products purchased in shops. These benefits are equally valid for full-time and part-time employees.

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

- obtain a free flu jab, delivered on company premises;
- triage telephone consultations, finger-prick tests and molecular tests for Covid-19 screening and prevention purposes;
- donate blood in collaboration with Avis;
- obtain a free check-up in collaboration with Niguarda Hospital, for prevention purposes and as part of the attention dedicated to the health of employees in the Milan Bicocca area;
- participate in the assignment of **80 study grants** for **Upper School** pupils and **20 study grants** for the **University** education of the children of employees. These grants were set aside in 2020 and will be awarded in early 2021;
- receive an annual pass for public transport with a contribution of 290 euro from Prysmian under an agreement with ATM;
- participate in the **Green Mobility** initiative devised for employees by Prysmian Group, with the opportunity to acquire **e-bikes** at an advantageous price. By making a **contribution of 100€**, employees in metropolitan areas received an electric bicycle worth about 800€ as a contribution towards environmental protection.

Following the merger of the Prysmian Group with the General Cable Group, the existing welfare systems present in the countries subject to integration of organisational structures are and will be the subject of thorough analysis with a view to harmonising them.

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

### People Health – Covid-19

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

### Back Together

At the end of the first lockdown in May 2020, Prysmian established a **special protocol** for returning to work, with support from a **medical-scientific advisory committee**. While following scrupulously the indications of the anti-Covid-19 protocols, the social value of working physically together was recognised as fundamental and, as a consequence, a new configuration was devised to make safe all areas of the building and ensure social distancing. In addition, specific measures to prevent and contain the various risk factors were implemented, with the introduction of health checks: from measuring temperatures using thermo-scanners at each entrance to triage, and from weekly finger-prick test to swabs in the event of exposure. A web app was also created for the booking of tests before coming to the office each week.

In particular, the “Back Together” plan envisaged specific phases and diversified entry times, in order to limit attendance by setting maximums for the number of persons in the building at any one time. Further, all employees were sent digital communications in the form of newsletters and specific “do’s and don’ts”, with support from posters explaining how to use PPE correctly, as well as the importance of hygiene and all the other prevention and protection measures devised to safeguard the health of HQ employees and those at all other locations around the world.

The “Back Together” initiative also included all the communications and updates issued by the crisis committee, such as information on **remote working** and, not least, about the **flu vaccine** made available to all Milan HQ employees, their life partners and family members. This great example was followed by other locations and Regions.

In order to reinforce the “Back Together” plan, **monthly video messages from the CEO, Valerio Battista**, were recorded and release in various languages. In this way, the entire community of 30,000 persons felt involved and an active part of the Group, albeit at a distance, via digital tools on the Intranet and special mini-websites accessible by all non-desk workers.

## DIALOGUE WITH SOCIAL PARTNERS AND COLLECTIVE BARGAINING

The Group continues to focus strongly on the cultivation of constructive social dialogue and continuous improvement, in the firm belief that the contribution made by the social parties represents both a stimulus and essential support for the HR policies adopted by the Group.

While recognising that workers’ representatives and trade union organisations operate independently, in compliance with local legislation and practices, the Group guarantees the involvement and consultation of unions at all levels, from plant to international (European Works Council), in the main processes followed for the collective management of personnel.

In many of the countries where the Group operates, 2020 was again marked by the signature of agreements with workers' representatives and trade unions: almost all corporate processes or projects with an HR impact requiring union consultation were completed during the year with the formalisation of an agreement or, in any case, a report on the discussions held.

The union agreements covered the routine renewal of the economic and regulatory terms of current collective contracts, as well as new working hours and shift work where required by specific market conditions. During 2020, dramatically affected by the Covid-19 pandemic, the intensity of union consultations and negotiations was stepped up in order to identify and activate all the tools, compliant with local regulations, that enabled us to protect permanent employment at our plants, at a time when we were forced, temporarily, to shed excess workers with respect to actual production needs (below capacity working). About 70% of Group employees were covered by collective bargaining agreements in 2020.

As always with reference to organisational changes and the relative minimum notice period, the Group complies in each country with the relevant local regulations.

In addition, at European level, Prysmian Group managed to maintain discussions with the European Works Council (EWC), despite the general ban on travel for at least 10 months of the year and, consequently, an inability to hold in-person meetings. In fact, the pandemic forced the replacement of in-person meetings with remote meetings, which were made possible using a sophisticated video-meeting platform with support from "live" interpretation. This facilitated understanding of the interactions and discussion of the matters on the agenda.

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

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

The EWC executive body (known as the Executive Committee) comprises seven members, elected by the 29 members of the general committee, from the following countries: Italy (chair), France (secretary), Netherlands (deputy chair), Germany, the United Kingdom, Spain and Sweden. There were no changes during 2020.

Collective conflict within the Group at global level was insignificant in 2020 and even less than in prior years, due to pursuit of the above industrial relations policy designed to prevent - through constant and constructive dialogue accompanied, usually, by proactive union consultation - any source of controversy that could potentially generate conflict at different levels.

During 2020, negotiations were held in Italy for the renewal of the national collective employment contract for the sector (Rubber and Plastics collective bargaining agreement). Despite complications deriving from the spread of Covid-19 and its operational and economic effects, a union agreement was reached in September that, beyond the economic and regulatory content lauded by the parties and the workers' representatives, has the distinction of being a contractual renewal achieved without a single hour lost through strike action. Acting together with the other major members of the Rubber and Plastics Federation, Prysmian played an important role on the negotiating team and contributed to the finalisation of the discussions without strife. Notably in this regard, the Prysmian Group had the honour, in 2020, of seeing a Group executive appointed Deputy Chairman of the above Federation.



2020 was also marked by strong union involvement in Italy, as at all Group companies abroad, in the Covid-19 prevention and protection plan: a set of health and safety measures with global guidelines. Coordinated centrally by the corporate HE and HSE functions, together with Top Management, these measures required a commitment and an expenditure of energy and resources without precedent for the Group, in order to combat this invisible enemy manifested as the Covid-19 pandemic.

Following the agreement reached in November 2019 for the restructuring of industrial activities in Spain, during 2020 the Group has continued discussions and pro-active collaboration with union representatives at the Manlleu and Montcada i Reixac plants in Catalonia, in order to implement the plan in practice. This action was made necessary for organisational and productive reasons that required the realignment of capacity to reflect market demand.

The measures envisaged in the above agreement, which was approved unanimously by the workers' representatives, included the gradual cessation of production at the plants concerned: this was completed in April at the Montcada plant and in November at the Manlleu plant, although certain industrial activities will continue at the latter location during 2021.

The above steps were discussed and examined together with the union commission responsible for follow-up in relation to the agreement.

Accordingly, even the subsequent agreement on execution of the industrial plan for Spain was a direct consequence of the corporate conviction that the manner in which business restructurings are carried out, when necessary, makes all the difference for the persons involved.

## OCCUPATIONAL HEALTH AND SAFETY

The Prysmian Group has always been committed to ensuring that the integrity, health and welfare of workers are safeguarded in their workplaces. The Group has an HSE "Health, Safety, Environment and Energy" policy that commits to compliance with good management practices in order to ensure a safe workplace.

To ensure a systematic and concrete approach to the safety issue, the Group adopts the OHSAS 18001/ISO 45001 health and safety management system at a number of locations, although all productive entities make reference to it<sup>55</sup>.

Aware that rules, training, information and technical aspects play a key role in the determination and management of risks and the prevention of injuries, the Group directs its activities and regulates key work phases with Procedures, Operating Instructions and Guidelines.

In order to distribute this approach extensively, Prysmian provides regular general and specific training courses to operators on Health and Safety topics.

Partly to ensure compliance with current regulations, the HR functions at country level prepare training plans for their personnel and develop specific training paths for the various categories of worker, depending on their roles, duties, levels of responsibility and working environment.

<sup>55</sup> See paragraph "Environmental protection" for details of the OHSAS 18001/ISO 45001 and ISO 14001 certified sites.

The commitment of the Group to protect health and safety is guaranteed by the Corporate HSE function, which coordinates the local HSE functions: Region, Country and Plant.

The HSE function plans its activities based on an analysis of the specific parameters for the prior year, the results of which are agreed with top management. The purpose of analysing Group performance is to define objectives and action plans, as well as improvements for the coming year.

During 2020, the strategy for the improvement and constant development of the safety culture within the Group was guided by the following VISION: “ZERO injuries in the workplace and in daily life and ZERO professional diseases”. In order to achieve this exceptional goal, we have identified our MISSION: “guide positive, sustained and tangible change in the safety culture of our organisation, as we strive for economic success while recognising our corporate social responsibilities”.

Both our vision and our mission must be firmly rooted in our VALUES: “guarantee the protection of our workforce and respect the right of our people to health, safety and well-being”.

The following objectives have been established as part of the strategy for developing our safety culture:

- have the lowest incident rate in the industry<sup>56</sup>;
- improve managerial commitment and involvement;
- improve the cross-functional skills of HSE leaders and professionals;
- reduce cultural differences and align practices;
- take steps to ensure that everyone looks after themselves and others.

Considering the injury data for the Group (excluding the fleet), the 2020 objective for the Frequency rate was achieved, but the Severity rate came in at 9% above target.

Various initiatives were launched during 2020, as part of developing the Safety Culture, in order to strengthen further the management of this area. In particular, training courses were delivered to 100 managers and 4 occupational safety events with a duration of 3 days were held, each designed to strengthen the leadership skills of management on safety matters and provide them with tools and methodologies for taking action in unsafe conditions.

Training courses and targeted events were also held for specific roles, such as regional, national and plant HSE managers, via the creation of a learning programme within the Prysmian Group Academy that, by establishing the HSE Academy, has made it possible to hone the skills of our safety professionals and enable them to reach higher levels of knowledge and know-how in the HSE prevention and control area.

The Group also focuses on uniting employees around a shared vision and reducing the cultural differences between plants, not least by standardising the HSE monitoring and managing practices adopted. At this difficult time, the Prysmian Group approach to safety has been supported by the “make our lives safer” campaign and the Zero and Beyond philosophy. In order to achieve the established objectives, the Group required each business to carry out a monthly safety review to identify any related weaknesses at production plant and encourage, at the same time, the development of existing strengths. In addition, a new safety system has been launched, complete with common methodologies and tools, to manage reactive, preventive and pro-active safety activities. This project will be completed during 2021.

<sup>56</sup> Reference: ECOE – Environmental Committee of Europe Cable.

All the occupational health and safety projects presented to the Investment Committee were approved; in particular, many plants have started work on the machine conformity project.

The Group has taken a pro-active approach to tackling the Covid-19 pandemic, with timely preventive actions designed to guarantee business continuity, including the reorganisation of personnel and the management of occupational safety.

The primary objective with regard to the health and safety of employees was to provide plants with support and practical tools for tackling the pandemic. In particular, specific risk assessments linked to the Covid-19 pandemic were carried out at local, national and regional level, and weekly reports were prepared on the Covid-19 cases identified at Group level, together with Guidelines for managing the healthcare emergency in compliance with current regulations in the countries where the Group operates. The buying office was supported with the checking of PPE certificates, in order to ensure that the personal protective equipment made available to employees was suitable.

The Group's deep commitment to safety has concretely translated into the reduction of the number of injuries, represented as the IF rate calculated in accordance with the OSHA LTA<sup>57</sup>. This rate was approximately 1.25 at the end of 2020. The number of injuries was 320<sup>58</sup>, of which 316 involving internal white-collars and 4 involving external staff<sup>59</sup>.

Among all incidents, 8 affecting internal workers each resulted in 180 or more days lost.

Injuries were monitored also in terms of gravity, assessed with reference to the number of days lost; total days lost were 11,422, of which 11,294 related to internal staff and 128 to external staff.

With regard to the number of occupational diseases, a total of 9 cases were identified within the Prysmian Group perimeter during 2020 (while in 2019 37 cases were reported).

The health and safety data monitored by the Group is provided below for 2020<sup>58</sup>.

Prysmian Group (2020) <sup>59</sup>	Group
Severity rate (IG)	44.76
Frequency rate (IF)	1.25
Hours worked	51,032,686
Occupational disease rate	0.2

<sup>57</sup> This methodology is described in the "Methodology Note" and at the foot of the tables in the "Attachments".

<sup>58</sup> The calculation of injuries only considers those that occurred in the workplace and not those arising during travel between home and work, unless organised by the Company. In accordance with Prysmian's internal procedures, the incidents shown (reportable injuries) were those that resulted in being off work for more than 24 hours.

<sup>59</sup> The data includes Prysmian employees and external personnel, but not the fleet of the Prysmian Group, whose data is reported separately.

The most frequent types of injury among internal employees and external workers are shown in the table. In most cases, they affected: Hands, 48.12%; Back, 15.94%; Feet, 14.06%.

Types of injury %	%
Wounds	24.38
Twists, pulled muscles	20.31
Fractures	19.06
Bruising	16.56

In addition, with reference to the fleet (comprising three vessels: the Giulio Verne, the Ulisse and the Cable Enterprise), the related HSE data was managed in 2020 with support from an external ship management company. The relevant maritime regulations for ships are the ISM code for safety and the ISPS code for security. The following injury and frequency statistics relate solely to the Group's ships. Two on-board injuries resulted in a total of 51 days lost.

Prysmian Group <sup>60</sup>	Vessels
Severity rate (IG)	12.27
Frequency rate (IF)	0.48
Hours worked	830,630

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



<sup>60</sup> The data includes Prysmian employees and external personnel working on the Prysmian Group's fleet.

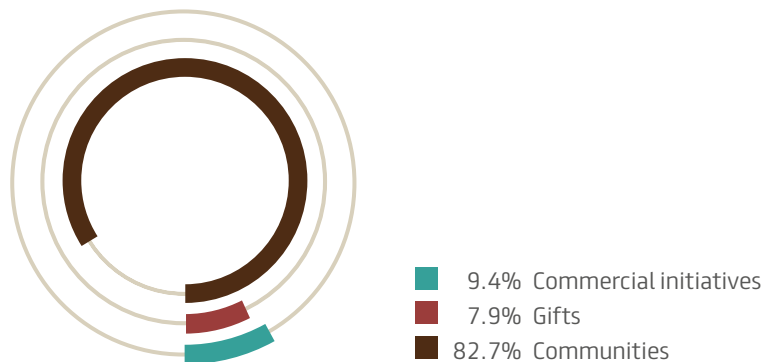
# Commitment to the Community

*Creating value for stakeholders requires the direct involvement of people. In this context, our people are not just employees, but also the communities and territories in which we operate and interact, consistent with our Values, Mission and Vision.*

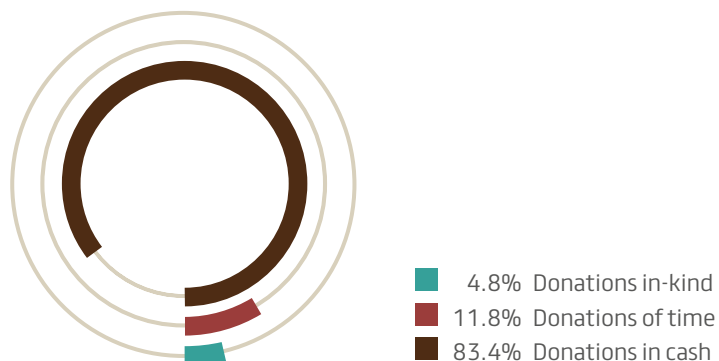
One of the drivers of the sustainability strategy consistently adopted by the Prysmian Group over the years is to “Contribute to the development of people and communities”, creating value for all parties concerned and contributing to the sustainable development of the territories.

The Group has therefore adopted a Corporate Citizenship and Philanthropy policy, updated in 2019, to identify all activities that can help satisfy the needs of the community or communities, in line with the vision, mission, values, Code of Ethics and Policies put in place by the Group. This policy defines the main types of deliverable contributions, the guiding principles and operating methods, as well as monitoring and the modes of communication of the activities. In 2020 about Euro 395,700<sup>61</sup> was donated to local communities in cash, in kind and in the form of time.

## TYPE OF INITIATIVE

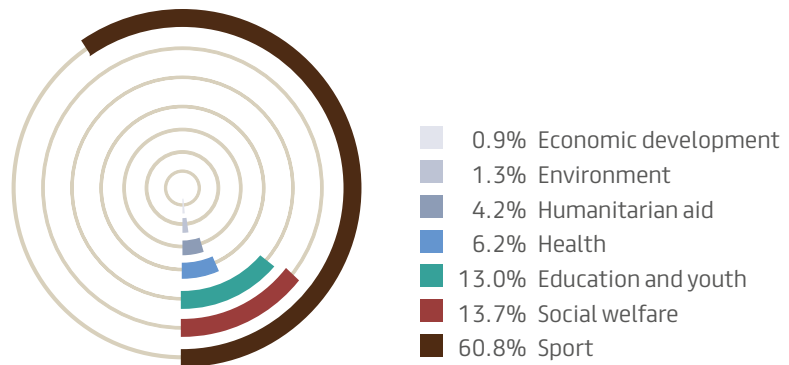


## TYPE OF ASSISTANCE



<sup>61</sup> The figure accounts exclusively for the main initiatives launched in some countries, such as Australia, Norway, North America, Italy, Germany, Turkey and Romania, and therefore differs from the value of donations and sponsorships recognised in the value added item, which instead includes all the Group's transactions in the form of donations and sponsorships.

## RECIPIENTS OF INITIATIVES



## VOLUNTARY WORK

In the context of the Group's *Corporate Citizenship and Philanthropy Policy* the Company has joined the **Business Volunteer** project, activating a series of social initiatives that are supported the concrete contribution of employees who "donate working hours". The emergency induced by Covid-19 made the organisation of this type of activity more difficult in 2020, but did not reduce the commitment of Prysmian towards local communities.

The principal **voluntary work** initiatives carried out worldwide included:

### The "Planting trees for the future forest" initiative in Estonia

During the summer of 2020, a voluntary work day outdoors was held in Estonia, with a view to preserving the environment in which we live. This initiative was organised alongside the Family Day, when the families of employees are invited to the plant in order to understand the activities of Prysmian and promote greater inclusivity. This initiative involved 64 employees accompanied by 43 family members, who each donated an hour to save trees growing too close to power lines and replant them in a safer area.

Together, they planted 100 trees that will help to form a new forest.

### The "Powerbank for Izmir" initiative in Turkey

As a result of the earthquake in the Aegean Sea on 30 October, the city of Izmir was seriously damaged and the power supply was compromised. Being an actor in the energy sector, Prysmian decided to provide concrete support in the affected area by distributing, via 3 volunteers, 500 powerbanks to the citizens housed in tents.

### The "HOSTS – Help One Student to Succeed" project in the United States

The objective of this project, promoted by the Metropolitan School District di Wayne Township, is to help elementary school children learn faster, become more self-sufficient and attend school regularly via one-to-one mentoring and readings. During the 2019-2020 school year, 8 Group employees participated in the mentoring of second-year pupils at the Bridgeport Elementary School, making their contribution to form the community of the future.

In addition to this voluntary work at corporate level, various initiatives in the fight against Covid-19 were supported for the benefit of local communities.



## AID FOR THE COMMUNITY

### Coronavirus emergency

Prysmian Group encouraged employees in Italy to donate to the “Prysmian against the coronavirus – Together for our country” fund. For each euro donated by them, Prysmian donated the same to the Italian Civil Defence force in order to help the families of those healthcare operators who died in the fight against the coronavirus.

Additionally, employees at the **Arco Felice** plant donated part of their salaries to the Civil Defence force in support of their community.

Prysmian in Italy decided to make a donation to the **construction of a new intensive therapy ward** at the **Fatebenefratelli Sacco Hospital in Milan**, with which continuous contact is maintained via collaboration with **Prof. Massimo Galli, an expert on infectious diseases**, and his team who are working incessantly every day to tackle this emergency. This confirms not only the attention paid by Prysmian to the protection of its people, but also and above all the drive to “give back” to our community in support of the social context in which we live and work. Further initiatives included: donation in support of the Coronavirus emergency plan for the **Metropolitan City of Milan**; collaboration with **Fondazione Fiera Milano** and the **Lombardy Region** with the donation of cables needed to build a **new hospital** in the grounds of the **Trade Fair**.

Not just in Italy, but **throughout the world**, Prysmian has acted to help local communities as well as its employees. Among the many initiatives of which we are proud, the following merit attention:

- Prysmian **Italy** donated 2,000€ to Pignataro Maggiore, a town in which a plant is located.
- Prysmian **Spain** donated 3,000 masks to three different hospitals.
- Prysmian **France** donated 3,000 items of PPE to the hospital in Montereau-Fault-Yonne.
- Prysmian **Australia** donated 300 overalls to the Liverpool Hospital.
- Prysmian **Romania** donated to the Slatina Hospital in order to help source materials needed for this emergency.
- Prysmian **Hungary** is helping the communities in which our plants are located. Donations included **masks and disinfectant gel**.
- In **China**, when the virus began to spread, cables were donated for the construction of **hospitals**.
- Prysmian **Philippines** donated to the city of Lapu Lapu.
- Prysmian **UK** donated to various local hospitals for the construction of new wards.
- Numerous initiatives were also launched in many other Regions, especially in **OSEA** where a series of actions were taken to sanitize the environments and dwellings of persons employed in Melaka (**Malaysia**) and in Muscat (**Oman**).

### Donations to Pane Quotidiano

Prysmian Group, as ever driven by a **spirit of solidarity**, supports those in difficulty, the less well off and the needy and vulnerable. It is common knowledge that the healthcare emergency resulted in a dramatic increase in the number of persons living in Milan without any means of support. Prysmian HQ decided to provide concrete support by making a **donation to the Pane Quotidiano charity in Milan** and invited employees to make a small contribution as well, via a spontaneous donation. **Per each euro donated by our employees, Prysmian donated the same** to Pane Quotidiano; additionally, Prysmian HQ organised a collection of toys, clothing and primary goods in support of those in difficulty in Milan.

### Donation of PCs for distance learning

One of the greatest problems highlighted by the emergency situation was the **digital divide**: in fact, numerous students found it difficult to participate in distance learning lessons due the absence of suitable technology. **Prysmian** therefore decided to support the **PC4YOU** project, a start-up launched in Milan by 4 eighteen year-olds who had recently developed a web platform to facilitate contacts between students in economic difficulty, who needed a device (PC or Tablet) for distance learning, and firms/persons willing to donate used devices still in working order. **Prysmian** made its contribution, via **PC4YOU**, by donating various notebooks to needy families that had requested them.









WARD 904

Prysmian  
Group

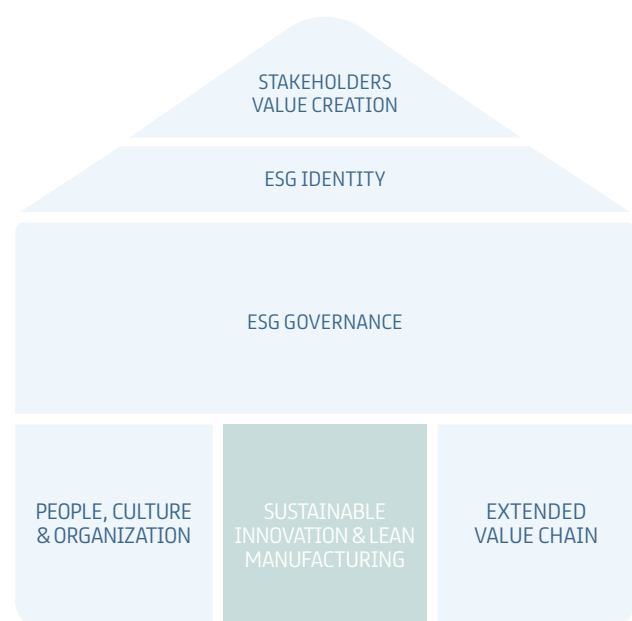
LEONARDO DA VINCI



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## 05\_ SUSTAINABLE INNOVATION & LEAN MANUFACTURING

*At Prysmian, innovation and sustainability are two sides of the same coin and a fundamental strategic approach to creating sustainable value for all stakeholders. As an enabler of the energy and digital transition - product and process innovation a distinctive element of the Group's ESG identity — and a lean manufacturing approach are a fundamental driver to competing on the market and acting responsibly towards the environment.*



# Sustainable Innovation

*We ensured that R&D activities continued during the pandemic, confirming the strategic priority to innovate in support of the energy transition process. In order to intensify exchange and discussion with the entire value chain, we have invested in the creation of an ecosystem, a multi-stakeholder partnership.*

Globally, Prysmian Group R&D consists of more than 900 professionals, working in 25 R&D centres around the world. The R&D HQ, located near the Headquarters in Milan, coordinates the activities of local R&D centres and promotes breakthrough innovations via projects that take a medium/long-term approach. It includes laboratories where development of new cables and technologies can be performed in full autonomy, being able to count on an experimental prototype room for production of cables and compounds, on an electrical testing facility, equipped with the most advanced systems for EHV cables testing, and a physical-chemical lab gifted with cutting-edge instruments dedicated to deeply analyze cables and materials properties.

Group R&D is responsible for the overall innovation strategy, aimed at making Prysmian a key player in the value chain supporting Energy Transition, Digitalization and Sustainability. Local R&D centres participate actively in new product development, the Design to Cost (DTC) program and the rationalisation of product families. The Design to Cost program represents a tangible initial example of this model. Using the best materials, adopting efficient processes and implementing innovative projects, this program has achieved in 2020 cost savings totaling more than Euro 42 million, with more than 1,800 projects completed at our manufacturing plants.

Since the end of February the Covid-19 emergency has definitely impacted the daily activity of the Group R&D and obliged the Company to adopt all necessary measures in order to safeguard the health of the workforce. Nevertheless, R&D is considered a strategic priority for the Company and the continuity of its activities was guaranteed at all levels, through the application of differentiated measures in consideration of the typology of projects, their urgency and the impact on the business, especially in terms of service continuity towards our customers.

## 2020 numbers

€  
104 mln€  
invested  
in Research Centres\*

📄  
5,600<sup>ABOUT</sup>  
Patents covering the  
main innovations

📊  
25  
Research Centres

📦  
203  
Product families launched  
during the year

🤝  
50  
Collaborations with  
research centres and universities

👥  
900  
Professionals

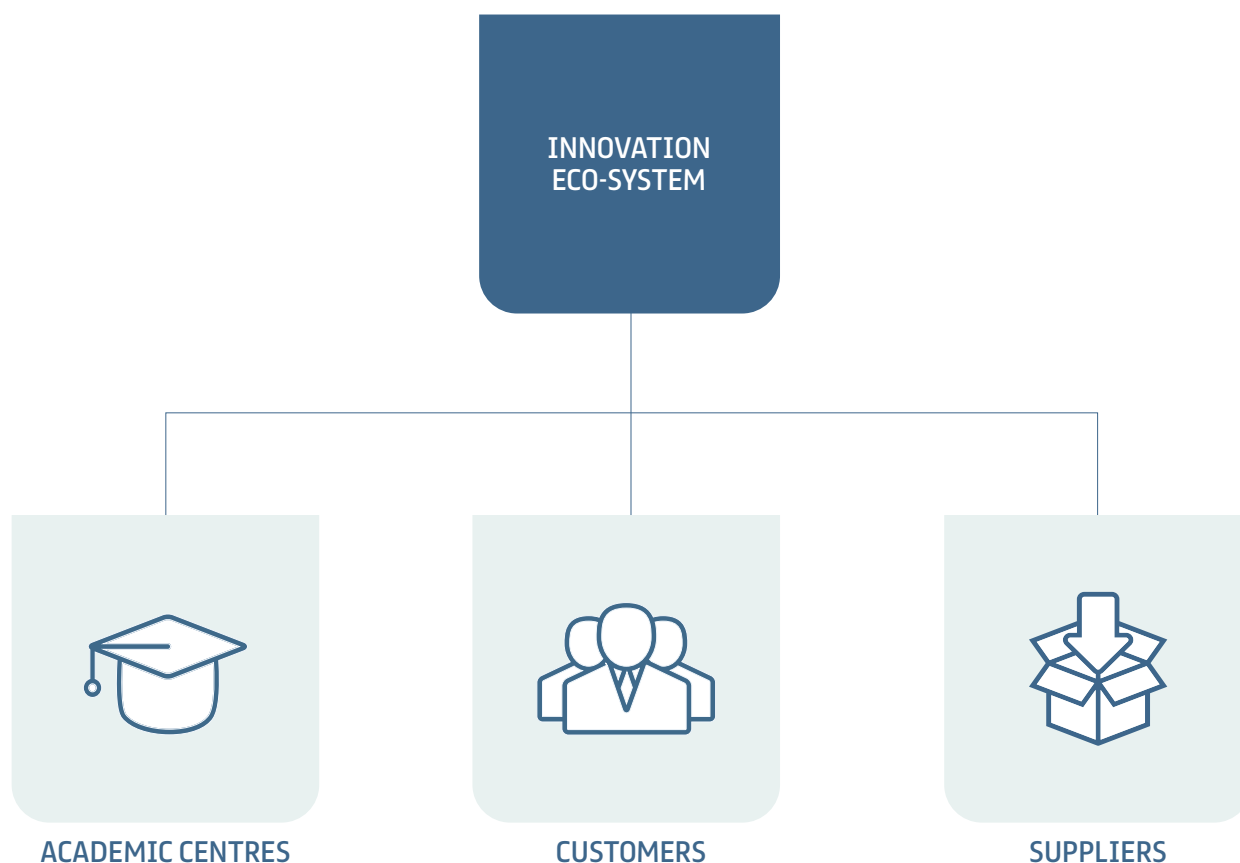
\* Euro 90 million in operating expenses and Euro 14 million in investment expenditure.



## INNOVATION ECO-SYSTEM

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

Accordingly, in order to work on innovation and carry out research, the Prysmian Group has created an eco-system in close contact with customers and suppliers, as well as with the best universities in the world, in order to focus the objectives when releasing synergies and collaborating in the areas of innovation of greatest interest for their environmental impact and the evolution of the sector.



## PARTNERSHIPS

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

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

<b>Politecnico di Milano</b>	<b>Centro de Pesquisa e Desenvolvimento em Telecomunicações (Brazil)</b>
<b>Università degli Studi di Milano, Genova, Salerno, Università di Palermo and Padova (Italy)</b>	<b>Universidade de São Paulo (Brazil)</b>
<b>National Electrical Energy Research &amp; Application Center (USA)</b>	<b>Universitat Politècnica de Catalunya (Spain)</b>
<b>National Science Foundation High Voltage and Temperature IUCRC (USA)</b>	<b>Shanghai TICW (China)</b>
<b>Rice University (USA)</b>	<b>National Chemical Laboratory (India)</b>
<b>Purdue University (USA)</b>	<b>Infosys Advanced Engineering Laboratory (India)</b>
<b>University of Cincinnati (USA)</b>	<b>University of Applied Science Südwestfalen (Germany)</b>
<b>Massachusetts Institute of Technology (USA)</b>	<b>Fraunhofer Institute (Germany)</b>
<b>Georgia Institute of Technology (USA)</b>	<b>Università di Lille 1 (France)</b>
<b>University of South Carolina (USA)</b>	<b>Nokia Bell Labs USA and (France)</b>
<b>University of Central Florida (USA)</b>	<b>Università di Strasburgo (France)</b>
<b>Electric Power Research Institute (USA)</b>	<b>Technical University of Eindhoven (Holland)</b>
<b>Oak Ridge National Laboratory (USA)</b>	<b>Nano Carbon Enhanced Materials Consortium (United Kingdom)</b>
<b>University of Quebec at Chicoutimi (Canada)</b>	<b>Norner (Norway)</b>

The specific research carried out includes:

- In 2020 Carbon Hub was initiated as a consortium with Prysmian as one of the co-founding members. The activities, led by Rice University, have covered the first loop of definition and selection of the relevant topics for the call of proposal. The call has been issued on 5 main streams fitting with Carbon Hub view and a total of 15 Proposals have been shortlisted for the final step. 3 projects have been selected as winners to get founded by Carbon Hub and additional 5 are in a second bucket for possible additional founding.
- Together with Politecnico di Milano and the University of Salerno, the Group has studied and defined the crystalline structure of extruded PP blends;
- Together within the University of Padova, the Group has studied the behaviour of several flame - retardant additives, which will provide a basis for developing a new line of LSOH compounds;
- Together with the University of Palermo, the Group is working on the advanced characterisation and testing of high voltage cables and materials.
- In order to effectively support the future evolution of the electrification process, Prysmian has started to study (in partnership with Universities and Research Centers) specific solutions for the

LV and MV distribution networks also in DC (Direct Current). The continuously increasing use of DC in several steps of the supply chain of electrical energy will require dedicated connections with improved performances.

- On the path towards the development of technologies for the mobility of the future, Prysmian Group has continued and further expanded its support and cooperation with Hardt, a business leader active in the development of a network of Hyperloop links in Europe. Following the approval of the Hyperloop Development Program by the Dutch Ministries of Infrastructure & Water Management and Economic Affairs & Climate in 2020, Prysmian has developed and supplied the first motor cable for the electromagnetic levitation and propulsion system for the European Hyperloop Center, which will be located in Groningen (NL).

## SPEAKING PLATFORMS

In the context of sharing the direction of research and best practices, the Prysmian Group and its managers have attended the most important international conferences held in a virtual manner because of the protective measures against Covid-19, with a view of illustrating the active role played by the Group in guiding the changes currently under way.

The Group attended the following conferences:

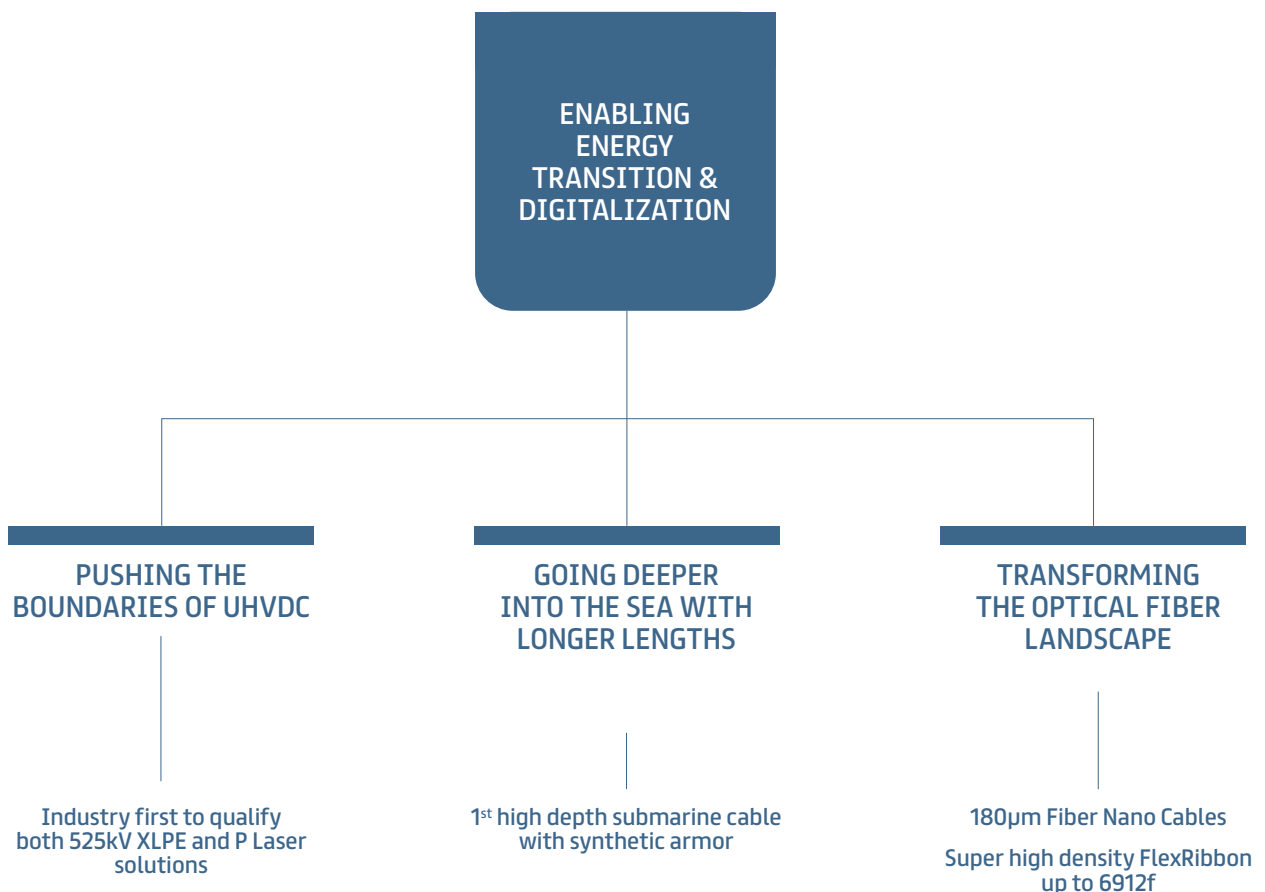
- FTTH Council Europe Conference, December 2020: workshop on the sustainability of fixed optical networks, speaking slot on minicables;
- IWCS (International Wire & Cables Symposium), October 2020: attended with technical papers on optical cables;
- CRU World Optical Fibre & Cable conference, October 2020: Optical Fibre and Cable Leadership Panel (A. Bosch), Speech on the sustainability of optical fibre (O. Delwal);
- CRU Cable and Wire Conference, 3 July 2020: 3 speeches: keynote speech on Covid-19 impact on the cable industry (S. Siripurapu);
- FT ETNO Tech and Politics Forum, December 2020: speech on the role of innovation, sustainability and investments in building future-proof telecom networks;
- FT - Prysmian Group Digital Talks "Telecoms Role on the Recovery": an event organized by Prysmian and Financial Times about infrastructure, innovation and sustainability;
- Wind Europe Technology Workshop - Assessment & Analysis of Operating Wind Farms, 8 – 11 June 2020: "Digital tools and remote sensing solution to monitor the operations of electrical components", Opening session (speaker: R.Gil) along with G.Dickson, Wind Europe CEO;
- Recharge Digital Round Table, 24 June 2020: "Offshore Wind: engine of the Global Energy Transition", Prysmian as Sponsor & Panelist (R.Gil), together with Equinor, GE and Goldwind;
- Wind Europe Sofa Talk, 9 July 2020: "Tomorrow's technology: away from the politics, what will the wind industry look like in 20 years time?", Prysmian as Panelist (R.Gil), together with Siemens Gamesa and Ørsted;
- CIGRE Digital E-session, 24 August–3 September 2020: 21 contributions from engineers and researchers, who authored or co-authored 6 papers on several topics;
- FINANCIAL TIMES DIGITAL DIALOGUE - The future of offshore wind, 19 November 2020: Digital Dialogue/Panel discussion with H.Ozmen, Siemens & Ørsted;
- REUTERS EVENT - Energy transition European summit, 23 November 2020: Opening CEO Keynote Panel "Is the Energy Transition Failing?", Panelists: V. Battista & National Grid, Lundin Energy, Mainstream Renewable Power, Enviva.

## R&D BY PRYSMIAN GROUP: FOCUS

### Core areas

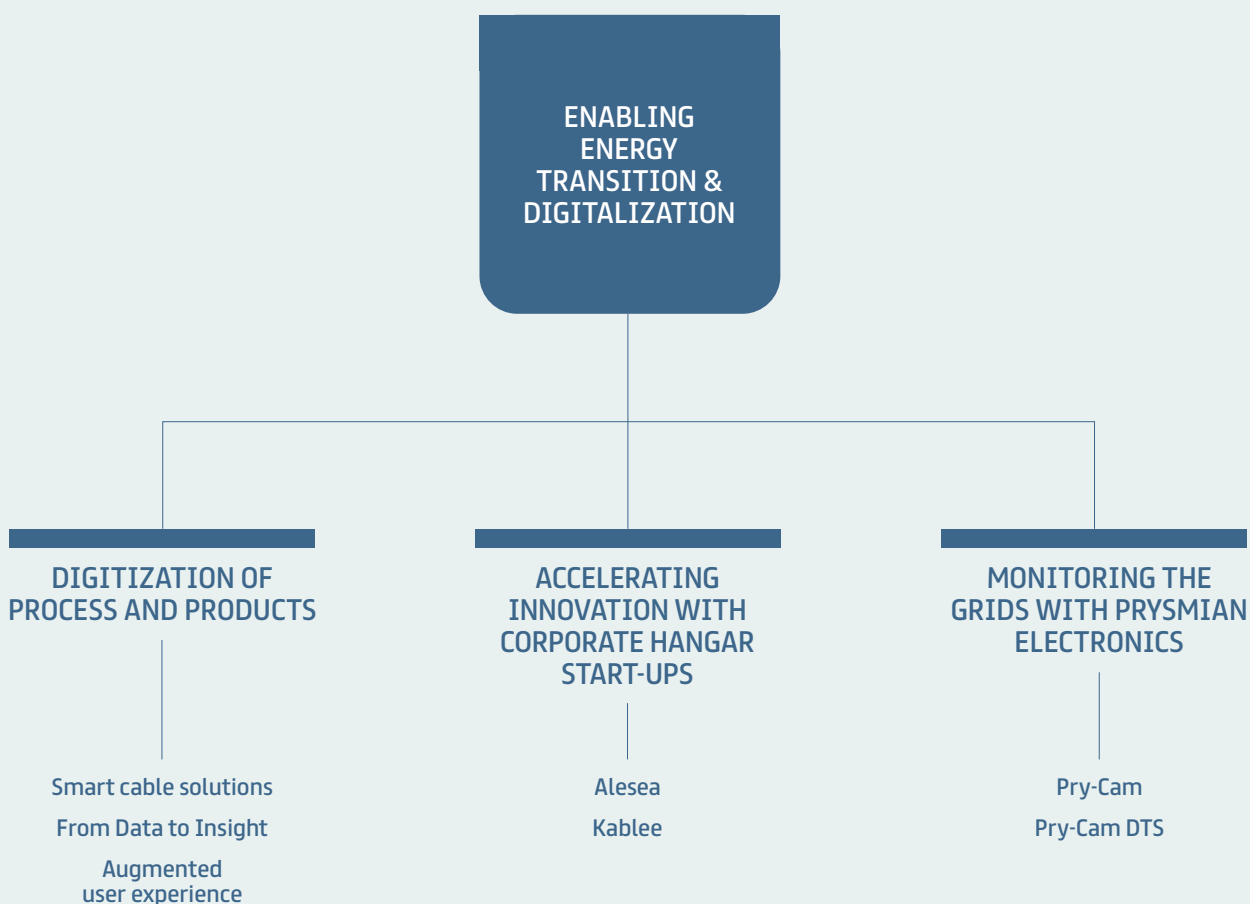
The main aspect guiding the strategy of the Prysmian Group is the need to concentrate on factors that facilitate the development of cabled infrastructures for the transportation of power and information. These, today, are essential elements in all current transformations of society, from the new electric mobility to smart cities, from the expansion of 5G to the use of artificial intelligence to collect and interpret data, and much more.

The ever more advanced search for EHV electricity transmission systems that can be buried, for longer and more efficient cables that can be laid at greater depth, for optical fibre solutions that can contain the largest number of cables in a miniaturised space and that can be used easily in the field, are therefore core areas in which the majority of the investment made by the Group is dedicated.



## Another three areas of innovation

Prysmian Electronics, Corporate Hangar and the new area known as Digital Ambition represent further important areas of innovation. Prysmian Electronics has a vast range of sensors and monitoring systems for increasing grid reliability and provide advanced tools for trouble shooting. Corporate Hangar is an accelerator of innovation that seeks to generate start-ups every year in fields adjacent or complementary to the core business of Prysmian. Lastly, the Digital Ambition area strives to optimise business performance using digital solutions and develop new digital products that add value to the growth of the Group.



## ■ Digital Ambition

Prysmian Group's "digital ambition" is the guiding principle that will enable the transition from leading manufacturer of cabling systems to solution provider for the energy and telecom sectors. By optimizing business performance through data leveraging digital tools and solutions, growth will be sustained by a combination of products and digital services, supporting collective intelligence by digitalizing the company's culture. This ambition is based on 3 pillars:



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

In this framework, data are at the core of the Company "digitalization" process to keep a leadership position in the current fast-changing market. In line with this approach, Prysmian Group has started a program to deliver value from the data collected in the plants to prevent quality issues, reduce costs and improve efficiency through new enhanced tools based on advanced statistical algorithms and machine learning. Digital Innovation brings us closer to an holistically approached sustainable development, addressing economic sustainability by amplifying outputs from the same amount of inputs, social sustainability by bringing people closer from afar and environmental sustainability by allowing for the most efficient use of resources.

## ■ Prysmian's Open Innovation Infrastructure: Corporate Hangar

Prysmian Group established Corporate Hangar, an accelerator focused on supporting the Group in its open innovation goals. Corporate Hangar has incubated 3 start ups: Alesea, a virtual assistant for cable management; Kablee, a digital business development tool for cable makers that aims at bringing data connectivity to rural areas and creates a marketplace for scrap cables; and Cultifutura, that develops vertical farming solutions for offices. In 2020, over 5000 Alesea tracking devices have been deployed around the world; Kablee's e-commerce platform has supported the first transactions; and Cultifutura has successfully tested its proprietary IoT system for vertical farming technology.



While Corporate Hangar's focus is to accelerate innovation in Prysmian Group, it is free to explore innovation projects with other partners. Indeed, Corporate Hangar is moving in this direction with a focus on sustainability. For example, together with the Italian paper mill association



and the Italian paper recycling association, Corporate Hangar studies ways to reduce the paper recycling waste (pulper waste) and to separate and re-use the plastic found in the waste. Similarly, Corporate Hangar studies how to improve the quality of the ashes generated by biomass combustion processes and to transform those ashes into building materials to be used, for example, in air filters.

### ■ Prysmian Electronics

In 2020 Prysmian Electronics focused on the completion of the development of a new monitoring system for low voltage market. This is a system for monitoring low voltage applications based on Pry-Cam technology, which uses a device to measure the main parameters of a low voltage domestic electrical installation.

The device has been designed to help electricians make the necessary checks during the acceptance testing of new electrical installations, or when carrying out maintenance or periodic checks. This can be defined as a “prosumer” device, as it can be used by both professional electricians and end consumers, with different functionalities depending on the skills of the user, but with the same purpose: check the proper functioning of the electrical installation and, therefore, its safety. The system is also focused on energy consumption and CO<sub>2</sub> equivalent with the aim of create a new energy awareness. The product is on the market since beginning of the 2021. Due to the Covid-19 the launch was delayed.



### Innovation steering committee

In 2020 Prysmian Group created an Innovation Steering Committee bringing together R&D, Prysmian Electronics, Corporate Hangar, and Digital Innovation, responsible for mapping the Group’s innovation portfolio and reinforcing the relevance for corporate strategy.

The Innovation Steering Committee aims to achieve three things. Firstly, to position Prysmian as a leader in the cables industry by continually improving its products and services. Secondly, to present an overview of the innovation portfolio both inside the company and outside, consolidating each group’s efforts in a way that makes it possible to communicate more effectively internally and to customers. Thirdly, to create an innovation culture that promotes an entrepreneurial spirit. This process has already started with an internal “innovation contest” where employees can propose new ideas and innovation projects through cross-functional calls for ideas.

## New products introduction (npi)

The introduction of new products (NP) is tracked using an internal tool created in order to support the analysis and the economic results of new products vitality (Global Turnover/NP Turnover perimeter) and to track the key projects (top NP projects) during the period of vitality of three years.

The main purpose of this tool is to increase awareness of the growing importance of innovation as a success factor and of the development of new products as a driver for improving the performance of the organization.

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

The number of NP families generated in 2020 and the mix of projects between Innovation and Product Development allowed the achievement of an overall 2,4% vitality compared with 2,0% in 3Q 2019.

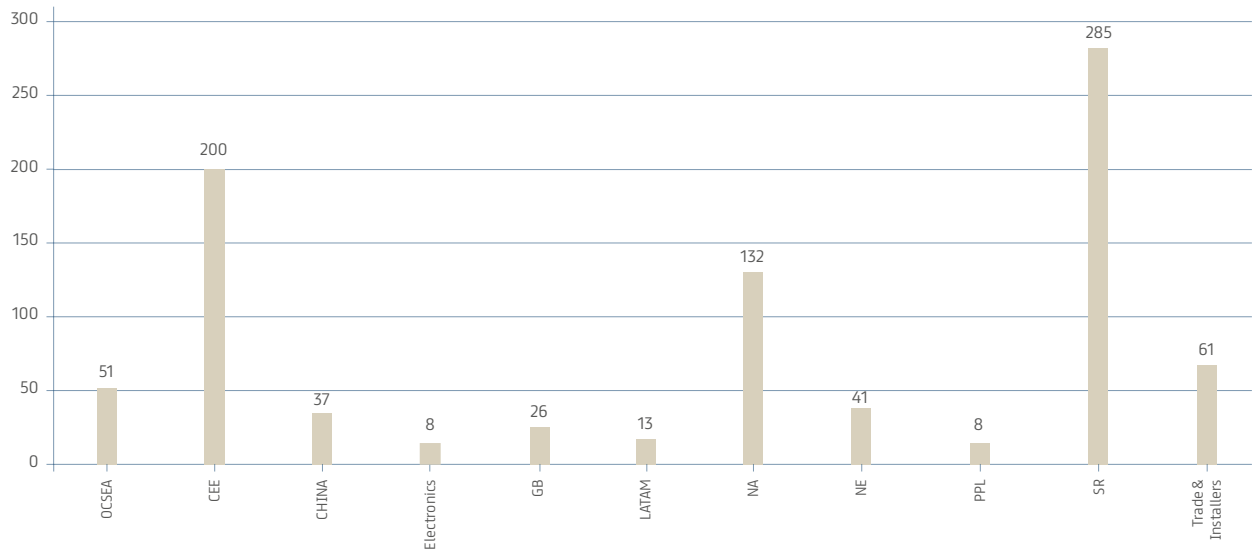
Despite the Covid-19 crisis impact on all business segments, the overall NP results of the Group (PG + GC) analysed in 2020 identified a greater resilience. The Group receives a strong contribution from the 869 new product families, introduced in the system, with an overall vitality of 13% in 3Q 2020, compared to the 12,3% of 3Q 2019 led by Energy segment, Telecom Segment and Submarine cable for Project Segment. New products Turnover generated 836 million through Q3 2020 with an increase compared to Q3 2019 (800 million).

The R&D group generated a huge number of new products during 2020. Some statistics:

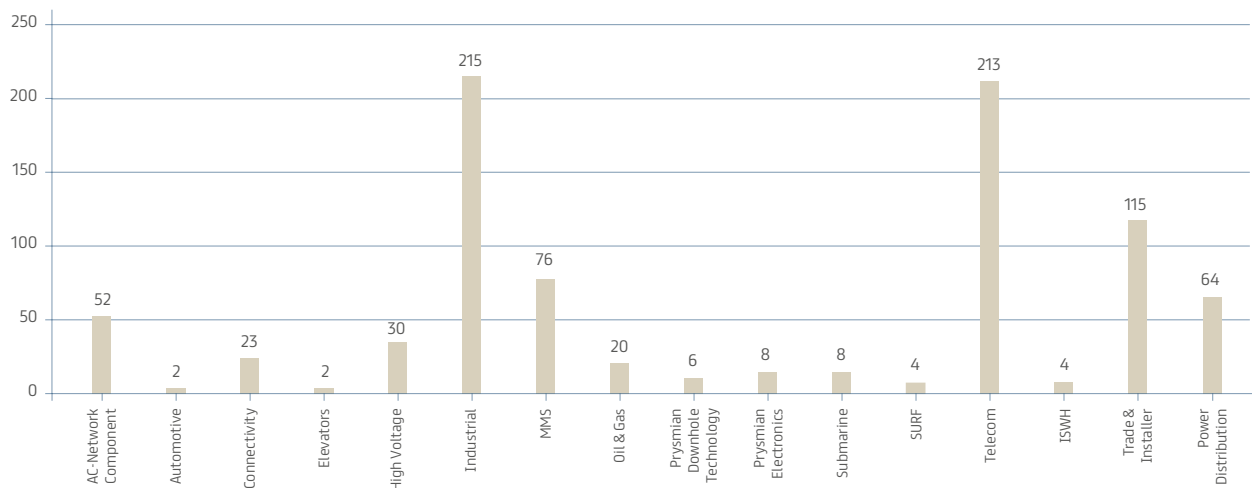


The global number of new products is driven by a huge increase in the turnover of the innovation category. It is mainly due to the Business Submarine and North America region, with an overall growth to 33.4% in the 3Q 2020 respect to 29.6% in the 3Q 2019.

The good results of the product development category were principally attributable to the Trade & Installers and Power Distribution BU (65% of the entire category).

OVERALL NP RESULT 2020 – ACTIVE NEW PRODUCT FAMILIES BY REGION <sup>62</sup>

**869** Total number of families

OVERALL NP RESULT 2020 – ACTIVE NEW PRODUCT FAMILIES BY BUSINESS UNIT <sup>62</sup>

<sup>62</sup> Certain families of new products are not included in the classification by Region or by Business Unit and, as a result, the total number of families "869" and the total reported in the chart "842" do not coincide.

## INNOVATIVE MATERIALS

Prysmian Group invests in advanced research to push the boundaries of innovation in the context of materials and surface science for the production of cables and accessories. The main results achieved during 2020 are related to following areas:

- Halogen-free, flame retardant compounds;
- PP blends and XLPE for HV insulations;
- Thermal properties of polymers and compounds;
- Ultra-high molecular weight polyethylene (UHMWPE) fibres;
- Nanocarbon structures, such as carbon nanotubes (CNTs) and graphene.

## MONITORING OF HAZARDOUS SUBSTANCES

The system implemented in France, based on the specially developed SAP transaction aimed to report the presence of hazardous substances in every single cable item, has been extended in 2020 to Italy, Spain and Germany, as planned. The system tracks the presence of hazardous substances based on Reach / Rohs regulations but is applicable also for monitoring other type of substances requested by specific industry regulation (automotive, OEMs ...) and allows the identification of the cable items for which the hazardous substance exceeds the maximum allowed limit. Based on the above mentioned system and within the wider activity related to the development of the Eco-Label rating system, a special application has been developed by IT in order to allow the tracking of dangerous substances in cables for every Prysmian Groups affiliate where the IT systems are currently live.

## CARBON FOOTPRINT (CFP)

The system implemented in CA (Common Analysis software platform), for assessment of CFP and Potential recyclability of the cable items calculated in the proprietary cable design system, has been extended to the new areas following the roll-out plan of CA / SAP1C. In particular, the extension has been fully completed in France, Spain, Portugal and Chile. As far as the implementation of the CFP calculation system in Cable Builder is concerned, the general data structure of CB has been conceived and built in view of allowing the environmental parameters calculation for each cable, with same base criteria as currently applied in CA.

In December 2020 an updated version of Ecoinvent database (Ecoinvent 3.6) has been loaded in CA, related to the materials' CFP factors (classified according to technical families in CA) and the energy mix of each country where the factory is located. In the same time also the average machine power data for each factory, used to calculate the CFP contribution of the production process, have been updated, based on 2019 values.

The system is providing a very helpful base of data for the environmental information of each cable, as requested by the market. This aspect is evidenced especially by the DSO and TSO that are using this information in order to rate their suppliers from the sustainability point of view.

## ECO-LABEL FOR CABLES

In 2020 the activity for the conceptual definition of the internal Eco-Label rating for cables was performed, collecting the inputs from various Company functions (R&D, HSE, Communications, BUs).

The concept of the Eco-Label rating was defined based on the identification of 6 criteria, under which each single cable item will be judged and classified. The 6 criteria are the following:

- Carbon Footprint;
- Absence of extremely hazardous substances;
- Recyclability / Circularity;
- Recycling input rate (usage of recycled as raw materials);
- Environmental benefits (Low Carbon products + CPR – Construction Products Regulation);
- Cable transmission efficiency.

Carbon footprint and Recyclability are information already available for the vast majority of PG products in CA. These parameters are calculated according to a simplified approach (cradle to gate and potential recyclability) but effective in order to allow precise numerical values for each cable item. The concept of absence of very high concern substances is strictly connected to the Reach / Rohs regulation classification and is already mentioned in a specific chapter of this document. Recycling input rate is considering the presence of recycled materials in the RMs or the metals used for the production of the cable and is applied introducing a dedicated field in the SAP database of Raw Materials. Environmental benefit is rated as combination of 2 characteristics: the fact that the cable is considered as Low Carbon product, according to the CBI (Climate Bonds Initiative) taxonomy, and the cable performance in terms of reaction to fire, especially related to the production of smokes and halogen gas release in case of fires. The last criteria (transmission efficiency) is taken into account considering the electrical voltage class for which the cable is rated, that is related to the ratio between the joule losses in the conductor and the transmitted power.

The application of the 6 parameters, their combination and the valorization of the final on-off condition that triggers the assignation of the Eco-Label class have been extensively tested via simulation on the products portfolio of Italy, France and Spain. The launch in the market of the Eco-Label cable rating will happen in Italy in early 2021, and will follow in France, Spain, The Netherlands and Germany.

## PROJECTS

- [Sirocco HD microduct optical cables](#)

In 2020 Prysmian continued its development of a new range of micro blowable cables with “Pico” tubes. The new tube technology, combined with the use of 200µm optical fibres enables loose tubes to be made smaller, resulting in significantly lower cable diameters and the introduction of Sirocco HD, a new range of cables.

In September 2020, KPN (a Dutch landline and mobile telecommunications company) were the first telecom company in Europe to start a field trial for a more sustainable installation of a fiber optic network using the Sirocco HD cables. The pilot projects were developed in the Netherlands, in Buitenpost and Nijmegen.

The use of Sirocco HD provides reductions in the volume of plastics used by approximately 50%. In addition, more cable and tube could be supplied on a reel, which reduced cutting losses and the number of wooden reels by 70%. For the 11,000 connections required in the trial this resulted in approximately 6 full freight transports less than if the conventional cable had been used. The ducts used were also made from 90% recycled plastic, providing overall a much more sustainable solution. This field trial involving 11,000 households, saves an average of approximately 760 plastic carrier bags per connection.

Further advantages emerged during the installation, such as less excavation works were required at the network concentration points, which led to less soil that had to be removed and processed.

Also due to the smaller and more flexible cables and ducts, the often-full cable routes are less stressed making the solution easier to install.

- Prysun range solar cables

Prysmian Group's solar PV cable portfolio consists of a full range of quality solar photovoltaic products, renowned in the field for their easy installation, reliability and longevity attributes and complying with all major international standards. In the last 2 years Prysmian's PV portfolio has been optimized as a result of the synergies of PG & GC R&D teams all over the world, with a global technology and know-how sharing to find the best solutions with or combined capabilities. Thanks to Prysmian's global presence, PV cables are manufactured in different locations in four different continents to serve both our global and our local customers and business partners and to reduce the environmental impact of the transportation of the cables between different continents and regions.

- High depth submarine cables

The Crete Peloponnese project met significant technological challenges, far exceeding what has been achieved so far in similar international projects. These are mainly the length and the maximum installation depth. Prysmian decided to face this challenging target developing an innovative cable solution with a synthetic armour together with all the necessary improvements on accessories and installation methodologies for a safe and reliable deployment of the link. The link has been installed successfully in 2020 and represents most powerful 3 core design cable transporting 200 MW, installed at the maximum depth of 1000 m.

This project must be considered as a starting point of a new technological platform that will allow to exceed many technical barriers, up to now considered not feasible, for an efficient and effective creation of a grid able to optimize the usage of renewable energy sources.

- EHVDC solutions for German corridors

In the field of the EHV application for DC current, Prysmian pursued the development and industrialization program of 525 kV extruded cables systems, after the successful completion of the pre-qualification tests at 525 kV obtained in 2019 for the two qualified solutions: XLPE and P-Laser.

In the case of XLPE, other two prototypes were produced in two different Prysmian Factories and are now under PQ test according Cigre TB 496.

In the case of P-Laser, the Prysmian proprietary technology to produce thermoplastic recyclable cables, other pilot production runs were performed in Gron Plant (France) aimed at industrializing the technology and increasing reliability of product performance.



- EV charging cables

As the worldwide leader of cable manufacturing, Prysmian has dedicated R&D efforts to this sector for years. In US, we have consolidated experience on offering for the North American market starting from the General cable era. Instead in Europe and for international market, we have successfully developed and certified the products starting from 2 years ago.

Nowadays, Prysmian can offer a wide range of products for AC and DC charging to many well-known international customers. We are also part of CharIN, the association that seeks to establish and accelerate the development of standards for charging systems, thus contributing directly to the evolution of the e-mobility eco-system.

## PROTECTION OF INTELLECTUAL PROPERTY

Protecting the portfolio of patents and trademarks is a key part of the Group's business, particularly in relation to its strategy of growth in high-tech market segments. The Group filed new patent applications during the year, especially in segments with higher added value and in support of the significant investments made in recent years. Nevertheless, the Prysmian Group has a smaller number of patents and patent applications under examination globally at 31 December 2020 than in the prior year.

This is because fewer patents were filed than those that expired or were abandoned because no longer of interest. In order to contain costs in a complex period such as that linked to the Covid-19 pandemic, the Group decided to review the patents portfolio more closely and abandon patents that would be difficult, if not impossible, to enforce for market protection purposes. The number of inventions covered by at least one patent or patent application has decreased slightly in both the Energy and Telecom sectors.

There was a slight fall in the number of inventions covered by at least one patent or patent application in the Telecom sector, which has historically owned a larger number of inventions than the Energy sector, because the portfolio of Telecom patents comprises a considerable number of old patents that resulted from the earlier rush to patent optical fibre technologies.

A total of 29 patent applications were filed during 2020, of which 11 relating to the Energy sector and 18 to the Telecom sector. In addition to the effects of the Covid-19 pandemic, the reduction in the number of new filings was also partly a natural effect of the merger of Prysmian Group and General Cable.

in 2020

**29**

patent applications

of which

**11**

relating to the Energy sector

of which

**18**

relating to the Telecom sector

The number of patents granted during the year was essentially the same as in the prior year, with an increase in those granted by the US patents office. In view of the different examination procedures followed in the various countries/regions and their timing, no significant conclusions can be drawn from the above information.

It is important to note that Group patents have been used in a number of counterfeiting cases filed in Italy, Germany and the United Kingdom during 2020. These legal initiatives are integral to a broader strategy adopted by the Group to safeguard the investment made in research and development.

Prysmian Group owns a significant number of trademarks deriving from the pre-existing Prysmian Group and the pre-existing General Cable group. This portfolio has been and is currently being revised and optimised, in line with the brand protection policies adopted by the Prysmian Group following the merger.

As a consequence, the total number of trademarks decreased during 2020; however, given the greater internationalization of the Group, a number of established trademarks have been registered in additional countries. The trademarks of the Prysmian Group protect the main brands and the most important products, typically involving specific characteristics or production processes that enable them to be identified in the marketplace and guarantee their uniqueness.

<b>IP HIGHLIGHTS</b>	<b>FY 2020</b>	<b>FY 2019 <sup>63</sup></b>
Patents and patent applications filed	5,581	5,881
Inventions covered by patents and patent applications filed	806	857
Inventions linked to the Energy Products and Projects segment	289	317
Inventions linked to the Telecom segment	517	540
Patent applications filed during the year	29	41
Patent applications in the Energy Products and Projects segment	11	17
Patent applications in the Telecom segment	18	24
Patents granted during the year	194	225
Patents granted by the European Patent Office (EPO)	52	45
Patents granted in the USA	40	50
Number of trademarks owned	877	927
Number of registrations	5,068	4,769

<sup>63</sup> The data disclosed in the 2019 NFS about the patents granted during that year and the patents granted in the USA has been restated. The change reflects a communication about the grant of patents received subsequent to the preparation of that NFS.

# Lean Manufacturing

*The creation of stakeholder value includes the minimisation of waste and the achievement of operational excellence via efficient and effective investment and organisational models. Our strategy is based on the creation of products that deliver higher value added and technological content, a constant search for greater efficiency in the commodities sector and a grassroots geographical presence.*

## INDUSTRIAL ACTIVITIES

The Prysmian Group's manufacturing operations are carried out at 104 plants in more than 50 countries. This enables the business to react in good time to the various requests received from world markets. Thanks to the geographical distribution and capabilities of the various plants acquired, completion of the absorption of General Cable allowed the Prysmian Group to consolidate further its industrial strategy during 2020, based on the following factors:

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

Gross capital investment amounted to Euro 246 million in 2020, compared with Euro 284 million in the prior year. This slowdown in investment activity was made necessary by the need to tackle the challenges posed by the Covid-19 pandemic. The Group's response was to give priority to the protection of cash flow with a focus on strategic investments, such as the launch of the Leonardo da Vinci, a cable-laying vessel, while managing short-term needs and deferred investment not deemed essential.

### Capacity/Product mix

Investment to increase production capacity and take account of changes in mix accounted for 60% of the total.

### Energy Projects

The most significant investment was the continuation of work, commenced in the prior year, on a new state-of-the-art cable-laying ship, calling for a total investment in excess of Euro 170 million. This strategic asset will consolidate Prysmian's "turnkey" approach that allows for the provision of EPCI (Engineering, Procurement, Construction & Installation) with "end-to-end" solutions that include engineering, manufacturing, installation, monitoring and troubleshooting of submarine cable systems for power transmission. The investment in the new ship is specifically designed to support the Group's long-term growth prospects in the submarine cable systems market, strengthening its capacity for the installation and execution of projects centring on the interconnection and wiring of offshore wind farms.

The new cable-laying vessel was designed to be the most capable available in the marketplace. She will provide greater capacity and versatility in the implementation of projects due to advanced features like: installation capacity in waters deeper than 2,000 metres, higher cable load capacity thanks to large rotating drums, ability to undertake complex installation operations supporting diverse equipment for cable burial, including “submarine ploughs”, cutting-edge systems for holding position at sea, and propulsion systems designed specifically to assure a reduced environmental impact. The new cable-laying vessel is scheduled to become operational in 2021.

The current Prysmian fleet of three cable ships, the Giulio Verne, the Cable Enterprise and the Ulisse, combined with a wide range of high technology equipment for cable installation and burial, such as the Hydroplow, the HD3 submarine ploughs and the Post Lay Burial machines (Sea Mole, SeaRex and Otter), is already one of the most technologically advanced in the world. This new strategic asset will strengthen the Group’s technological and market leadership in the cable and submarine systems industry, allowing it to further internalise installation operations and to ensure greater precision in the delivery and execution of projects.

The Leonardo da Vinci will in fact be assigned all offshore cable installation operations for the “Viking Link” contract, providing the first submarine cable interconnection between the United Kingdom and Denmark. This contract, worth about Euro 700 million involves the turnkey design, production and installation of the longest power interconnection in the world, with all 1,250 km of submarine cables and about 135 km of terrestrial cables in the United Kingdom. The high voltage direct current (HVDC) interconnection carrying  $\pm 525$  kV through UK, Netherlands, German and Danish waters, will enable up to 1,400 MW to be exchanged between the two countries using single-core cables sheathed in mass impregnated paper. The HVDC cable system will connect the UK transformer at Bicker Fen (Lincolnshire) with the Danish transformer at Revsing (southern Jutland). The objective is to make renewable and sustainable sources of energy more accessible to over 1.4 million families, thereby lowering their electricity costs and making the system more reliable. All the cables will be produced at the Arco Felice (Naples) centre of excellence.

## Energy Products

Investment in this business has focused on certain market niches in order to ensure the satisfaction of growing demand in several value-added sectors: in North America, for example, the investment in Sedalia, Missouri, that commenced last year has continued in order to support growth in the demand for aluminium cables for special applications and serve a market that remains particularly buoyant with good future prospects; the work in Taunton, Massachusetts, that began in 2019 has also continued in order to expand the production of special cables for industrial applications. This will exploit the potential of the new compound plant that will enter into full production during 2021, following the transfer of activities from the neighbouring North Dighton plant, also located in Massachusetts. In Latin America, the plant at Pocos de Caldas in the state of Minas Gerais, Brazil, has increased its capacity to produce the aluminium cables needed by electricity providers for their power transmission services. As in the past, the Prysmian Group also consolidates its investments in Oman Cables Industry, after acquiring an absolute majority of the capital in 2016. These investments principally focus on low and medium voltage cables, which are used by local utilities as well as by the major EPC (Engineering, Procurement and Construction) companies active in the Arabian Peninsula.

## Telecom

The Telecom plant in Lexington, South Carolina, has confirmed its role as a centre of excellence in the US for the production of optical telecom cables: the Group has now completed a series of investments there in the production of cables using a new cutting-edge technology called FlexRibbon. This compacts

the maximum number of fibres inside the cable, using extremely flexible fibre ribbons that can be compacted to achieve very high fibre density, or left flat for splicing, thus simplifying installation in conduits that are smaller with respect to the traditional design for flat ribbon.

Significant growth in the telecom business in North America is further confirmed by investment at the plant in Claremont, North Carolina, where the output of ADSS (All Dielectric Self Supporting) cables will be increased. These cables, used in outdoor applications, are mainly installed on transmission pylons in order to reach the vast rural areas of North America.

## Efficiency and Industrial Footprint

About 13% of total investment was allocated to achieving efficiency improvements and reductions in fixed and variable costs (mainly product design and material usage). The Group is continuing significant cost optimisation work throughout the entire production chain of the telecom business segment: in particular, effort in 2020 focused on the optical cables sector, where investment has been completed in order to benefit from design optimisation and harmonisation opportunities at the Calais, Santander and Slatina plants in Europe, drawing on joint experience with the former General Cable perimeter, which produces the same type of cable at the Montereau plant in France.

Outside of Europe, the Wuxi telecom cables plant has now been transferred to a separate area of the Yixing plant, thus maintaining the Group's presence in Jiangsu province; lastly, in South America, the two telecom cables plants in the hinterland of Sorocaba (Brazil) have been reorganised as a final step in creating the new Centre of Excellence for South America, work on which began in prior years with the construction of a new manufacturing and administrative centre for the entire LATAM region.

With regard to the Energy business, work has been completed in the USA on the transfer of production from the compound plant in North Dighton, USA, to the nearby new construction in Taunton (both in Massachusetts). This has created a new hub for the production of compounds and cables for the industrial cables business throughout North America. In Europe, investment at Pignataro and Merlino in Italy, and at the Abrera, Vilanova and Santa Perpetua (near Barcelona) plants in Spain, was completed as part of the reorganisation of MV cable production capacity on that continent.

## IT, R&D

Around 13% of investment expenditure was dedicated to further development of the Group's IT systems, Digital Transformation initiatives and R&D.

In 2020, activities continued for the completion of the "SAP Consolidation (1C)" programme, aimed at the harmonisation of back-office processes, with the geographical extension of the Group platform to France (former General Cable), Chile and Oman.

A number of US companies have successfully completed their transfer to the new SAP S4/HANA ERP system and the transition to the new SAP BW4/HANA business intelligence system. Work on migrating current users of SAP 1C to the S4/HANA platform has also begun (due for completing in 2021).

In the Operations area, the new FastTrack Corporate MES has been implemented at the Slatina telecom plant, which is the largest in the Group in terms of size and among the leaders in terms of production volume. Implementation projects also commenced in Pikkala (Finland) and at Slatina Energy (Romania) towards year end. This will consolidate the model with the addition of functionality for power cables and innovative data analytics.

Other business areas that received significant IT investment included the HR function, which has launched a major project to digitalise the Workday platform, and the Treasury function, with the consolidation of existing systems on the new SAP Treasury S4 platform.

In a year in which the pandemic has stressed global IT systems and infrastructures, Prysmian IT has played a fundamental role in increasing the digital competitive advantage of the Group, strengthen the existing resources and implementing new communication and collaboration systems (Microsoft Teams, remote presence, Workplace virtualisation, electronic signatures, WAN extension).

A new IT strategy and organisation has been defined, with a view to accelerating innovation and the digital transformation of the Group.

At the same time, a digital strategy (“Digital Ambition”) has been devised in order to guide innovation and support the transition of Prysmian from a simple cable manufacturer to a solutions provider, structure around three areas of application: introduction of new digital products/services, optimisation of business performance via the use of data, and support for collective intelligence and the digital culture.

The robotic automation of processes, artificial intelligence, augmented reality, the development of a natural language to facilitate human-machine interactions: these are just some of the solutions added to Prysmian’s Digital Innovation portfolio, with significant results in terms of increasing plant productivity and supporting operational continuity and customer relations.

#### Base-load

Capital investment to maintain capacity amounted to about 13% of the total, essentially in line with prior years. A significant part of this amount is related to the start of work to remove all asbestos present at every Group plant around the world.





# Our environmental responsibility

*We strive to protect the environment via our production systems and by paying attention to the carbon footprint of our products, involving our supply chain in this as well. We have started a process for the definition of medium/long-term improvement objectives that respond to ever stricter requirements in the fight against climate change.*

## ENVIRONMENTAL PROTECTION

The Group strives actively to safeguard and protect the environment and conserve natural resources, in order to create sustainable value for the benefit of both the organisation and our stakeholders. The Group's commitment to safeguarding the environment and conserving natural resources is expressed both by the intrinsic characteristics of our products and by how our production systems are managed. In particular, the prevention and reduction of their environmental impact are achieved, for example, by the efficient use of natural resources, the optimisation of logistics flows and the responsible management of waste.

This commitment is reflected, above all, in application of the Group's Health, Safety, Environment and Energy policy. This policy was updated in 2020 to present better the Group's vision and commitment to consolidating a culture of Health, Safety and Environmental protection, not least by safeguarding biodiversity at Group locations and managing Energy in a systematic manner, as a prerequisite for the achievement of our objectives and the creation of value for all Group stakeholders.

The activities of the HSE function in this area were heavily restricted during 2020 as a consequence of the emergency, which peaked at different times in all geographical areas of Group operations. Nevertheless, Prysmian Group made considerable efforts in terms of central coordination, planning, support and reporting on all initiatives and actions at central and local level, with a view to achieving, step by step, the environmental objectives set for 2022.

In particular, great attention has been dedicated to the reduction of energy consumption and greenhouse gas emissions (GHG) at Group level, the improvement of waste management in order to increase the recycled portion, and the maintenance and improvement of the Health, Safety, Environment and Energy management systems implemented at plant level. In addition, the Group has introduced an internal product assessment criterion (Eco-Cable), based on sustainability criteria that are recognised internationally.

In view of this, during 2020 the Prysmian Group again participated in the CDP - Climate Change section, reporting on our 2019 greenhouse gas emissions (GHG).

In 2020, **8 new energy diagnoses** were carried out in the same number of operating units, in accordance with local legislative requirements and the criteria defined at Group level. The objective was to build an ever more complete, reliable and updated database on energy consumption and its distribution, with the aim of extending energy efficiency initiatives to an ever larger number of units.

In addition to the 7 plants that already have ISO 50001 certification (6 German plants and 1 Turkish plant), during 2020 the Heredia plant in Costa Rica also implemented an Energy Management System (EMS) within its pre-existing HSE system. This EMS has obtained certification in accordance with ISO 50001:2018; In this context, the above locations planned and carried out internal and external audits of their energy management systems, verifying achievement of their established objectives and identifying possible new initiatives, as part of the continuous improvement of energy management and consumption.

In addition, certification of the ISO 50001 energy management system was renewed at the Milan HQ, involving every level of the organisation and all employees and collaborators in order to achieve our energy reduction objectives.

Significant events during 2020 included **investment of about Euro 25 million in health, safety and environmental activities**, including energy efficiency, water and waste.

New pilot projects in the energy field were launched in 2020. These are coordinated by the HSE function, in collaboration with other central functions, in order to quantify the energy savings obtainable by using specific technical solutions, assess their effectiveness and extend their implementation to other Group plants.

For this purpose, the HSE function has collected and analysed specific documentation and the energy data available at plant level, selected the areas of interest and involved six operating units in two countries. The function is focusing on the following main areas:

- Consumption monitoring systems (smart metering).
- Efficiency of systems for the production and distribution of compressed air.
- Efficiency of heating systems.
- Efficiency of engines.

The Group has also selected the energy efficiency projects to be launched in the above areas over the next two or three years, so that activities can start in 2021 with the gradual involvement of all plants in more than thirty countries. The established priorities for action may be changed, depending on the confirmations obtained from pilot projects with regard to the energy and environmental savings actually measured in the field.

The “Relamping with LED” project has been extended to a further 18 Group plants in 7 countries. These were selected using the priority criteria established by the Group and already applied in earlier phases of the project. Work on the replacement of lighting, initially scheduled for the end of 2020, will be started and completed during 2021 and result in an estimated CO<sub>2</sub> saving of about 5,000 tCO<sub>2</sub>/year. In addition, the Group has already planned the next phases in the project that will commence by 2022, with further benefits in terms of energy savings and reduced GHG emissions.

Lastly, as in the case of the energy efficiency projects (replacement of compressors, relamping...), the criteria adopted by Prysmian for the assessment of industrial projects and initiatives to optimise its manufacturing processes are starting to include CO<sub>2</sub> savings, as a further criterion for evaluating projects, to be combined with energy and economic savings.

The Prysmian Group has continued to manage various activities including active participation in various working parties and on association committees, such as Europacable’s ECOE Committee and its “Carbon Task Force” and “Product and Legislation Task Force” that, during 2020, worked on the preparation and communication of technical documents and guidelines for the members of Europacable, Orgalime’s “Substances Task Force”, ANIE’s Environment Committee and AICE’s environment working party, and the

IEC Maintenance Team that is drafting the standard environmental declaration for power cables. The approach to integration adopted represents an opportunity to improve and, in this light, operational policies and practices for the management of the environment, health and safety by all operating units will be further developed and agreed.

## MANAGEMENT SYSTEMS

Two new ISO 45001 certificates were obtained in 2020 by two plants in Latin America. At Group level, the percentage of certified Prysmian plants is essentially unchanged with respect to 2019 at 83% for ISO 14001 and 71% for OHSAS 18001/ISO 45001. The above percentages only refer to production sites; however, in addition to these, other types of organisation within the Group are also certified, such as R&D, installation activities, kitting and distribution centres etc.

**83%** for ISO 14001

**71%** for OHSAS 18001/ISO 45001

As decided by the central functions, a gradual handover is in progress to the new Certification Body selected by Prysmian for both standards. The new Body issued about thirty certificates during 2020. In addition, a multi-site approach is being introduced at national or legal entity level.

With a view to certifying the environmental management systems of all Group plants, the HSE function coordinates and updates periodically the ISO 14001 certification programme, which will involve many former General Cable plants over the next 3 years.

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

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

## PROJECT FOR THE DEFINITION OF SCIENCE-BASED TARGETS

In collaboration with the Carbon Trust, Prysmian Group is developing an ambitious Net Zero climate strategy that is aligned with the Paris Accord requirements.



In 2020, the Group began work on the development of science-based objectives for the emissions generated by its activities worldwide (Scope 1 and 2) and for the emissions of the broader value chain (Scope 3). Prysmian Group started to implement an ambitious climate strategy adopting science-based targets, in line with the requirements of the Paris Agreement, and endorsing the Business Ambition (1.5°C) with the “net zero” target expected to be achieved between 2035 and 2040 with regard to the emissions generated by its operations (Scope 1 and 2) and by 2050 for emissions generated by the value chain (Scope 3) aligned to a 1.5°C scenario. As part of the decarbonisation strategy, Prysmian Group is involving all sites and activities worldwide in actions that include an assessment of the opportunities for energy efficiency, the purchase and production of renewable energy, and the reduction of SF6 gas emissions. These opportunities will be addressed by a Group-wide project coordination and implementation programme. The progress made and new decarbonisation opportunities will be examined continuously, as part of our normal business processes.

In addition, Prysmian recognises its unique position in the global transition towards Net Zero, as a supplier of technologies and solutions that facilitate the decarbonisation of the global economy. In order to understand the broader positive effect of its products and services, the Group is collaborating with the Carbon Trust on the definition of an effective way to quantify their impact and guide the decision-making process.

### Scope 1 and Scope 2 emissions and the decarbonisation process

The Scope 1 and 2 footprint of Prysmian has been reviewed for the purpose of defining a model for the development of carbon reduction objectives for the agreed target years, considering options aligned with both <math>2^{\circ}\text{C}</math> and <math>+1.5^{\circ}\text{C}</math> scenarios and adopting an absolute containment approach to emissions.

In-depth analysis of the energy audits carried out at Prysmian plants and the specific self-assessment questionnaires developed, will identify a range of potential reduction initiatives and their contribution to achievement of the science-based objective, indicating the extent of the decarbonisation obtainable by implementing the agreed measures and highlighting any gaps between the objective and the overall impact of the identified measures.

This analysis will fuel the development of a decarbonisation timetable and a priority programme containing the estimated capital investment required and the potential energy savings achievable over the period. The analysis and the model will be summarised in a presentation to internal stakeholders, highlighting the various decarbonisation paths and an assessment of their feasibility.

### Emissions Scope 3

In addition to the Scope 1 and Scope 2 emissions, Prysmian also screens the Scope 3 “other indirect emissions” (generated by other organisations as a consequence of Group activities), selecting the categories considered significant for the Group, such as emissions related to Purchased goods and services, Waste generated in operations, Business travel, Employee commuting, Downstream transportation and distribution, and partially quantifying them using “Quantis - Scope 3 Evaluator”, a GHG Protocol tool.

Based on the Scope 3 screening carried out in 2019, the emissions of the entire Prysmian Group value chain have been quantified in more detail for all significant categories, as defined in the GHG Protocol Scope 3 Standard. The Group is developing science-based objectives for the reduction of Scope 3 emissions and

a strategy for achieving them. This will include the efforts made by suppliers and partners, and will be integrated with the R&D and innovation strategy.

Once again during 2020, in collaboration with the CDP, the Group involved supply chain operators in the reporting of their emissions and their allocation to Prysmian.

Significant suppliers, identified using sustainability criteria defined by the Prysmian Group, were invited to answer the CDP 2020 Supply Chain Questionnaire. More suppliers responded than in the prior year, in some cases highlighting the efforts made to reduce GHG emissions within the supply chain. Even so, Prysmian plans to expand the list of suppliers invited to answer the CDP 2021 questionnaire. There are several reasons: obtain a more complete picture of suppliers in all geographical areas and with regard to the various types of products and services; consider all types of risk associated with the supply chain; collect sufficient data for analysis and, if possible, define objectives for the Scope 3 emissions.

### Environmental assessment of products and customer requirements

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

Since 2018, Prysmian Group has calculated the “cradle to gate” carbon footprint of each product in the data management system that is used worldwide by all design departments. For each cable design project, this functionality identified analyses the total “cradle to gate” CO<sub>2</sub> footprint between metals, other materials and the manufacturing processes. As explained earlier, the carbon footprint amount associated with the unit of weight of each material is obtained from the EcoInvent database.

Analysis of the “cradle to gate” carbon footprint of the MV cables with solid aluminium conductor and copper wire shielding made in Delft, Netherlands, shows clearly that about 75% of the footprint is associated with the metals, while production processes make the smallest contribution (less than 5% of the total footprint).

In 2020, Prysmian Delft began to source “low carbon content aluminium” for the conductors used in the MV cables. The composition of the product and its mechanical and electrical properties are unchanged, but the environmental impact of the aluminium rod has been reduced significantly, as certified in the Environmental Product Declaration (EPD) of the European supplier. The low carbon content aluminium has a footprint of 4.0 kg CO<sub>2</sub>/kg Al, mainly due to the fact that solely renewable energy is used in aluminium rod production process. This compares with the global EcoInvent value of 25.3 kg CO<sub>2</sub>/kg Al, or the European EcoInvent value of 9.9 kg CO<sub>2</sub>/kg Al.

Based on the analysis carried out at Group level and the Delft experience, the Group will look for additional opportunities to reduce the carbon footprint of cables, not least by sourcing low carbon content metals for more applications, using materials with a certain percentage of recycled content and reducing cable diameters. This will be achieved by type testing at plants and the launch of pilot projects in collaboration with suppliers and customers.

As a result of market pressures and collaboration with a number of external specialist companies, during 2020 Prysmian participated in a series of environmental initiatives and studies requested by certain major customers. The objective was to quantify the climate change impacts of the Group’s supply chain and prepare the groundwork for the definition and agreement of sustainability criteria.

The environmental aspects are assessed using the LCA (Life Cycle Assessment) principles and methodology, in accordance with international standards ISO 14040 and 14044, and the Prysmian HSE and R&D functions have contributed to the development of such criteria and methodology as:

- Environmental Product Declaration (EPD) covering the environmental performance of certain products using sector-specific indicators (Product Category Rules - PCRs).
- Product environmental assessments in response to requests from certain major customers, applying criteria defined in collaboration with experts for the types of product considered.
- Product Carbon Footprint (PCF) in accordance with standard ISO 14067:2018. The studies carried out in 2020 on five families of LV and MV cable made in Italy and Portugal were certified in conformity with standard ISO 14067:2018, evidencing a moderate reduction in the carbon footprint calculated previously for them, at the request of a major customer.

In addition, Prysmian Group has set an objective to subject 20% of products to an internal assessment (Eco-Cable) based on sustainability criteria that are recognised internationally. The first criteria definition phase was completed during 2020 for application to the first set of selected cables in 2021.

This work has broadened the vision of the product environmental assessment, enabling us to understand better the environmental aspects and impacts of an ever broader range of products. The results of these studies will represent an important element in the sustainability path followed by the Group, especially with regard to the adoption of systematic methodologies for calculating the footprint of products, to the growing need to involve Group's raw material suppliers (in particular) and to the reporting of emission associated with the supply chain.

## ENVIRONMENTAL PERFORMANCE

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

These aspects are:

- energy consumption, obtained as the sum of all energy sources used in manufacturing and service activities;
- water consumption, which is significant due to the large volumes needed for cooling in the various production cycles;
- hazardous and non-hazardous waste, with a potential impact on various environmental factors and very considerable importance in the assessment of process efficiency;
- recycled waste - hazardous and non-hazardous (part of those referred to in the previous point);
- greenhouse gas emissions (GHG), primarily linked to the use of sources of energy and, to a very limited extent, to the use of greenhouse gases at certain stages of production.



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

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

Further details on performance indicators, perimeter and reporting methods are available in the “Notes on the data and information”.

During the three-year period 2018-2020, the Group did not receive significant sanctions (monetary or other) for regulatory non-compliance in the environmental field.

The matters identified during periodic internal checks or visits from external bodies or customers are managed directly by the sites concerned, which determine the actions to be implemented and the related timing.

Should it not be possible to meet the deadline for the restoration of conformity, the management of the sites concerned arrange, with support from the country HSE function, to contact the supervisory bodies, confirming the willingness of Prysmian to implement the necessary measures and justifying the request to extend the deadline dates established by them.

As in the prior year, environmental data was estimated (+2%) for those plants that do not have reliable information (2 in 2020, Chiplun, in India and Sohar, in Oman).

In addition, the environmental data for the Sicable plant (Côte d’Ivoire) has been estimated using the data collected in the prior year.

## ENERGY CONSUMPTION

Total energy consumption by the Group fell overall in 2020, mainly due to the decline in plant output caused by the Covid-19 healthcare emergency.

### PRYSMIAN GROUP 2020 <sup>64</sup>

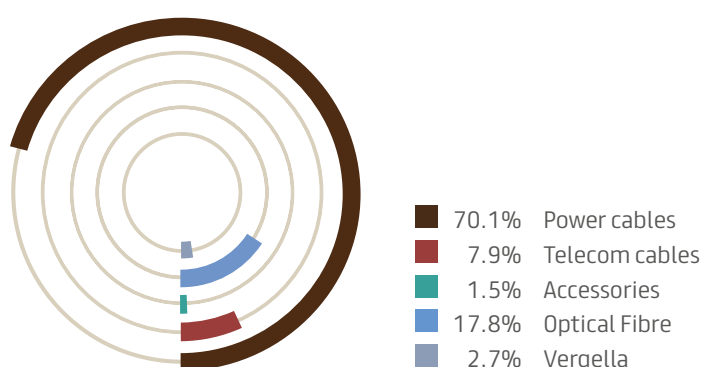
Energy consumed (GJ)	Total 2020
Electricity	3,800,896
Electricity from renewable sources	2,099,436
Natural gas	3,144,106
LPG	111,009
Petrol	13,232
Diesel	124,474
Fuel oil	24,659
Steam (purchased, not produced internally)	3,381
Heat (purchased from distribution networks)	126,872
Chilled water	374
<b>Total</b>	<b>9,448,439</b>

<sup>64</sup> The 2020 and 2019 energy consumption reported in the table corresponds to the baseline value included in the Scorecard, plus the estimated consumption of the Sohar and Chiplun plants.

Energy consumed (GJ)	Total 2019		Total 2018
	Prysmian Group	Prysmian Group w/o General Cable	Former General Cable (June-December 2018)
Electricity	4,667,246	3,612,696	871,888
Electricity from renewable sources	1,721,844	1,399,006	0
Natural gas	3,256,405	2,045,370	481,569
LPG	118,990	64,536	23,764
Petrol	11,965	8,547	613
Diesel	112,545	102,382	12,894
Fuel oil	31,321	47,966	2,818
Steam (purchased, not produced internally)	8,242	17,396	0
Heat (purchased from distribution networks)	104,937	116,710	0
Chilled water	1,054	169	995
<b>Total</b>	<b>10,034,549</b>	<b>7,414,778</b>	<b>1,394,541</b>

As reported in the graphs below, the most energy-intensive Product Line is the Energy one: it consumes 70.1% of total energy.

#### ENERGY CONSUMED BY PRODUCT LINE (2020)



With regard to energy intensity in comparison to 2020 production volumes, the following table shows the values for individual Product Lines:

#### PRYSMIAN GROUP (2020)

Energy consumed per km/ton of product	Power cables GJ/Ton	Telecom cables GJ/km	Optical Fibre GJ/km	Vergella GJ/Ton
	3.56	0.02	0.04	2.18

#### PRYSMIAN GROUP (2019)

Energy consumed per km/ton of product	Power cables GJ/Ton	Telecom cables GJ/km	Optical Fibre GJ/km	Vergella GJ/Ton
	3.46	0.02	0.04	2.05

## GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions, measured in tonnes of CO<sub>2</sub> equivalent, were calculated using the methodologies indicated in “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition, 2004)” considering, for the Scope 1 GHG emissions (direct greenhouse gas emissions), the consumption of fuels, the release of overflow refrigerant gas and the release of SF<sub>6</sub> and, for the Scope 2 GHG emissions (indirect emissions of greenhouse gases), the consumption of purchased energy (mainly electricity).

The Prysmian Group is a multinational and diversified concern; for this reason, and consistent with the requirements of the reporting standard, two main methods for accounting for emissions in

Scope 2 are used: the Location-based method and the Market-based method. Both methods, described below, are recognised and required by the GHG Protocol and are necessary for the reporting of Scope 2 emissions in the “CDP’s Climate Change programme” starting in 2016.

Location-based	Market-based
This is a method for quantifying Scope 2 CO <sub>2</sub> emissions based on average emission factors for energy generation by well-defined geographical boundaries, including local, sub-national or national boundaries.	It is a method to quantify the CO <sub>2</sub> emissions of Scope 2 based on the CO <sub>2</sub> emissions emitted by the energy suppliers from which the reporter (company that compiles the report) purchases, through a contract, an electricity package. Markets differ on the contracts available for the purchase of energy or on the claim of specific attributes, but may include: guarantee certificates of energy origin and direct contracts with suppliers (RECs, GOs, I-REC, etc.); supplier-specific emission factors; default emission factors that represent uncontrolled or unclaimed energy and emissions (defined as “residual mix”); regional or sub-national medium or national emission factors.

The location-based emissions of the Prysmian Group totalled 832,938 tCO<sub>2</sub> in 2020, down compared with 2019. The reduction was attributable to several factors that impacted the Group’s total CO<sub>2</sub> emissions, and in particular the decline of SF<sub>6</sub> emissions and of energy consumption, as a consequence of lower production due to the Covid-19 health emergency.

Also in 2020, the Prysmian Group purchased Guarantee of Origin certificates from some European suppliers, with the aim of reducing the corresponding CO<sub>2</sub> emissions in accordance with the Market-based calculation method.

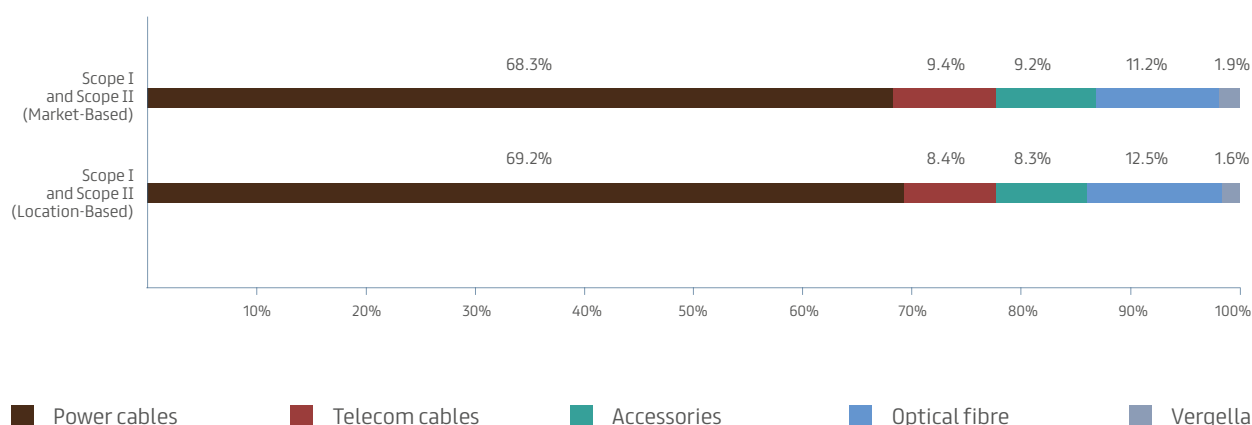
### PRYSMIAN GROUP 2020 <sup>65</sup>

Emissions of tCO <sub>2</sub>		Total 2020
Scope 1	Direct emissions from combustion	197,113
	Emissions from refrigerant gas leaks	7,626
	Emissions from SF <sub>6</sub> gas leaks	108,610
	<b>Total Scope 1</b>	<b>313,349</b>
Scope 2	Location-based	519,589
	Market-based	422,675
<b>Total</b>	<b>Scope 1 and Scope 2 (Location-based)</b>	<b>832,938</b>
	<b>Scope 1 and Scope 2 (Market-based)</b>	<b>736,024</b>

<sup>65</sup> The 2020 and 2019 GHG emission reported in the table corresponds to the baseline value included in the Scorecard, plus the estimated consumption of the Sohar and Chiplun plants.

Emissions of tCO <sub>2</sub>		Total 2019	Total 2018	
		Prysmian Group	Prysmian Group w/o General Cable	Former General Cable (June-December 2018)
Scope 1	Direct emissions from combustion	204,069	138,033	31,444
	Emissions from refrigerant gas leaks	9,724	7,077	2,085
	Emissions from SF6 gas leaks	116,123	128,427	23,028
	<b>Total Scope 1</b>	<b>329,916</b>	<b>273,538</b>	<b>56,557</b>
Scope 2	Location-based	588,983	483,243	82,969
	Market-based	540,565	441,548	87,779
<b>Total</b>	<b>Scope 1 and Scope 2 (Location-based)</b>	<b>918,899</b>	<b>756,781</b>	<b>139,526</b>
	<b>Scope 1 and Scope 2 (Market-based)</b>	<b>870,481</b>	<b>715,086</b>	<b>144,336</b>

### EMISSIONS BY PRODUCT LINE (2020)



With regard to emissions intensity with respect to 2020 production volume, the following table shows the values for the individual product lines:

### PRYSMIAN GROUP 2020

Emissions per km/ton of product		Power cables tCO <sub>2</sub> eq/Ton	Telecom cables tCO <sub>2</sub> eq/km	Optical Fibre tCO <sub>2</sub> eq/km	Vergella tCO <sub>2</sub> eq/Ton
Scope 1	Total Scope 1	0.10081	0.00019	0.00114	0.09998
Scope 2	Location-based	0.20906	0.00156	0.00146	0.01518
	Market-based	0.16807	0.00154	0.00092	0.02357
<b>Total</b>	<b>Scope 1 and Scope 2 (Location-based)</b>	<b>0.30987</b>	<b>0.00175</b>	<b>0.00260</b>	<b>0.11516</b>
	<b>Scope 1 and Scope 2 (Market-based)</b>	<b>0.26887</b>	<b>0.00173</b>	<b>0.00205</b>	<b>0.12355</b>

**PRYSMIAN GROUP 2019**

Emissions per km/ton of product		Power cables tCO <sub>2</sub> eq/Ton	Telecom cables tCO <sub>2</sub> eq/km	Optical Fibre tCO <sub>2</sub> eq/km	Vergella tCO <sub>2</sub> eq/Ton
Scope 1	Total Scope 1	0.10954	0.00038	0.00095	0.09521
Scope 2	Location-based	0.21600	0.00144	0.00146	0.01570
	Market-based	0.19500	0.00154	0.00121	0.00977
<b>Totale</b>	<b>Scope 1 and Scope 2 (Location-based)</b>	<b>0.32554</b>	<b>0.00182</b>	<b>0.00241</b>	<b>0.11091</b>
	<b>Scope 1 and Scope 2 (Market-based)</b>	<b>0.30454</b>	<b>0.00192</b>	<b>0.00216</b>	<b>0.10497</b>

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

**Waste**

The main types of waste generated by productive activities have been split into specific categories, classifying their level of danger (hazardous waste and non-hazardous waste) according to the related classification system, regardless of the waste's country of origin and disposal. An exception is made for certain types of waste

(such as laboratory chemicals), whose classification to one or the other category depends on the local regulatory approach.

Overall, the quantity of waste produced by the Prysmian Group in 2020 totalled 190,984,061 kilograms, up 13% with respect to 2019; hazardous waste represented 5.7% of the total of waste produced, which was 32% lower than in the prior year.

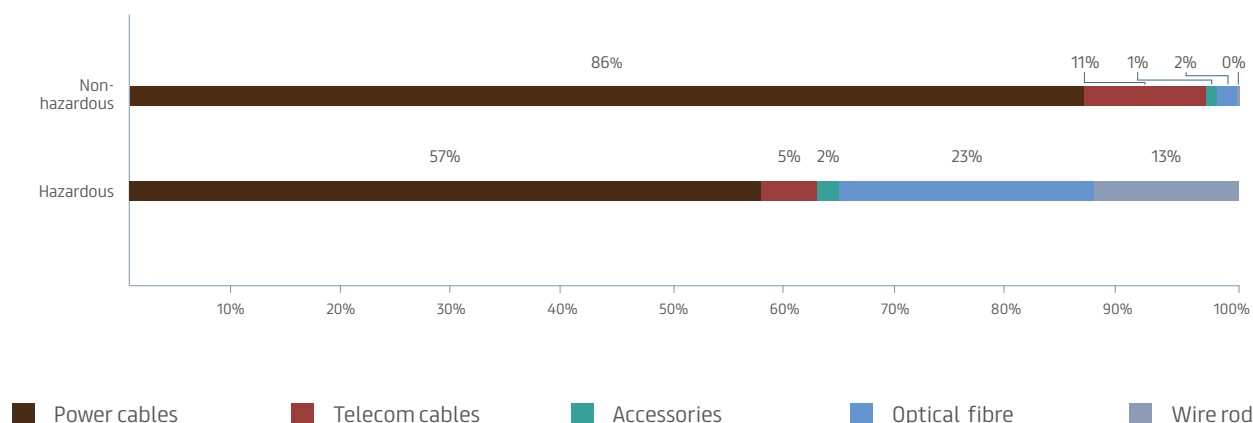
**PRYSMIAN GROUP 2020**

Waste produced by type (kg)	Total 2020
Hazardous	10,957,352
Non-hazardous	180,026,709
<b>Total</b>	<b>190,984,061</b>

Waste produced by type (kg)	Total 2019	Total 2018	
	Prysmian Group	Prysmian Group w/o General Cable	Former General Cable (June- December 2018)
Hazardous	14,184,343	11,720,722	2,153,895
Non-hazardous	155,434,381	111,677,586	21,860,439
<b>Total</b>	<b>169,618,723</b>	<b>123,398,308</b>	<b>24,014,334</b>

As can be seen from the following charts, the production of power cables generates the majority of hazardous waste: 86.1%.

With regard to non-hazardous waste, the types considered depend on the production needs of each plant. In addition, since certain types of waste are production performance indicators, especially scrap metals, the central functions (HSE and Manufacturing) are carrying out ever more detailed checks to align at Group level the way that waste is collected and reported. In particular, reports now include a specific "Scrap cable" caption in order to improve the tracking of that material.

**WASTE PRODUCED BY PRODUCT LINE (2020)**

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

**PRYSMIAN GROUP (2020)**

Hazardous waste per km/ton of product waste per km/ton of product	Power cables kg/Ton	Telecom cables kg/km	Optical Fibre kg/km	Wire rod kg/Ton
	3.35	0.01	0.06	12.92

**PRYSMIAN GROUP (2019)**

Hazardous waste per km/ton of product	Power cables kg/Ton	Telecom cables kg/km	Optical Fibre kg/km	Wire rod kg/Ton
	3.79	0.01	0.10	11.18

**PRYSMIAN GROUP (2020)**

Non-hazardous waste per km/ton of product	Power cables kg/Ton	Telecom cables kg/km	Optical Fibre kg/km	Wire rod kg/Ton
	83.43	0.49	0.07	2.39

**PRYSMIAN GROUP (2019)**

Non-hazardous waste per km/ton of product	Power cables kg/Ton	Telecom cables kg/km	Optical Fibre kg/km	Wire rod kg/Ton
	63.59	0.43	0.13	2.07

As mentioned in previous Consolidated non-financial statements, Prysmian has carried out a more in-depth analysis of the disposal method used for different categories of waste produced. Downstream of

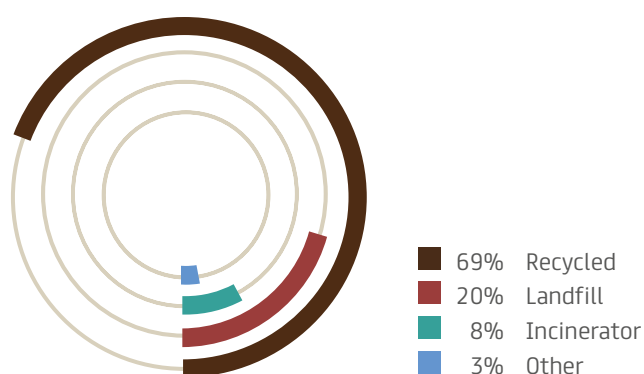


the analysis, it emerges that 69% of the waste is recycled, 12% more than in 2019, while 20% is disposed of in landfills.

#### PRYSMIAN GROUP 2020

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

#### WASTE BY DISPOSAL METHOD



#### MANAGEMENT OF WATER RESOURCES

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

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

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

The quality of the water drawn is monitored at local level, to ensure that this resource is used in a proper and optimal manner; however, it is not tracked at Group level where this aspect is considered less important.

There are essentially no water discharges from closed systems. The water used in open, or partially open, cooling systems is discharged into the drainage system or as surface water. Treatment units are installed upstream of discharges, if necessary, in order to guarantee regulatory compliance, minimise the potential impact on the receiving body of water and avoid incidents of any kind. The quality of discharged water is monitored periodically and checked by external bodies, which carry out regular inspections or audits.

Considering the quantity and quality of water sources, the type of usage, the recycling systems used and, in general, assessment of the environmental aspects and impacts as part of the Environmental

management system, it is clear that the most significant water-related impact is not directly associated with organisational activities, but rather with the supply chain and, in particular, with the production cycles of base metal suppliers. For this reason, Prysmian has tracked the main sustainability parameters, including those for water management, of “critical” suppliers since 2015, using a self-assessment questionnaire and audits focused on sustainability criteria.

In addition, Prysmian works with other stakeholders, especially local authorities and customers, in a constant effort to manage water resources sustainably - not only in compliance with specific requirements, but also with a view to minimising the local impact of Prysmian plants, especially those operating in areas potentially subject to water stress.

## CONSUMPTION OF WATER RESOURCES

Power cables represent the product line with the greatest impact on the consumption of water, drawing 74.6% of the Group’s water resources in 2020.

All areas in which Group plants are located were evaluated during 2020 in order to identify possible water-stress conditions. Water stress refers to the ability or inability to satisfy the demand for water for human and ecological needs. This stress may derive from the availability, quality or accessibility of water. Assessments are made using the Aqueduct Water Risk Atlas, which is a tool that identifies water-stressed areas where the total volume of water drawn annually exceeds 80% of the total annual renewable supply. The water drawn by the Group is analysed below, distinguishing between water stress areas and other areas. In 2020, the water drawn from water stress areas represents about 26% of the total volume withdrawn by the Group.

### PRYSMIAN GROUP 2020 <sup>66</sup>

Water drawn (m <sup>3</sup> ) by source <sup>67</sup>	All areas	Water stress areas	Total 2020
Water from wells	3,037,448	1,926,023	5,060,794
Water from public water main <sup>68</sup>	2,126,881	380,077	2,556,114
Water from other sources <sup>69</sup>	1,207,236	-	1,230,907
<b>Total</b>	<b>6,371,565</b>	<b>2,306,100</b>	<b>8,847,815</b>

### PRYSMIAN GROUP 2019 <sup>70</sup>

Water drawn (m <sup>3</sup> ) by source <sup>67</sup>	All areas	Water stress areas	Total 2020
Water from wells	3,398,725	1,876,470	5,376,641
Water from public water main <sup>68</sup>	2,367,727	451,002	2,872,935
Water from other sources <sup>69</sup>	1,340,581	-	1,366,361
<b>Total</b>	<b>7,107,032</b>	<b>2,327,472</b>	<b>9,615,937</b>

<sup>66</sup> With regard to water withdrawals by source, the estimate reported on page 145 (+2%) has only been applied to the totals by source and not to the “All areas” and “Water stress areas” detail.

<sup>67</sup> It is assumed that the majority of the water withdrawn was fresh water (<= 1,000 mg/l of total dissolved solids). The Group will work in the coming years to analyse this data further and report in more detail on this aspect.

<sup>68</sup> It is assumed that the water withdrawn from the public water main by all Group plants and R&D centres came entirely from the water table.

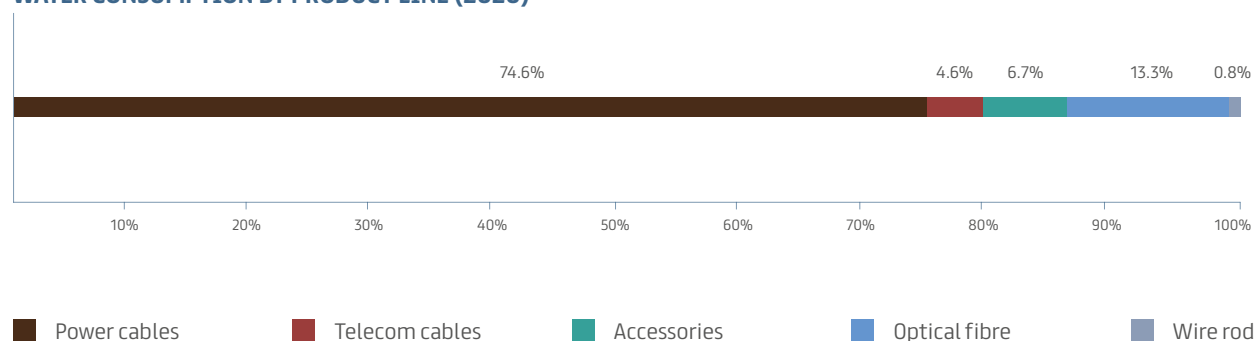
<sup>69</sup> It is assumed that the water withdrawn from “other sources” by all Group plants and R&D centres came entirely from surface sources.

<sup>70</sup> With regard to water withdrawals by source, the estimate reported on page 145 (+2%) has only been applied to the totals by source and not to the “All areas” and “Water stress areas” detail.

Water drawn (m <sup>3</sup> ) by source	Total 2018 <sup>71</sup>	
	Prysmian Group w/o General Cable	ex General Cable (June-Dec 2018)
Water from wells	5,148,616	482,398
Water from public water main	2,069,013	433,827
Water from other sources	1,435,070	69,946
<b>Total</b>	<b>8,652,698</b>	<b>986,171</b>

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

#### WATER CONSUMPTION BY PRODUCT LINE (2020)



#### PRYSMIAN GROUP (2020)

Water consumption per km/ton of product	Power cables m <sup>3</sup> /Ton	Telecom cables m <sup>3</sup> /km	Optical Fibre m <sup>3</sup> /km	Wire rod m <sup>3</sup> /Ton
	3.55	0.01	0.03	0.59

#### PRYSMIAN GROUP (2019)

Water consumption per km/ton of product	Power cables m <sup>3</sup> /Ton	Telecom cables m <sup>3</sup> /km	Optical Fibre m <sup>3</sup> /km	Wire rod m <sup>3</sup> /Ton
	3.58	0.01	0.03	0.48

#### PERCENTAGE OF PROCESS WATER RECIRCULATED

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

<sup>71</sup> Water withdrawal in 2018 was not assessed using the new GRI 303-3 (2018) indicator (in particular, the distinction between water stress areas and “other areas”), due to the significant change in perimeter during that year but in agreement with the previous GRI indicator 303-2016.

With regard to the Prysmian Group, it was possible to acquire information on 92% of plants/business units, with results showing that almost all of them possess recovery systems; with water recirculation percentages of between 99% and 100% in 46% of cases, between 95% and 99% in 32% of cases, and between 90% and 95% in another 4% of cases, while in 11% of plants the recirculation percentages of less than 90%<sup>72</sup> are found, with scope for improvement. This topic does not apply at 11% of the plants.

The percentages stated above may of course change as application of the formula is extended to other plants/business units, in order to obtain full coverage of the Group.

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

## IMPROVEMENT INITIATIVES

Various initiatives to improve environmental management were implemented during the year, including:

- Montereau (France): the consumption of SF6 gas was reduced by paying greater attention to its recirculation and to the use of compressed air systems for testing purposes. In addition, research is in progress to identify alternative systems for tests that still require the use of SF6.
- Slatina (Romania): electricity consumption has been reduced by identifying and minimising compressed air losses.
- Kistelek (Hungary): natural gas consumption has been reduced by replacing the radiators and, as a result, optimising the number of gas boilers at the plant.
- Indianapolis (USA): plant energy consumption has been rationalised following the appointment of an Energy Manager.
- Bridgewater (USA): water consumption has been optimised due to the installation of a recirculation system.
- North Dighton (USA): compound waste has been reduced significantly by exercising greater control over compounds and implementing projects to optimise quality and bleedout scrap.
- Durango Telecom (Mexico): solvent consumption has been reduced by implementing a new method for cleaning parts used in the colouring of optical fibre. In addition, the installation of a hazardous waste compactor has reduced the volume of hazardous waste to be eliminated.

<sup>72</sup> The countries that have provided these results are Argentina, Brazil, Canada, China, Chile, Colombia, Costa Rica, Estonia, Philippines, Finland, France, Germany, Indonesia, Italy, Malaysia, Mexico, Norway, New Zealand, Netherlands, Oman, Portugal, Czech Republic, Romania, Slovakia, Spain, Sweden, Thailand, Turkey, UK, Hungary, USA.

### The corporate car fleet: hybrid, full electric or LPG

The Prysmian Group is heavily committed to achieving major and ambitious sustainability objectives, as evidenced by the actions taken worldwide and the important recognition obtained, such as inclusion in the Dow Jones Sustainability Index. In this context of activities at every level, the Milan HQ announced a new initiative involving the Italian companies in the Group.

Commencing from January 2021, all new company cars used by the Prysmian Group in Italy will be hybrid plug-in, full electric or LPG models. This will support the transition to green mobility and efforts to improve constantly the sustainability of our HQ, which is already equipped with recharging stations for hybrid and electric cars. This action will lower significantly the CO<sub>2</sub> emissions of our vehicle fleet in Italy, launching an approach that will be extended progressively to all Regions within the Group. The above move accompanies the recent e-bike initiative, focusing ever greater attention on sustainable mobility and the reduction of emissions.

The adoption of a car policy is yet another strong signal of our major commitment to sustainability. In fact, Prysmian ceased to order vehicles with internal combustion engines in 2020 and the entire fleet will be eco-friendly within 4 years. The Prysmian call to action on sustainability continues, as envisaged in the objectives established for the Group.

## SHIPPING FLEET

The Prysmian fleet, comprising three vessels (the Giulio Verne, the Ulisse and the Cable Enterprise) is managed by Prysmian Power Link (PPL). With regard to environmental performance, the fuel consumption data is provided below together with the related CO<sub>2</sub> emissions (Scope 1) and the waste transferred by the vessels to the competent maritime authority (under the MARPOL regulations) in the 2020 reporting year.

### ENERGY AND SHIPPING FLEET EMISSIONS 2020

Fuel	Energy (GJ)	Emissions (tCO <sub>2</sub> eq)
Marine Gas Oil	293,480	22,406
<b>Total</b>	<b>293,480</b>	<b>22,406</b>

### ENERGY AND SHIPPING FLEET EMISSIONS 2019

Fuel	Energy (GJ)	Emissions (tCO <sub>2</sub> eq)
Diesel	116,820	8,280
Marine Gas Oil	168,417	12,087
<b>Total</b>	<b>285,237</b>	<b>20,367</b>

Compared with the prior year, the change in the quantity of waste produced by the shipping fleet was due to using different conversion factors for the specific weight of the waste, as indicated below.

**WASTE SHIPPING FLEET 2020** <sup>73</sup>

Type	Quantity (kg) <sup>74</sup>
Oily water	62,145
Sludge	132,075
Chemical detergents	2,089
Plastic	265,501
Domestic waste	277,245
Other	7,746
<b>Total</b>	<b>746,802</b>

**WASTE SHIPPING FLEET 2019**

Type	Quantity (kg)
Oily water	87,525
Sludge	116,375
Chemical detergents	2,362
Plastic	52,920
Domestic waste	172,862
Other	3,619
<b>Total</b>	<b>435,663</b>

**BIODIVERSITY PROTECTION POLICIES**

The environmental impact of Prysmian Group is quantifiable at a global level, which is why the Group has decided to take into consideration all the various environmental aspects that may be affected by the business. These include the biodiversity of the animal and vegetable species influenced by the activities and infrastructure of the Group, with possible adverse consequences for the condition of the biosphere in the territories in which it operates.

Accordingly, Prysmian seeks to plan activities that are respectful of natural habitats, in order to maintain their equilibrium without adversely affecting any of the biological functions of the areas selected for operations, whether on land or at sea, while restoring any habitats that are adversely affected by those activities.

This effort involves carrying out advance feasibility analyses of new plants and monitoring protected areas in the territories in which the Group operates, considering such aspects as the local legislation on biodiversity and the geographic vicinity of protected areas to plants, especially if they contain species at risk of extinction.

Analysis shows that the majority of Prysmian Group plants are not located in or near to protected areas.

<sup>73</sup> The waste produced by vessels is disposed of in various ways, depending on the suppliers that collect it in the various ports visited by them.

<sup>74</sup> Source of the conversion factors used: Waste Weight determination, BHAS 2015.

The topic of biodiversity applies to one-tenth of all plants, as they are located in protected areas in (principally) France, Brazil, Germany, the UK and Spain. There are many reasons for such protection, covering surface waters, flora and fauna of various kinds, including bird and water life - with a focus on certain rare species.

Where necessary, or as agreed with the local authorities, Prysmian plant participate in the related protection activities, including for example:

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



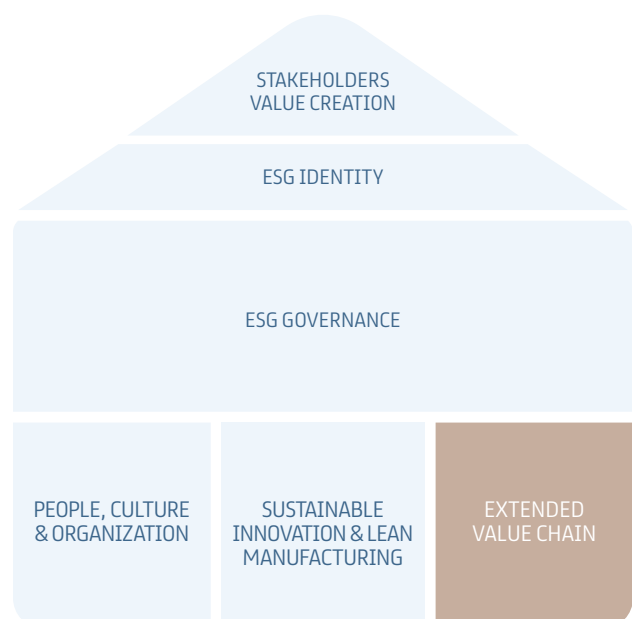




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## 06 EXTENDED VALUE CHAIN

*Having an ESG Identity means involving our stakeholders both up and downstream of our value creation model. We want to solve the problems of customers in the most effective way, questioning them on their expectations of us. Together with our supply chain, we strive to establish sustainable relationships that create long-term value.*



# Our customer-centric approach

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

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

## Flexibility to ensure customer satisfaction

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

## UNDERSTANDING THE NEEDS OF OUR CUSTOMERS

### PERSONAL INTERVIEWS

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

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

It was not possible to interview the customers in Latin America (Brazil – Argentina – Mexico – Chile – Colombia) during 2020, due to the Covid-19 pandemic. This gap will be closed as soon as the pressures of the healthcare emergency ease.

### WEB SURVEYS OF CUSTOMER SATISFACTION

Prysmian carries out web surveys to measure the level of customer satisfaction, in order to resolve problems in the most effective manner. These surveys are conducted using a platform connected with Salesforce, the Prysmian Customer Relationship Management (CRM) system, thus allowing countries that already use the CRM to view the results on their portals. The surveys make it possible to assess the commercial conditions, products and services, customer support, brand awareness and the ranges offered, identifying the main drivers in these categories.

Due to the Covid-19 pandemic, the survey format adopted in 2020 was different to that previously shared with customers.

- **Target:** 29 countries;
- **Perimeter:** Europe – North America – Latin America – Oceania and South-East Asia;
- **Customer perimeter:** Key accounts - mainly in the Distribution channel.

Response rate: **30.7%** of the perimeter

The customers interviewed were presented with 6 main macro-categories of driver (Commercial strategy, Innovative products and solutions, Operation of the supply chain, Customer support, Marketing, Digitalisation).

Respondents were requested to rate, with a score from 1 (minimum) to 5 (maximum), the importance of each driver and their satisfaction with the performance of Prysmian:

#### RESULTS BY GEOGRAPHICAL REGION

	IMPORTANCE Average importance of the drivers for customers	SATISFACTION Average satisfaction with the performance of Prysmian
Europe	4.2	3.6
North America	4.3	3.5
Latin America	4.5	3.4
Oceania and South-East Asia	4.1	3.2
<b>Global</b>	<b>4.2</b>	<b>3.6</b>

Given the significant impact of the Covid-19 pandemic on business activities, the survey also included a question to identify - in the opinion of the Group's main customers - the priorities to be addressed over the next 6-8 months.

The results of this global survey identify the supply chain and digitalisation as the main priorities. These two topics were already considered important in prior years, but the healthcare emergency has resulted in further confirmation.

Our key customers have therefore confirmed the validity of the strategy adopted by the Group in relation to these two aspects.

In the context of the web survey, the Customer Centricity office arranged a series of meetings in the various areas, in order to share the results obtained. The countries and regions are now preparing and implementing specific actions to support their customers and follow-up work is already in progress to assess the results.

In addition, the use of a web survey platform and related activities were introduced at group level from 2019. In this way, all business units, countries and/or regions within the Group can adopt a common methodology and platform and, at the same time, carry out surveys independently during the year, depending on their specific business or service needs.

## INNOVATIONS FOR CUSTOMERS

### CABLE APP

The Cable App project has been developed over the past year, as part of the innovation process. Its main purpose is to identify the most suitable cable and cross section based on the electrical installation parameters, as well as to offer video and technical content to the installers.

The tool is available to both customers and installers in Spain, Italy, France, Turkey, Hungary, Romania, the Netherlands, the United Kingdom, Norway, Brazil and Argentina. The App also has a reseller locator function. The plan is to extend the Cable App to all countries by the end of 2021.

This tool offers the following benefits:

- Strengthen communications between installers and professionals;
- Reduce the total cost of ownership (TCO);
- Become a player in the digital market.

### CUSTOMER PORTALS

Consistent with the customer centricity strategy developed in all regions, the main objective of the customer portals made available in each country is to enhance customer satisfaction and automate customer service.

The development of customer portals at country level adds value in various ways:

- Reduced need to contact the Prysmian back office by telephone;
- Access to a single digital info point;
- 24/7 access to information;
- Optimised procurement cycle;
- Order tracking.

Customers have access to the following information: order tracking, list of invoices, order items in suspense, order requests, drum visibility, case management.

The digitalised **Vendor Managed Inventory (VMI)** system was launched at the end of 2019 and a live pilot implementation was completed in 2020 with the leading T&I customer. The VMI model has been designed to allow both Prysmian Group and our main customers to connect and develop optimal inventory levels, thus making the supply chain more agile.

The objective of the pilot project is to enable Prysmian Group to offer leading customers a model based on use of the VMI collaborative platform, with advantages in terms of:

- Improved customer relations and understanding;
- Increased collaboration and sales;
- Greater efficiency and improved understanding of the investment in the supply chain and related costs.

During 2021, Prysmian Group will concentrate on extending the VMI model to our main customers worldwide. In particular, in this case, the new digital technologies will offer new opportunities for collecting, supplying and analysing data.

## MANAGEMENT OF COMPLAINTS

A fundamental element in the customer centricity strategy is the attention paid to product quality and availability. For this reason, it is very important for the Group to manage complaints received from customers in a proper manner.

A complaint is defined as all written notification from a customer about a potential product non-conformity that is recognised as such by Prysmian. A product non-conformity represents all deviations from standards, specifications, procedures or regulations that may have a direct or indirect impact on product quality.

Product complaints are managed using the 8D problem analysis method. Complaints received are sent to the Quality office, which investigates the non-conformity identified. After the presence of a non-conformity has been confirmed or denied, the sales office takes responsibility for managing the complaint.

The Group recorded 14% fewer complaints in 2020 than in 2019, confirming the positive downward trend in complaints over the past three years. Given the restrictions and the reduction in interactions with customers in 2020 as a consequence of the global Covid-19 pandemic, the Group has developed a digital platform to facilitate the provision of field service on a remote basis.

## SERVICE TIMELINESS AND EFFICIENCY

Albeit with certain differences at geographical level, during 2020 the Covid-19 pandemic broadly affected supply chains across all industries, including the cable industry, with periods of hard lockdown alternating with phases during which trading was subject to certain limitations. Against this background, the Prysmian Group continued its strategic focus on Customer Centricity, maintaining the high level of service achieved in terms of delivery reliability and the lead-time between the receipt of an order and delivery of the product to the customer.

The supply chain actions taken by Prysmian were designed to maintain the resilience of production and the sourcing of raw materials, keeping all plants operations even at the height of the pandemic.

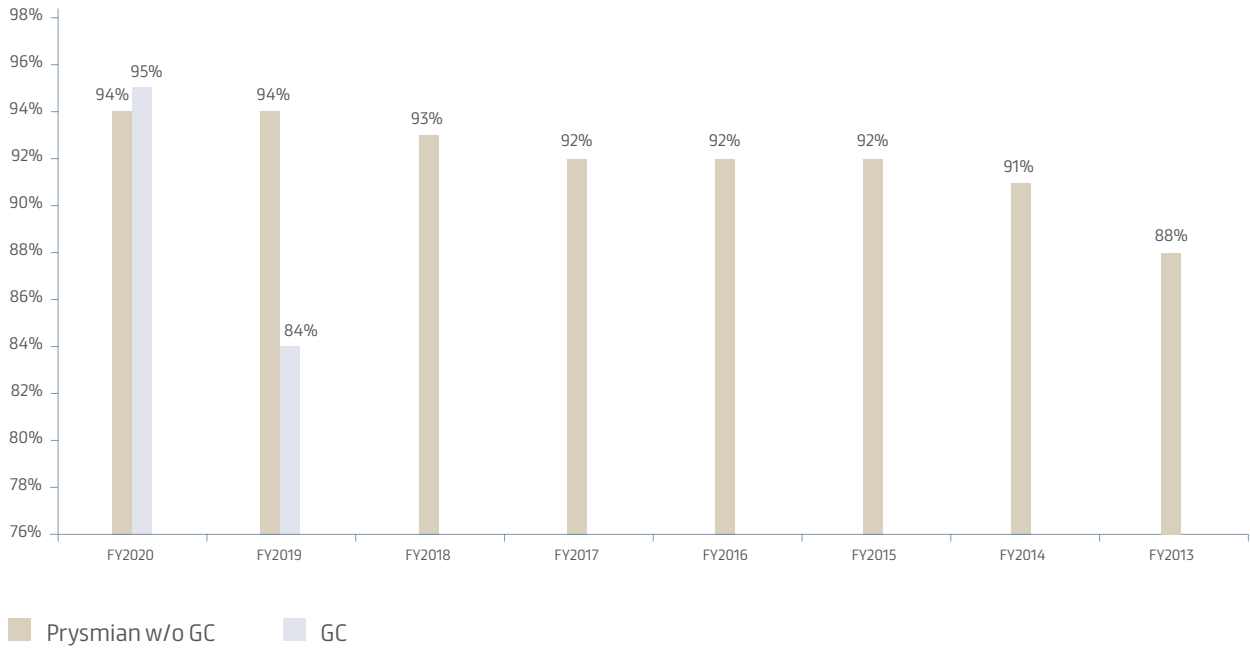
As highlighted in the charts below, in 2020 the On Time Delivery (OTD) parameter, which measures the ability to respect the delivery date promised to the customer upon confirmation of the order, maintained the high levels of reliability achieved in prior years in both the Energy Products and Telecom areas.

With regard to the Telecom business, the resilience of the Group's supply chain ensured that service levels were maintained at 2019 levels, with indeed a marked improvement in North America.<sup>75</sup>

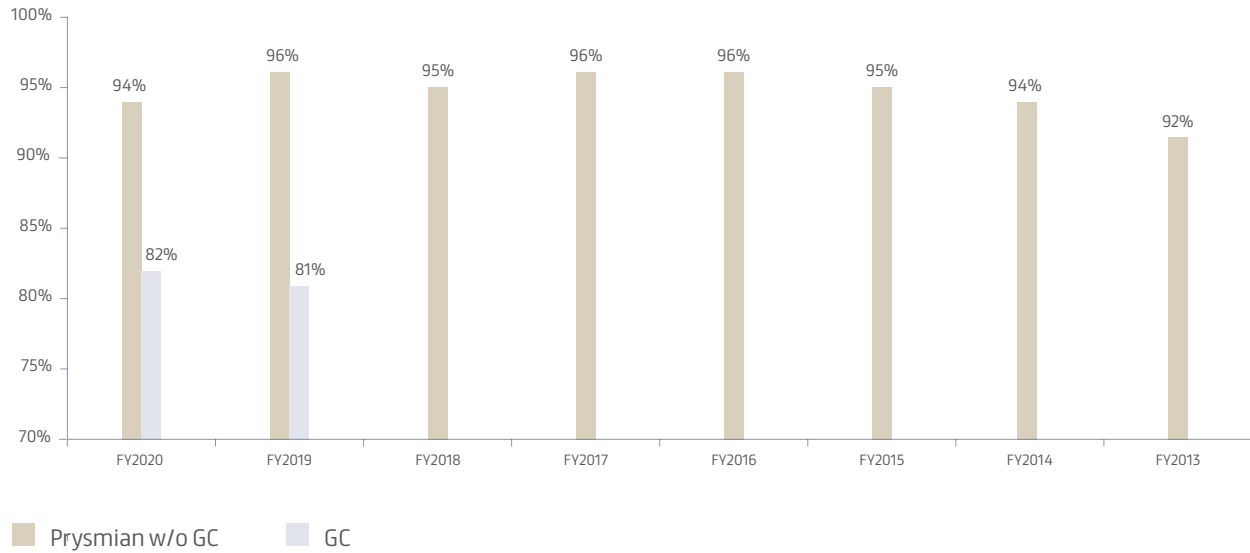
<sup>75</sup> Data refers to all former General Cable plants in North America (pre-integration with Prysmian Group).

On Time Delivery<sup>76</sup>

**TELECOM**



**ENERGY**



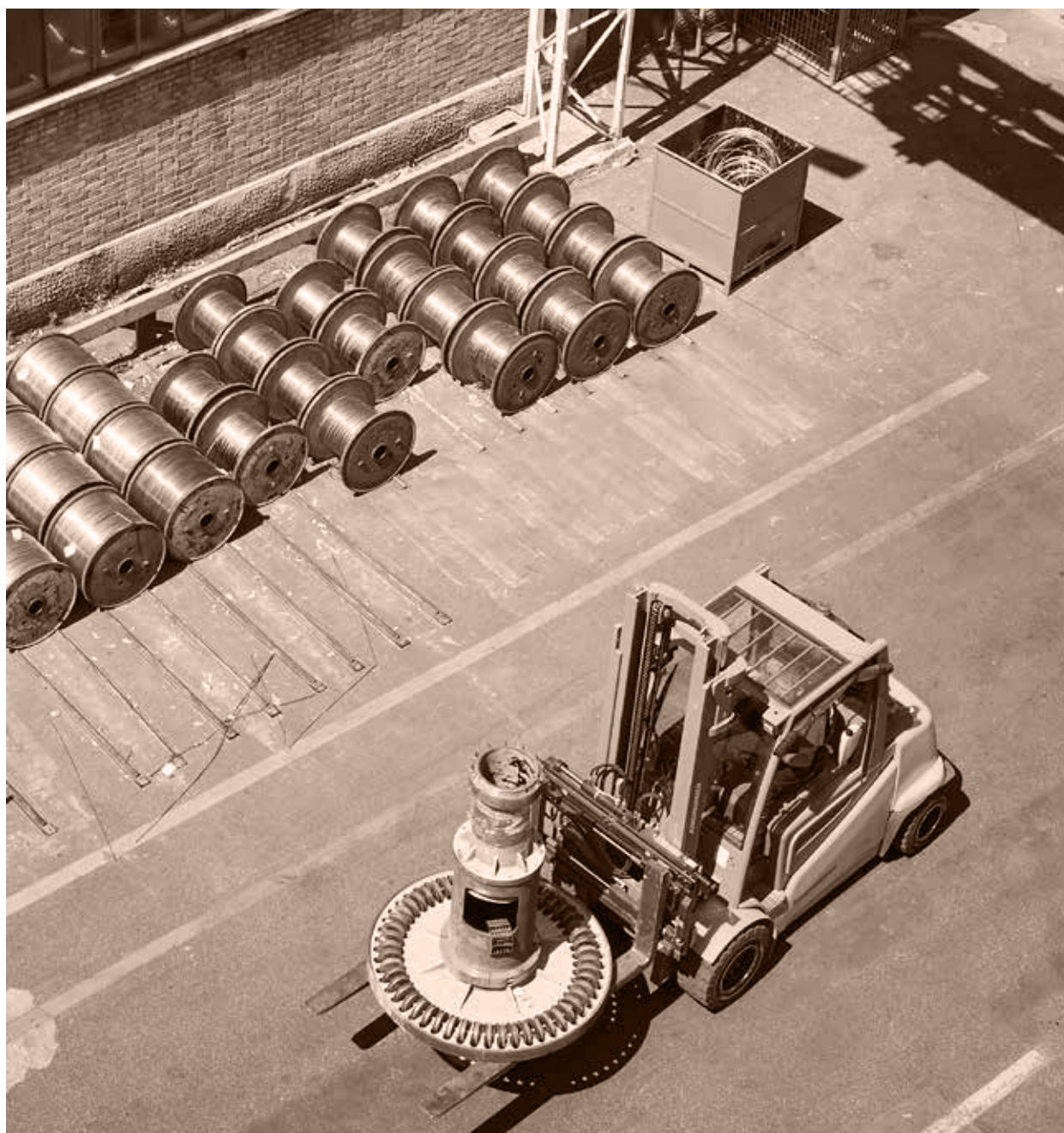
76 The Pysmian plants within the former General Cable perimeter calculate On Time Delivery (OTD) in a different way to the other Pysmian Group plants, which have carried out this analysis since 2013. In addition, the data for 6 GC plants (4 for Energy and 2 for Telecom) has been included in the Pysmian data since their migration to the SAP system. With regard to the methodology adopted, the data for both Pysmian and GC plants represents the average of the OTDs of each plant, as weighted using the number of lines shipped.



The work carried out in prior years to monitor the quality of the stocks available, with a view to improving time to market, paid off at the most critical time of supply chain disruption, due to the pandemic.

The system for the interactive control of stocks by product category and by plant (Stock Fill Rate monitoring), which calculates the minimum stock for each product code and highlights any stock-out, was extended and used heavily during the pandemic to guarantee an adequate level of customer service.

To limit possible delays and improve the reliability of the business, even for 'Make-To-Order' products, the CLIP index is monitored weekly on the SAP 1 Client platform. Supplementing the traditional service indicators, this index measures the reliability of production compared to planned targets.



# Sustainable supply chain

*Together with our suppliers, we seek to build a common organizational process focused on the sustainability of the entire production chain. During 2020, we developed a number of environmental and social strategies for the supply chain, the strategic management of which is based on a defined process that takes ESG factors in account. We analyse carefully the risks associated with suppliers and raw materials, apply ethical standards and policies on such topics as human rights and conflict minerals, and adopt a responsible code of business conduct.*

The Group constantly strengthens relations with strategic suppliers, seeking to build together a common organizational process focused on sustainability throughout the entire production chain.

The main Group suppliers provide the principal raw materials used by Prysmian in the production processes: copper, aluminium, lead, various petroleum derivatives (such as PVC and polyethylene) and components for Power and Telecom cable accessories, as well as special types of glass and sheathing for optical fibre.

During 2020, the Prysmian Group has managed to develop and implement environmental and social strategies in the supply chain area, such as:

- Use qualified suppliers that are applying sustainability strategies in their production activities;
- Only use high quality materials whose technical characteristics have been authorised;
- Develop strategies for commodities that guarantee continuity of supply and availability of the required volume delivered on time at the most competitive prices;
- Reduce steadily the emissions generated by products used by the Group.

Additionally, the strategic management of the Prysmian Group supply chain is based on a defined process that takes ESG factors in account:

- risk assessment;
- identification of critical suppliers;
- supplier management and performance evaluation;
- search and selection of the supplier according to standardized processes.

In relation to these, Prysmian identified and developed 3 main macro-activities for the enhancement of sustainability aspects:

1. subscription to ethical standards in the introduction of new suppliers: Code of Ethics and Code of Business Conduct, definition of Conflict Minerals Policy and Human Rights Policy;
2. sustainability assessment of the current supply chain: Sustainability Desk Analysis, Risk Analysis and sustainability audits;
3. management and improvement of sustainability aspects: implementation of actions with a view to achieving the objectives included in the Sustainability Scorecard.

## OUR SUPPLIERS

### BASE METALS

Three main raw materials fall under the Base Metals category, namely aluminium, copper and lead, with copper and aluminium representing the majority of the Group's raw material purchases. Prysmian's production process in fact starts from aluminium and copper wire rod for the manufacturing of cable conductors. These metals are purchased from the world's leading mining and smelting companies. The Group only self-produces minor quantities of wire rod (less than 10% of copper and 25% of aluminium total consumption).

The Group consumes about 2-3% of the world's copper production and about 7% of the copper used in the electrical and electronic sector. Given the highly fragmented copper market, Prysmian Group is one of the leading economic players in the sector.

The following three aspects are taken into account in the Group's metal sourcing strategy:

- The importance of suppliers within the Group's value chain;
- The high consumption of metals;
- The grassroots geographical distribution of Prysmian production sites.

Concerning the purchase of aluminium, the Group increasingly focuses on suppliers that are vertically integrated (with processes that manufacture aluminium rod directly from aluminium oxide), in preference to those that are not integrated (manufacturers that purchase aluminium ingots in order to produce rod). This strategy has substantial environmental advantages due to simplification of the logistics and elimination of the ingot re-melting cycle, in addition to cost advantages and helping the Group guarantee security of supplies.

Due to the high electricity consumption required by aluminium production process, Prysmian has included the aluminium carbon footprint as a supplier selection criterion, assigning a considerable portion of the business portfolio to low-carbon aluminium producers.

Long-term strategies for the purchase of copper and aluminium lead Prysmian to work with the largest players in the respective sectors with a strong focus on sustainability, thus creating a highly sustainable end-to-end cycle.

In the future the company aims to increase the amount of sustainable initiatives with suppliers. In addition, Prysmian plans to make its trading activities more sustainable.

### RAW MATERIALS

While Base Metals are mainly used for the conductors of power cables, all the other raw materials represent a greater variety of products and applications:

- Raw Materials for Cables (aimed at insulation and protection of the conductor) such as Polyethylene and PVC compounds, rubbers, special plastics, yarns, tapes, galvanized steel wires etc.;
- Raw Materials for Optical fibre making such as coatings, glass tubes, high purity quartz sand and silicon donors products etc.;
- Components for Energy and Telecom accessories such as connectors, metal parts composite insulators, casings, connecting boxes etc.;
- Raw materials and components for elevators.

Given the large variety and low volume of raw materials purchased, Prysmian is not a partner of great significance for most suppliers of this category of goods. In fact, Prysmian mainly uses either commodities readily available from multiple sources or high-performance raw materials only manufactured by a limited number of suppliers. These are often highly specialised multinational companies with strong technological know-how that are well-focused on the wire & cable market. Prysmian continuously assesses potential risks such as single sourcing, offer/demand unbalance, and financial risk. These risks are managed by long term supply agreements when the supplier is unique or substitutable only with great difficulties and long time. In case of financial risk or tight market offer, Prysmian cooperates with the technical functions to identify alternative suppliers to ensure diversification of sourcing options.

According to Prysmian's policy, only raw materials technically approved and sourced from qualified suppliers can be utilized. Following the Group's practice; Purchasing in collaboration with Quality and R&D functions carry out product/process audits aimed to assess the ability of the supplier to manufacture the related materials as well as to grant the requested technical performances and expected quality. Audits are performed on site with a deep assessment of the production lines, production process and full respect of all the quality procedures developed by the supplier. On average the Group performs 7-10 product/process audits per year; in 2020 after the training done in 2019 the audit practice has been extended throughout the full Prysmian perimeter as local initiative.

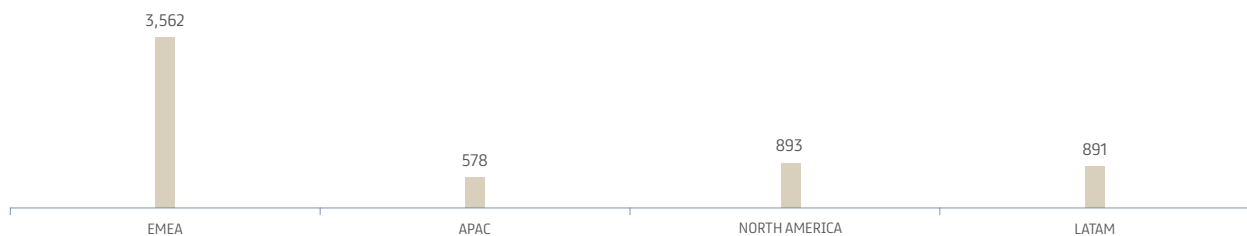
## NON-RAW MATERIALS

The Non-Raw Materials category embeds all the services and goods which are not directly connected to finished products. Excluding installation services, this category includes in particular: transportation, packaging, MRO and utilities, which combined cover more than 50% of the total Non-Raw spend. These four categories are managed in very different ways based on the centralization level required:

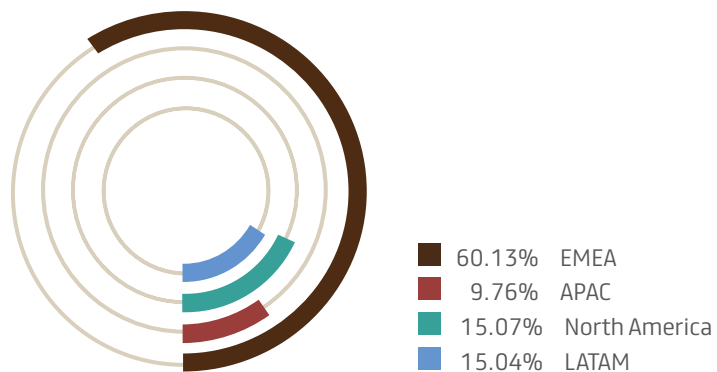
- Transportation: strong support from the Headquarters in managing Global or National contracts with WW providers which bring expertise in the logistic aspects as well as in the management of the invoicing process. The business relationships with these suppliers are long-term partnerships with the aim of reaching:
  - Top quality efficiency in the Logistics flows;
  - High service level and On-Time Deliveries;
  - Cost Management & price stability to avoid "Spot" market fluctuations.
 Progressive relevance is given also to the capability of transportation & logistics suppliers to measure and communicate the CO<sub>2</sub> emissions generated "on behalf" of Prysmian Group.
- Packaging: this includes drums and packaging material.
  - Drums: this is the most common packaging method used to carry cables to their final destination, typically managed via national contracts with strong coordination from the Headquarters. Prysmian Group buys mainly Wooden and Steel reels, with a minor portion of plastic and plywood drums. Steel Reels are returnable and after being repaired they are put back in the circle while wooden drums aren't always re-used. One of the most important objectives is to increase the volume of re-used wooden drums. There are also ongoing initiatives to increase purchasing of drum kits rather than assembled drums, with the aim of reducing space required for their transport and, in turn, reducing the carbon footprint of transport operations. For what is concerning plastic drums the Group is evaluating alternative materials and pushing as much as possible for using recycled plastic instead of virgin one.

- Other packaging material: including pallets, wooden battens, end caps, and foams which are used to cover the drum once loaded. This portion of the spend is locally managed with the aim of reducing the cost as much as possible pushing towards solutions which are more sustainable from an environmental standpoint.
- MRO (Maintenance, Repairs and Operations): this category includes a variety of materials/services, but mainly Spare Parts (mechanical and electrical) and PPE. The management of this category is mainly national but sometimes, locally, plants can find shops with the best service and more competitive than bigger players. The target is to have the PPE portion of this category under a strict National control (to ensure that all the safety requirements are met) and keep the Spare Parts portion centrally managed (National) for its most part but giving the freedom locally to find the best deals for repairs.
- Utilities: majority of utilities purchased are referring to electricity (85%). Every year the Group is assessing the utilities spend to evaluate the possibility to use greener energy (e.g. solar panel investment), increase the efficiency of its plants to consume less energy (e.g. LED lamping initiatives) and to invest in the purchase of Guarantees of Origin certificates (GoO's).

#### NO. OF SUPPLIERS 2020 – PRYSMIAN GROUP



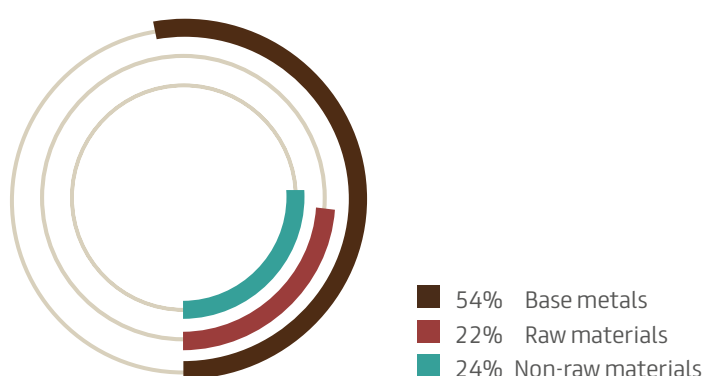
#### % OF SUPPLIERS 2020 – PRYSMIAN GROUP



## NUMBER OF SUPPLIERS BY GEOGRAPHICAL AREA

	2020 (Prysmian Group)	2019 (Prysmian Group)	2018 (Prysmian Group w/o General Cable)
EMEA	3,562	3,550	3,083
APAC	578	570	525
North America	893	872	641
LATAM	891	637	493
<b>Total</b>	<b>5,924</b>	<b>5,629</b>	<b>4,742</b>

## PERCENTAGE SPENDING ON SUPPLIERS 2020 – PRYSMIAN GROUP



## GOODS AND SERVICES PURCHASED LOCALLY [%]<sup>77</sup>

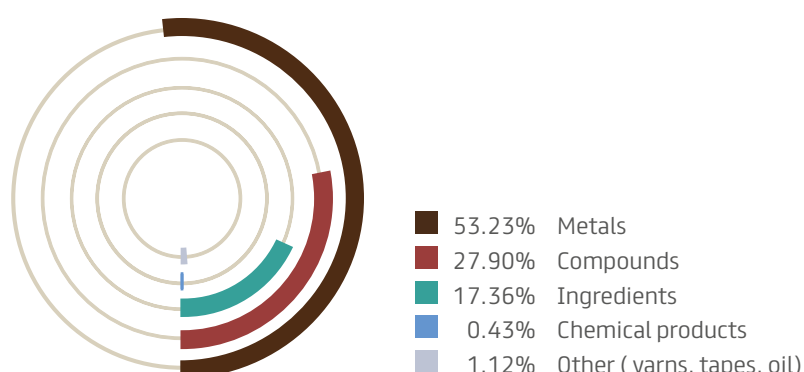
	2020 (Prysmian Group)	2019 (Prysmian Group)	2018 (Prysmian Group w/o General Cable)
EMEA	70.8	70.4	69.4
APAC	79.7	84.9	62.0
North America	97.9	94.4	70.9
LATAM	83.0	82.6	65.5

The Group definition of “local” is all those suppliers whose operational headquarters are in the same country as Prysmian legal entities.

<sup>77</sup> The calculation of the percentage excludes data relating to Italian and Corporate suppliers. The 2018 data related to the Prysmian Group w/o General Cable. By contrast the 2019 and 2020 data relate to the Prysmian Group. The calculation methodology adopted in 2018 was used for the legacy Prysmian plants and the former General Cable plants except, in the latter case, for those located in North America, for which precise calculations were made with reference to the location of the supplier.



## NON-RENEWABLE RAW MATERIALS 2020 – PRYSMIAN GROUP



## TOTAL NON-RENEWABLE RAW MATERIALS PURCHASED [KTON]

	2020 (Prysmian Group)	2019 (Prysmian Group)	2018 (Prysmian Group w/o General Cable)
Metals	1,122	1,126	672
Compounds	588	405	254
Ingredients	366	349	229
Chemical products	9	10	6
Other (yarns, tapes, oil)	24	41	19
<b>Total</b>	<b>2,108</b>	<b>1,931</b>	<b>1,180</b>

In 2020, around 2% <sup>78</sup> of the raw materials used were recycled materials (approx. value 35 kton).

## RESPONSIBLE AND SUSTAINABLE VALUE CHAIN

## CODE OF BUSINESS CONDUCT

With a view to ensuring that ethical, economic, environmental and social standards are met throughout the value chain, Prysmian Group has in place a Code of Business Conduct that promotes a responsible and sustainable supply chain. The principles set down in the Code apply to the business transactions and daily activities of the employees of all Group entities and their suppliers, commercial partners, commercial agents, sub-contractors and distributors.

The document covers the following topics:

- Business integrity (fair trade, conflicts of interest, gifts and offers of entertainment, corruption, accountability);
- Human rights and workers' rights (under-age working and slavery, occupational health and safety, non-discrimination, freedom of association and collective bargaining);
- Environment (principle of precaution, use of raw materials and compliance, energy consumption, greenhouse gases and other emissions, use of water, production of waste and recycling).

Prysmian's application of the related guidelines is highlighted to suppliers at the scouting and qualification stages.

<sup>78</sup> The calculation methodology was refined further in 2020 with respect to the previous reporting years.



## HUMAN RIGHTS POLICY

This Policy applies to the physical and legal boundaries of the Group's business activities and operations, in addition to workers of independent contractors working in the Group's venues and plants. It follows the International Labor Organization's Fundamental Principles and Rights at Work, by covering:

- Non-Discrimination;
- Child Labor;
- Forced, bonded and compulsory labor;
- Freedom of association and recognition of the right and collective bargaining;
- Health & Safety;
- Working conditions;
- Fair wages and equal compensation;
- Grievance mechanisms;
- Commitment towards local communities.

Prysmian is committed to progressively assessing its suppliers' respect of the principles reported in the Policy, through a structured process supported by audits with the aim of monitoring the supplier base in order to prevent any violation, and if necessary, firmly take action — including reconsidering future commercial partnership with the involved suppliers.

## CONFLICT MINERALS POLICY

Prysmian Group enforces a Conflict Minerals Policy, with the aim of guaranteeing a "Conflict-free" supply chain that doesn't contribute to the on-going armed clashes in conflict-affected and high-risk areas.

This is done through the following activities:

- Identification of purchased materials/semi-finished products containing 3TG (tin, tungsten, tantalum and gold);
- Requesting all incumbent and new recurring suppliers of products containing said materials to provide the Conflict Minerals Reporting Template (CMRT), as per the latest version developed by the Responsible Minerals Initiative (RMI)(through formats and international standards);
- Analysis of information received for red-flags and inconsistencies and implementation of corrective actions.

In 2020, considering the 4 minerals covered by the Conflict Materials Policy, the Group purchased limited quantities of tin. Analysis of 48 suppliers of tin to the Group identified their original sources, comprising 68 different smelters; of these, 65 are certified "DRC Conflict- free" by the RMI. The remaining 3 were subject of an analysis in accordance with instructions issued by the RMI ("Reasonable Country of Origin Inquiry"). Overall, the investigation did not identify any risk in this area.

## ANALYSIS AND SUPPLIER MANAGEMENT

With regard to the management of the supply base, Prysmian Group adopts a comprehensive approach based on 3 different steps:

- Introduction of a New Supplier;
- Assessment of the Actual Supply Base;
- Maintenance and Improvements.

In addition, each individual/organisation that works in the name or on behalf of the Group is required to accept and comply with the Code of Ethics. In particular, whenever a contract is awarded, the supplier must accept and sign the Group's Code of Ethics, in full awareness of the related rights and obligations.

### Introduction of a new supplier

Prysmian has developed a common process for the introduction of a new supplier, which requires the following activities:

- Questionnaire for the qualification of suppliers: this comprises 7 sections corresponding to different areas of qualification. Starting from 2015 a section related to Sustainability that deep-dives the supplier's commitment on ESG aspects has been added;
- Technical approval (direct materials): all direct materials sourced require technical approval from the Group's R&D function following Lab, Material & Industrial Tests;
- Product and/or process audits (direct materials): in particular cases, if the material sourced has a high impact on the business or its performance is an element of concern, Prysmian Group audits the processes/products of the selected suppliers, in order to ensure the quality of the product and the efficiency of the production flow;
- CMRT (Conflict Minerals Reporting Template) (direct materials, where applicable): application of the Policy on Conflict Minerals;
- Financial assessment: suppliers are screened regularly to assess their financial health and dependency on Prysmian Group's business, in order to ensure a sustainable business relationship;
- Exiger Tool Compliance Screening (indirect materials): since September 2019, the Group has implemented comprehensive inter-functional compliance screening for specific categories of indirect materials, with the aim of ensuring transparent and ethical business relationships.

### ESG assessment of the actual supply base

- Sustainability Desk Analysis & Risk Analysis (direct materials): Prysmian Group started adopting these tools in 2014, in order to assess its supply base periodically. In 2014 the Group assessed 62 suppliers covering 50% of the total spend, in 2020 the Group reached 149 suppliers with a 63% coverage of the total spend. This activity is performed by an external highly specialized advisor who is a key partner in all sustainability initiatives of Prysmian Group. The Desk Analysis (the last one carried out in 2019 <sup>79</sup>) is a process that aims to assess and rate via public information the commitment of our suppliers on ESG factors. Based on the Desk Analysis the Group elaborated a tailored Risk Analysis. The purpose of this second step in the process is to re-evaluate supplier performance based on 2 main drivers: importance and availability. The result of the risk analysis is a report on 4 different clusters of suppliers based on the related risk levels: very low, low, medium & high.
- Sustainability audits (direct materials): these were introduced in 2017 and, since then, 22 have been performed. The Audits are performed by our Sustainability Partner and have the aim to assess and evaluate the actual ESG performances of a selected supplier. The Group prioritizes high-risk suppliers for auditing. As of today, the vast majority of the audits didn't highlight any non-conformities.

### Maintenance and improvements

The Group published its first Sustainability Scorecard in 2017 and the Purchasing function implemented the strategy identified in order to achieve its established objectives. In 2020 the Group renewed the Sustainability Scorecard with a new 3-year plan. The Purchasing function is committed

<sup>79</sup> For more details on the assessment process carried out in 2019, refer to the consolidated disclosure of non-financial information of the Prysmian Group in 2019.

to share and improve the awareness of its entire organization. Since 2015, a wide and deep section of Sustainability & Purchasing has been added in the yearly “Purchasing Fundamentals” academy. At this yearly training course 30 buyers (different seniority) are invited from Prysmian affiliates all over the world.

Suppliers with current or potential impact in relation to environmental criteria, human rights, working conditions and the company	Prysmian Group 2020		Prysmian Group 2019	
	No. suppliers	% of spending	No. suppliers	% of spending
Evaluated suppliers	149	63%	149	63%
Suppliers identified to have a current or potential negative impact	36	8%	70	13%
Suppliers identified to have a current or potential negative impact, for which an improvement plan has been implemented	2	0.1%	2	0.1%
Suppliers identified to have a current or potential negative impact, whose supply relationship has been suspended as a result of the assessment	0	0%	0	0%

## CARBON DISCLOSURE PROJECT

Prysmian Group has an on-going partnership with the Carbon Disclosure Project (CDP) aimed at tackling climate risk and finding low-carbon opportunities. CDP supports Prysmian to collect and analyse Scope 1 and Scope 2 emission data from suppliers, followed by feedback to suppliers, and the setting of new targets to continuously minimize adverse environmental effects. The main goal of 2021 is to increase CDP’s outreach coverage of the supply base.

## A RESPONSIBLE APPROACH TO MICA MINING

In order to manufacture certain safety cables and make them fire resistant, Prysmian purchases limited quantities of a few types of glass-based tape that contain small quantities of mica through both producers and distributors. The Mica mineral is not used directly in the Group’s products and production processes. The extraction process for this mineral is considered to be at risk of under-age working, especially in geographical areas like India and Madagascar where large quantities are mined (For Prysmian Group, Mica mines are tier 4/5). The Group tackled this issue by requesting since 2016 all suppliers to provide detailed information about Mica mineral sources and related “Child Labor-free” certifications. To date over 80% of the Mica mineral supply base has been assessed child labor-free, moreover on the remaining 20% investigation is continuing with the aim of phasing out suppliers unable to provide the requested certification.

# Group's logistics and transport

*In a year heavily affected by the Covid-19 emergency, we maintained our commitment to optimise the transportation of goods by air and by sea, as well as to select road hauliers committed to sustainable actions.*

With regard to transportation, 2020 was badly affected by the Covid-19 healthcare emergency, which required the Group to demonstrate great ability and speed in adapting to new business needs, even in terms of sustainability.

In order to make personal protective equipment available to all employees, Prysmian acted in the initial phase of the pandemic (February-March) to establish a new flow of supplies from China: at the start, given the shortage of materials, the logistics were managed on an emergency basis, with air transportation from Asia and centralised distribution in Italy for all Group affiliates; subsequently, as supplies stabilised and stocks were built, transportation moved first to the train and then by sea, direct to each affiliate, with a view to ensuring economic and environmental sustainability.

In business terms, the contraction of global trade was reflected in a marked reduction by operators in their ocean transport capacity, in order to offset the decline in volume. This approach was challenged by the economic recovery in Asia and the resulting sharp rise in demand for capacity from the end of the third quarter and in the fourth. As a consequence, there was a shortage of containers for exports from China and a marked rise in maritime shipping rates. The impact of this situation on the business was limited, due to the close ties between HQ and the Regions with regard to the management of container availability, as well as to the essentially local nature of the Group's supply chains.

Additional business discontinuities arose during the final months of 2020, as a result of Brexit: the risk of a possible "no deal" with the European Union resulted in a rush to stockpile goods in the United Kingdom, causing congestion at the main ports linking the country with continental Europe and Ireland. Here too, Prysmian limited the effects on the UK market due to our ability to produce locally and by modifying our stockholding policy for certain imported materials (copper and compounds); in addition, the imports/exports of materials from/to continental Europe and Ireland were redirected, where possible, to the more minor ports and alternative routes.

With regard to normal business activities, Prysmian has continued efforts to optimise the transportation of goods by air and by sea, as well as to select road hauliers that seek to implement sustainable policies and actions.

In particular, in 2020 the recourse to air freight for the shipment of optical fibre (the main business that uses this channel) was essentially halved with respect to 2019, thereby slashing by two-thirds the transportation emissions of CO<sub>2</sub>e generated by the entire fibres business.

Optimisation of the distribution chain has also continued at the operational macro-region level, with a focus on the consolidation of warehouses/distribution centres: in particular, the logistics hubs in Neumunster, Germany; Barranquilla, Colombia, and Christchurch, New Zealand, were closed.

## Reduction of CO<sub>2</sub> emissions and greenrouter project

The scope of the GreenRouter project and related platform, used to measure the climate effect of the logistics serving end customers, was extended during 2020.

In addition to implementation by the affiliates in the UK and the Netherlands, Prysmian Italy also started pilot work. Towards year end, the calculation was extended to the footprint of the optical fibre flows from Group plants to internal users and third parties.

The calculation methodology complies with standard UNI EN 16258 and the calculation of emissions is certified compliant with the GLEC (Global Logistics Emissions Council) framework by the SFC (Smart Freight Centre).

Optical fibre is the Group business that makes greatest recourse to shipments by air and, therefore, that has the greatest impact on CO<sub>2</sub>e emissions in terms of physical distribution. Thanks to the improved coverage of stocks, the recourse made to air freight was drastically reduced in 2020 compared with the prior year: 21% of total tonnage was shipped by air during the first half of 2020, as against 45% in H1 in 2019, while the proportion sent by sea in the same period rose from 2% to 23%. Overall, the unit emissions of CO<sub>2</sub>e (kgCO<sub>2</sub>e/ ton km) were halved as a result (0.344 compared with 0.610).

With regard to the three countries activated so far, the CO<sub>2</sub> calculation confirms that the unit emissions (~0.90 kgCO<sub>2</sub>e/ ton km) are consistent with the literature for truck transportation provided by the GLEC Framework (basis for the future standard ISO 14083) and the DEFRA (Department for Environment, Food & Rural Affairs).

The emissions calculation, the analysis of performance and the improvement actions will be completed during the first half of 2021.

In the United States, Prysmian North America continued the partnership with Smartway, the US environmental protection agency (EPA) that helps companies to measure and compare the sustainability levels of its Supply Chain, as well as improve the efficiency of the transport system.

	Ton goods				Ton CO <sub>2</sub> e				kgCO <sub>2</sub> e/t km			
	Italy	Great Britain	NLs <sup>80</sup>	Optical Fiber	Italy	Great Britain	NLs	Optical Fiber	Italy	Great Britain	NLs	Optical Fiber
2020 H1	12,962	23,037	34,796	1,513	793	925	529	2,782	0.096	0.091	0.085	0.334
<b>2020</b>												
2019 H1	20,013	47,023	34,853	2,520	1,272	2,082	569	7,714	0.085	0.104	0.088	0.610
2019 H2	17,030	45,665	33,105	2,133	1,053	2,017	475	6,350	0.094	0.103	0.084	0.560
<b>2019</b>	<b>37,043</b>	<b>92,687</b>	<b>67,958</b>	<b>4,653</b>	<b>2,326</b>	<b>4,099</b>	<b>1,044</b>	<b>14,064</b>	<b>0.090</b>	<b>0.104</b>	<b>0.086</b>	<b>0.585</b>
2018 H1	19,592				1,152				0.096			
2018 H2	16,677				951				0.087			
<b>2018</b>	<b>36,268</b>				<b>2,103</b>				<b>0.091</b>			

## Methods of transportation

As in prior years, ground transportation continues to be the main type of transport used by the Group. In addition to road transport, the Group also uses rail transport for the route between China and Europe as an alternative, with lower environmental impact, to rapid transportation by air.

<sup>80</sup> The Prysmian NL perimeter includes flows from Dutch plants to end-customers in the Benelux.

Prysmian further reduced air transportation during 2020. This was mainly used in prior years to cover for optical fibre shortages. In this business, air freight has been roughly halved, mainly in favour of ocean freight and, to a lesser extent, of road haulage for continental deliveries.

#### TYPES OF TRANSPORT BY PERCENTAGE <sup>81</sup>

	Jan 1 - Sept 30 2020	FY 2019 <sup>82</sup>	FY 2018
Air	2.3%	3.0%	3.6%
Sea	6.8%	10.0%	6.9%
Ground	90.9%	87.0%	89.5%

#### DRUMS MADE OF WOOD AND OTHER MATERIALS

For the transport of cables, Prysmian uses plastic drums for the smallest diameters, in wood up to 3 meters and in steel for larger diameters. In general, the choice of drum material is made based on the size and length of the cable, on criteria of optimisation of logistics flows with a view to reducing the Carbon Footprint, and also on the basis of specific requests formulated by the customer and/or linked to regulatory aspects specific to the destination country.

The Group is heavily committed to maximising the re-utilisation of drums and lowering their environmental impact. For example, this involves using wood from replanted forests and implementing lagging solutions that reduce the recourse made to quality materials, while continuing to use recyclable materials. This commitment over the years has helped to improve the re-use rate of drums, as a consequence of management that is increasingly precise and environmentally aware.

#### PRYSMIAN GROUP INCLUDING FORMER GENERAL CABLES <sup>83</sup>

Drums by type of material	FY 2020				FY 2019			
	Tons	%	N.	%	Tons	%	N.	%
Reused	141,976	54%	1,732,788	23%	129,637	46%	1,991,666	25%
Not reused	121,642	46%	5,866,406	77%	150,761	54%	6,096,278	75%
<b>Total</b>	<b>263,618</b>	<b>100%</b>	<b>7,599,194</b>	<b>100%</b>	<b>280,398</b>	<b>100%</b>	<b>8,087,945</b>	<b>100%</b>

#### PRYSMIAN GROUP INCLUDING EX GENERAL CABLES <sup>83</sup>

Drums by type of material	FY 2020				FY 2019			
	Tons	%	N.	%	Tons	%	N.	%
Wood	196,470	75%	1,758,964	23%	193,336	69%	1,380,011	17%
Other materials	67,148	25%	5,840,230	77%	87,062	31%	6,707,934	83%
<b>Total</b>	<b>263,618</b>	<b>100%</b>	<b>7,599,194</b>	<b>100%</b>	<b>280,398</b>	<b>100%</b>	<b>8,087,945</b>	<b>100%</b>

Furthermore, in order to reduce the consumption of drums, during 2020 the Group continued to reach agreements in various countries that guarantee a "Reverse Logistics" flow, ensuring the return and reuse of drums.

The CEE (Central-Eastern Europe) countries are making greater use of the KTG (Kabel Trommel GmbH) system, which envisages the rental of drums for the entire supply chain of the Cable Industry (including downstream customers, applying a circular economy concept), thereby minimising the movement (and abandonment) of drums in Germany.

<sup>81</sup> The weighting of the transportation routes is calculated with reference to expenditure and relates solely to the Prysmian perimeter, before the merger with General Cable.

<sup>82</sup> Compared with the 2019 NFS, the 2019 data has been updated to include the amounts for the full year.

<sup>83</sup> Following improvements to the calculation methodology, the 2019 data has been restated with respect to that published in the 2019 Consolidated Non-Financial Statement of Prysmian Group. The data published previously can be found in the 2019 Consolidated Non-Financial Statement available on the website [www.prysmiangroup.com](http://www.prysmiangroup.com).



The logistical integration of the former GC companies continued without interruption during 2020, with a consequent alignment of best practices in the reuse of drums.

The tools and reporting offered by the centralised SAP1 Client system were extended to the new countries that joined the system.

As a result, the reuse of drums increased during 2020, even though the Covid-19 pandemic put certain Reverse Logistics flows under pressure during the lockdown periods in each country.

In percentage terms, the reuse of drum tonnage at Group level rose from **46% to 54%**.

The businesses most adversely affected by lost volume as a result of the pandemic were residential construction (T&I) and automotive, which mostly use small or plastic drums. Here, the Reverse Logistics flows helped to reduce the purchasing of new drums, as well as improve the reuse rate.

Cables for utilities were not greatly affected by the pandemic and, therefore, the Reverse Logistics flows were able to ensure the continuous reuse of drums.





# ATTACHMENTS

Details on taxation paid in 2019 by macro-region are reported below, with a focus on Countries that are deemed most relevant for the Group as their turnover exceeds €500 million.

Data in columns “Total Income Tax Paid”, “Total Income Tax Accrued”, “Number of Employees”, “Revenue”, “Profit (Loss) Before Income Tax” and “Tangible Taxes” are stated taking into account the Country by Country Reporting approach.

## TAX REPORTING

Import in millions of euros	Total Income Tax Paid (on cash basis)	Total Income Tax Accrued - Current Year	Number of Employees (Headcount)	VAT and other equivalent Sales Tax (GST) Average ER 2019	Total Employee Remuneration Average ER 2019	WHT on Employee Remuneration Average ER 2019	Social Contribution Average ER 2019	Total Revenue	Revenue Related Parties (*)	Revenue Unrelated Parties	Profit (Loss) Before Income Tax - Entry	Tangible Assets, Net	Employee Taxes
<b>EMEA</b>	<b>51.57</b>	<b>49.11</b>	<b>16,233</b>	<b>399.43</b>	<b>578.96</b>	<b>124.86</b>	<b>195.46</b>	<b>10,129.16</b>	<b>3,706.74</b>	<b>6,422.42</b>	<b>154.31</b>	<b>2,546.25</b>	<b>320.32</b>
France	7.67	17.33	2,646	94.22	75.04	4.86	67.91	1,240.21	281.13	959.08	63.08	450.12	72.77
Germany	0.98	0.75	1,865	27.65	108.51	20.82	21.95	977.43	205.22	772.21	-22.14	283.73	42.77
Italy	29.75	21.37	2,330	7.29	103.00	33.45	45.13	3,232.70	1,927.86	1,304.84	46.52	473.54	78.58
Netherlands	2.70	9.80	865	37.90	50.14	16.85	4.60	542.85	198.73	344.11	57.73	170.73	21.45
United Kingdom	0.35	1.25	1,218	64.56	48.94	8.06	8.85	708.68	134.55	574.13	8.02	206.58	16.91
Other	10.11	-1.40	7,309	167.81	193.33	40.83	47.01	3,427.29	959.25	2,468.03	1.12	961.54	87.85
<b>AMERICAS</b>	<b>60.15</b>	<b>78.25</b>	<b>9,675</b>	<b>53.66</b>	<b>438.48</b>	<b>61.92</b>	<b>43.67</b>	<b>5,321.52</b>	<b>866.31</b>	<b>4,455.21</b>	<b>342.57</b>	<b>1,589.88</b>	<b>105.60</b>
Brazil	1.79	0.28	1,459	15.53	31.04	5.91	11.27	511.15	81.67	429.48	61.62	192.67	17.18
Canada	8.71	8.87	582	9.63	33.54	7.25	2.02	628.07	223.27	404.80	32.66	109.36	9.28
United States	38.11	51.09	5,072	18.00	333.40	42.39	22.99	3,510.33	444.23	3,066.10	206.40	1,108.44	65.38
Other	11.54	18.02	2,562.00	10.50	40.50	6.37	7.38	671.97	117.14	554.83	41.90	179.41	13.76
<b>APAC</b>	<b>6.95</b>	<b>11.17</b>	<b>2,851</b>	<b>25.80</b>	<b>111.01</b>	<b>16.37</b>	<b>23.30</b>	<b>1,224.24</b>	<b>213.22</b>	<b>1,011.02</b>	<b>-31.73</b>	<b>269.50</b>	<b>39.67</b>
China	2.27	2.50	1,436	2.76	23.99	1.48	0.98	570.90	135.20	435.69	-31.69	111.58	2.46
Other	4.69	8.66	1,415.00	23.04	87.02	14.90	22.31	653.34	78.02	575.32	-0.035	157.92	37.21
<b>Total</b>	<b>118.67</b>	<b>138.53</b>	<b>28,759</b>	<b>478.89</b>	<b>1,128.45</b>	<b>203.16</b>	<b>262.43</b>	<b>16,674.92</b>	<b>4,786.28</b>	<b>11,888.64</b>	<b>465.16</b>	<b>4,405.63</b>	<b>465.59</b>

(\*) Intercompany revenues also include revenues from legal entities within the same tax jurisdiction.

The income paid tax sometimes differs from the allocated tax, the difference is mainly to be attributed to tax credits from previous years or to temporary differences.

## Prysmian Group legal entities considered for 2019 taxes

The table shows the legal entities considered in the reporting of the quantitative information of GRI 207-4 which refer to the 190 legal entities considered in the Country by Country Report. They differ from the Consolidated Financial Statements, where the 185 legal entities are considered totally consolidated.

Country	Region	Legal Entity	Activity
Algeria	EMEA	FR0535_001:Prysmian Cables et Systèmes France SAS – Branch Algeria (EUR)	Dormant
Algeria	EMEA	FR1919_001:Silec Cable SAS – Branch Algeria ( <b>dormant</b> ) (EUR)	Dormant
Angola	EMEA	A01900:General Cable Condel. Cabos de Energia e Telecomunicações S.A. (AOA)	Manufacturing; Distribution
Argentina	AMERICAS	AR0500:Prysmian Consultora Conductores e Instalaciones SAIC (ARS)	Holding shares or other equity instruments
Argentina	AMERICAS	AR0501:Prysmian Energia Cables y Sistemas de Argentina S.A. (ARS)	Manufacturing; Distribution
Australia	APAC	AU0927:Prysmian Australia Pty Ltd. (AUD)	Manufacturing; Distribution
Austria	EMEA	AT0778:Prysmian OEKW GmbH (EUR)	Distribution
Bahrain	EMEA	IT1510_001:Prysmian PowerLink - Branch Baharain (EUR)	Provision of services to unrelated parties
Belgium	EMEA	BE1625:Draka Belgium N.V. (EUR)	Distribution
Belgium	EMEA	FR1919_003:Silec Cable SAS – Branch Belgium (EUR)	Provision of services to unrelated parties
Botswana	EMEA	BW1902:General Cable Botswana (Pty) Ltd. (BWP)	Dormant
Brazil	AMERICAS	BR0505:Prysmian Cabos e Sistemas do Brasil S.A. (BRL)	Manufacturing; Distribution
Brazil	AMERICAS	BR1719:Draka Comteq Cabos Brasil S.A. (BRL)	Manufacturing; Distribution
Brazil	AMERICAS	BR1903:General Cable Brasil Indústria e Comércio de Condutores Elétricos Ltda (BRL)	Manufacturing; Distribution
Canada	AMERICAS	CA0516:Prysmian Cables and Systems Canada Ltd. (CAD)	Manufacturing; Distribution
Canada	AMERICAS	CA1709:Draka Elevator Products Incorporated (CAD)	Distribution
Canada	AMERICAS	CA1904:General Cable Company Ltd. (CAD)	Manufacturing; Distribution
Cayman Islands	AMERICAS	KY1905:Phelps Dodge Yantai China Holdings, Inc. (USD)	Holding shares or other equity instruments
Cayman Islands	AMERICAS	KY1906:YA Holdings Ltd (USD)	Holding shares or other equity instruments
Chile	AMERICAS	CL1779:Prysmian Cables Chile S.p.A. (CLP)	Distribution
Chile	AMERICAS	CL1907:Cobre Cerrillos S.A. (USD)	Manufacturing; Distribution
China	APAC	CN0735:Prysmian Wuxi Cable Co. Ltd. (CNY)	Manufacturing; Distribution
China	APAC	CN0808:Prysmian Tianjin Cables Co. Ltd. (CNY)	Manufacturing; Distribution
China	APAC	CN0886:Prysmian Cable (Shanghai) Co. Ltd. (CNY)	Distribution; Administrative. Management or Support Services
China	APAC	CN1515:Prysmian Hong Kong Holding Ltd. (HKD)	Distribution; Administrative. Management or Support Services; Provision of services to unrelated parties; Holding shares or other equity instruments
China	APAC	CN1516:Prysmian (China) Investment Company Ltd. (CNY)	Holding shares or other equity instruments
China	APAC	CN1724:Nantong Haixun Draka Elevator Products Co. Ltd. (CNY)	Manufacturing; Distribution; Administrative. Management or Support Services
China	APAC	CN1725:Nantong Zhongyao Draka Elevator Products Co. Ltd. (CNY)	Manufacturing; Distribution; Administrative. Management or Support Services
China	APAC	CN1726:Draka Cables (Hong Kong) Limited (HKD)	Dormant
China	APAC	CN1727:Draka Shanghai Optical Fibre Cable Co. Ltd. (CNY)	Dormant
China	APAC	CN1728:Suzhou Draka Cable Co. Ltd. (CNY)	Manufacturing; Distribution; Administrative. Management or Support Services
China	APAC	CN1780:Prysmian Technology Jiangsu Co. Ltd. (CNY)	Manufacturing; Distribution;
China	APAC	CN1909:Phelps Dodge Yantai Cable Company. Ltd. (CNY)	Dormant
China	APAC	CN1910:Prestolite Wire (Shanghai) Company. Ltd. (CNY)	Distribution; Administrative. Management or Support Services
China	APAC	CNB006:Prysmian Cable (Shanghai) Trading Co. Ltd. - Suzhou Branch (CNY)	Manufacturing; Distribution;
China	APAC	CN1778:Prysmian Powerlink Asia Co. Ltd. (CNY)	Dormant
China	APAC	IT1510_019:Prysmian PowerLink - Branch China (EUR)	Provision of services to unrelated parties

Country	Region	Legal Entity	Activity
Colombia	AMERICAS	CO1911:PDIC Colombia. S.A. (COP)	Dormant
Colombia	AMERICAS	CO1912:Productora de Cables Procables S.A.S. (COP)	Manufacturing; Distribution
Colombia	AMERICAS	FR1919_005:SILEC Cable. S.A.S. - Branch Colombia (EUR)	Dormant
Costa Rica	AMERICAS	CR1913:Conducen. S.R.L. (CRC)	Manufacturing; Distribution
Cote d'Ivoire	EMEA	CI0541:SICABLE - Soci�te Ivoirienne de Cables S.A. (CFA)	Manufacturing; Distribution
Czech Republic	EMEA	CZ1619:Draka Kabely, S.r.o. (CZK)	Manufacturing; Distribution;
Czech Republic	EMEA	CZB002:Prysmian Kablo SRO - Branch Czech Republic (CZK)	Distribution
Denmark	EMEA	DK1626:Prysmian Group Denmark A/S (DKK)	Distribution
Denmark	EMEA	IT1510_014:Prysmian PowerLink - Branch Denmark (EUR)	Provision of services to unrelated parties
Dominican Republic	AMERICAS	DO1914:General Cable Caribbean. S.R.L. (DOP)	Dormant
Ecuador	AMERICAS	EC1915:Cables Electricos Ecuatorianos C.A. CABLEC (USD)	Distribution
El Salvador	AMERICAS	SV1916:Conducen Phelps Dodge Centroamerica-El Salvador, S.A. de C.V. (USD)	Distribution
Estonia	EMEA	EE1616:Prysmian Group Baltics AS (EUR)	Manufacturing; Distribution
Finland	EMEA	FI0823:Prysmian Group Finland OY (EUR)	Manufacturing; Distribution
Finland	EMEA	IT1510_015:Prysmian PowerLink - Branch Finland (EUR)	Provision of services to unrelated parties
France	EMEA	FR0535_000:Prysmian Cables et Syst�mes France SAS - Head Office (EUR)	Manufacturing; Distribution
France	EMEA	FR1176:Prysmian (French) Holdings S.A.S. (EUR)	Holding shares or other equity instruments
France	EMEA	FR1606:Draka Comteq France S.A.S. (EUR)	Research and Development; Holding / managing intellectual property; Manufacturing; Distribution;
France	EMEA	FR1607:Draka Paricable S.A.S. (EUR)	Distribution
France	EMEA	FR1632:Draka Fileca S.A.S. (EUR)	Manufacturing; Distribution
France	EMEA	FR1633:Draka France S.A.S. (EUR)	Holding shares or other equity instruments
France	EMEA	FR1783:P.O.R. S.A.S. (EUR)	Special purpose company
France	EMEA	FR1919_000:Silec Cable. S.A.S. - Head Office (EUR)	Provision of services to unrelated parties
France	EMEA	IT1510_002:Prysmian PowerLink - Branch Francia (EUR)	Provision of services to unrelated parties
Germany	EMEA	DE0781:Prysmian Kabel und Systeme GmbH (EUR)	Manufacturing; Distribution
Germany	EMEA	DE1521:Prysmian Unterstuetzungseinrichtung Lynen GmbH (EUR)	Pension fund
Germany	EMEA	DE1608:Draka Comteq Germany GmbH & Co. KG (EUR)	Manufacturing; Distribution
Germany	EMEA	DE1613:Draka Cable Wuppertal GmbH (EUR)	Manufacturing; Distribution
Germany	EMEA	DE1615:Draka Comteq Berlin GmbH & Co. KG (EUR)	Manufacturing; Distribution
Germany	EMEA	DE1636:Draka Comteq Germany Verwaltungs GmbH (EUR)	Dormant
Germany	EMEA	DE1637:Draka Deutschland Erste Beteiligungs GmbH (EUR)	Holding shares or other equity instruments
Germany	EMEA	DE1638:Draka Deutschland GmbH (EUR)	Holding shares or other equity instruments
Germany	EMEA	DE1640:Draka Deutschland Verwaltungs GmbH (EUR)	Dormant
Germany	EMEA	DE1642:Draka Deutschland Zweite Beteiligungs GmbH (EUR)	Holding shares or other equity instruments
Germany	EMEA	DE1644:Draka Kabeltechnik GmbH (EUR)	Manufacturing; Distribution
Germany	EMEA	DE1645:Draka Service GmbH (EUR)	Provision of services to unrelated parties
Germany	EMEA	DE1646:H�hn GmbH (EUR)	Real estate
Germany	EMEA	DE1647:Kaiser Kabel GmbH (EUR)	Real estate
Germany	EMEA	DE1649:NKF Holding (Deutschland) GmbH i.L (EUR)	Dormant
Germany	EMEA	DE1921_000:Norddeutsche Seekabelwerke GmbH - Head Office (EUR)	Manufacturing; Distribution
Germany	EMEA	IT1510_003:Prysmian PowerLink - Branch Germania (EUR)	Provision of services to unrelated parties
Greece	EMEA	GB1771_001:Prysmian PowerLink Services Ltd. - Branch Grecia (GBP)	Submarine cable installation services
Greece	EMEA	IT1510_004:Prysmian PowerLink - Branch Grecia (EUR)	Provision of services to unrelated parties
Guatemala	AMERICAS	GT1923:Provedora de Cables y Alambres PDCA Guatemala. S.A. (GTQ)	Distribution
Honduras	AMERICAS	HN1924:Electroconductores de Honduras. S.A. de C.V. (HNL)	Distribution
Hungary	EMEA	HU0790:Prysmian MKM Magyar Kabel Muvek Kft. (HUF)	Manufacturing; Distribution
India	APAC	IN1769:Jaguar Communication Consultancy Services Private Ltd. (INR)	Dormant
India	APAC	IN1786:Associated Cables Pvt. Ltd. (INR)	

Country	Region	Legal Entity	Activity
Indonesia	APAC	IDO724:PT. Prysmian Cables Indonesia (IDR)	Manufacturing; Distribution
Ireland	EMEA	IE1517:Prysmian Re Company Designated Activity Company (EUR)	Regulated Financial Services
Ireland	EMEA	IT1510_005:Prysmian PowerLink - Branch Irlanda (EUR)	Closed
Italy	EMEA	IT0133:Fibre Ottiche Sud - F.O.S. S.r.l. (EUR)	Manufacturing; Distribution
Italy	EMEA	IT0218:Prysmian Treasury S.r.l. (EUR)	Internal Group Finance
Italy	EMEA	IT0847_000:Prysmian Cavi e Sistemi Italia S.r.l. - Head Office (EUR)	Manufacturing; Distribution
Italy	EMEA	IT0950_000:Prysmian Cavi e Sistemi S.r.l. - Head Office (EUR)	Administrative. Management or Support Services; Holding shares or other equity instruments
Italy	EMEA	IT0950_001:Prysmian Cavi e Sistemi S.r.l. - Branch Marocco (EUR)	Provision of services to unrelated parties
Italy	EMEA	IT0950_002:Prysmian Cavi e Sistemi S.r.l. - Branch Qatar (EUR)	Provision of services to unrelated parties
Italy	EMEA	IT1170:Prysmian Spa (EUR)	Research and Development; Holding / managing intellectual property; Purchasing or Procurement; Administrative. Management or Support Services; Holding shares or other equity instruments
Italy	EMEA	IT1510_000:Prysmian PowerLink - Head Office (EUR)	Provision of services to unrelated parties
Italy	EMEA	IT1533:Prysmian Electronics S.r.l. (EUR)	Manufacturing
Italy	EMEA	IT1926:General Cable Italia S.r.l. (EUR)	Dormant
Jersey	EMEA	IT1510_017:Prysmian PowerLink - Branch Jersey (EUR)	Closed
Lebanon	EMEA	FR0535_002:Prysmian Cables et Systèmes France SAS - Branch Libano (EUR)	Manufacturing; Distribution
Malaysia	APAC	MY1733:Sindutch Cable Manufacturer Sdn Bhd (MYR)	Manufacturing; Distribution;
Malaysia	APAC	MY1734:Draka Marketing and Services Sdn Bhd (MYR)	Dormant
Malaysia	APAC	MY1735:Draka (Malaysia) Sdn Bhd (MYR)	Dormant
Malta	EMEA	IT0847_001:Prysmian Cavi e Sistemi Italia S.r.l. - Branch Malta (EUR)	Dormant
Mauritius	EMEA	MU1928:GC Specialty & Automotive (USD)	Dormant
Mauritius	EMEA	MU1930:General Cable Trading (USD)	Dormant
Mexico	AMERICAS	MX1720:Draka Durango S. de R.L. de C.V. (USD)	Manufacturing
Mexico	AMERICAS	MX1721:Draka Mexico Holdings S.A. de C.V. (USD)	Holding shares or other equity instruments
Mexico	AMERICAS	MX1722:NK Mexico Holdings S.A. de C.V. (USD)	Dormant
Mexico	AMERICAS	MX1781:Prysmian Cables y Sistemas de Mexico S. de R. L. de C. V. (USD)	Manufacturing; Distribution
Mexico	AMERICAS	MX1931:General Cable de Mexico. S.A de C.V. (MXN)	Manufacturing; Distribution
Mexico	AMERICAS	MX1932:General de Cable de Mexico del Norte. S.A. de C.V. (MXN)	Manufacturing; Distribution
Mexico	AMERICAS	MX1933:PDIC Mexico. S.A. de C.V. (MXN)	Dormant
Mexico	AMERICAS	MX1934:Prestolite de Mexico. S.A. de C.V. (MXN)	Manufacturing; Distribution
Mexico	AMERICAS	MX1935:Servicios Latinoamericanos GC. S.A. de C.V. (MXN)	Administrative. Management or Support Services
Mexico	AMERICAS	MXB004:Prysmian Cables y Sistemas S.A. - Branch Mexico (MXN)	Dormant
Montenegro	EMEA	IT1510_006:Prysmian PowerLink - Branch Montenegro (EUR)	Provision of services to unrelated parties
Morocco	EMEA	FR0535_006:Prysmian Cables et Systèmes France SAS - Branch Marocco (EUR)	Manufacturing; Distribution
Netherlands	EMEA	IT1510_020:Prysmian PowerLink - Branch Netherlands (EUR)	Provision of services to unrelated parties
Netherlands	EMEA	NL0824:Prysmian Netherlands B.V. (EUR)	Manufacturing; Distribution
Netherlands	EMEA	NL1600:Draka Holding B.V. (EUR)	Administrative. Management or Support Services; Holding shares or other equity instruments
Netherlands	EMEA	NL1602:Draka Comteq Fibre B.V. (EUR)	Research and Development; Manufacturing; Distribution
Netherlands	EMEA	NL1671:Draka Comteq B.V. (EUR)	Holding / managing intellectual property; Holding shares or other equity instruments

Country	Region	Legal Entity	Activity
Netherlands	EMEA	NL1686:NKF Vastgoed I B.V. (EUR)	Real estate
Netherlands	EMEA	NL1688:NKF Vastgoed III B.V. (EUR)	Real estate
Netherlands	EMEA	NL1775:Prysmian Netherlands Holding B.V. (EUR)	Holding shares or other equity instruments
Netherlands	EMEA	NL1936:General Cable Holdings Netherlands C.V. (USD)	Holding shares or other equity instruments
New Zealand	EMEA	NZ1509:Prysmian New Zealand Ltd. (NZD)	Manufacturing; Distribution
New Zealand	APAC	NZ1937:GCNZ India Cable 1 Limited - Not In Scope (Dismissed 2/8/2018) (NZD)	Dismissed
New Zealand	APAC	NZ1938:GCNZ India Cable 2 Limited - Not In Scope (Dismissed 2/8/2018) (NZD)	Dismissed
New Zealand	APAC	NZ1939:General Cable Holdings New Zealand (NZD)	Holding shares or other equity instruments; Dormant
New Zealand	APAC	NZ1940:General Cable New Zealand Limited (NZD)	Dormant
New Zealand	APAC	NZ1941:General Cable Superconduc. Investments Ltd - Not In Scope (Dismissed 8/5/2018) (NZD)	Dismissed
Nicaragua	AMERICAS	NI1942:Conducen Nicaragua y Compania de Responsabilidad Limitada (USD)	Dormant
Norway	EMEA	IT1510_016:Prysmian PowerLink - Branch Norway (EUR)	Provision of services to unrelated parties
Norway	EMEA	N01609:Prysmian Group Norge AS (NOK)	Manufacturing; Distribution
Norway	EMEA	N01943:General Cable Nordic A/S (NOK)	Distribution
Oman	EMEA	OM1784:Oman Cables Industry (SAOG) (OMR)	Manufacturing; Distribution
Oman	EMEA	OM1785:Oman Aluminum Processing Industries LLC (OMR)	Manufacturing; Distribution
Panama	AMERICAS	PA1944:Alambres y Cables de Panama. S.A. (USD)	Dormant
Panama	AMERICAS	PA1945:Alcap Comercial S.A. (USD)	Distribution
Panama	AMERICAS	PA1946:Cahosa S.A. (USD)	Holding
Peru	AMERICAS	PE1947:General Cable Peru S.A.C. (PEN)	Distribution
Philippines	APAC	IT1510_007:Prysmian PowerLink - Branch Philippine (EUR)	Provision of services to unrelated parties
Philippines	APAC	PH1731:Draka Philippines Inc. (USD)	Manufacturing; Distribution
Portugal	EMEA	ES0563_001:Prysmian Cables Spain S.A - Branch Portugal (EUR)	Closed August 2019
Portugal	EMEA	PT1927:General Cable Investments. SGPS. Sociedade Unipessoal. S.A. (EUR)	Holding shares or other equity instruments
Portugal	EMEA	PT1948:General Cable Celcat. Energia e Telecomunicações SA (EUR)	Manufacturing; Distribution; Holding shares or other equity instruments
Portugal	EMEA	FR1919_006:SILEC Cable. S.A.S. - Branch Portugal (EUR)	Dormant
Puerto Rico	AMERICAS	CR1969:Conducen. S.R.L. - Branch Puerto Rico (USD)	Dormant
Qatar	EMEA	IT1510_008:Prysmian PowerLink - Branch Qatar (EUR)	Provision of services to unrelated parties
Romania	EMEA	R00800:Prysmian Cabluri Si Sisteme S.A. (RON)	Manufacturing; Distribution
Russia	EMEA	RU1524:Limited Liability Company Prysmian RUS (RUB)	Distribution; Administrative. Management or Support Services
Russia	EMEA	RU1525:Limited Liability Company Rybinskelektrokabel (RUB)	Manufacturing; Distribution
Saudi Arabia	EMEA	IT1510_009:Prysmian PowerLink - Branch Arabia Saudita (EUR)	Provision of services to unrelated parties
Saudi Arabia	EMEA	SA1523:Prysmian Powerlink Saudi LLC (SAR)	Dormant
Singapore	APAC	SG0433:Prysmian Cable Systems Pte Ltd. (SGD)	Dormant
Singapore	APAC	SG0877:Prysmian Cables Asia-Pacific Pte Ltd. (SGD)	Dormant
Singapore	APAC	SG1736:Draka Offshore Asia Pacific Pte Ltd. (SGD)	Dormant
Singapore	APAC	SG1737:Draka Cableteq Asia Pacific Holding Pte Ltd. (SGD)	Holding shares or other equity instruments
Singapore	APAC	SG1738:Singapore Cables Manufacturers Pte Ltd. (SGD)	Distribution; Administrative. Management or Support Services
Singapore	APAC	SG1739:Cable Supply and Consulting Company Private Limited (SGD)	Holding shares or other equity instruments
Singapore	APAC	SG1740:Draka Comteq Singapore Pte Ltd. (SGD)	Dormant
Singapore	APAC	SGB001:Prysmian PowerLink - Branch Singapore (SGD)	Provision of services to unrelated parties
Singapore	APAC	SG1767:Draka NK Cables (Asia) Pte Ltd. (USD)	Dormant
Slovakia	EMEA	SK1696:Prysmian Kablo s.r.o. (EUR)	Manufacturing; Distribution
South Africa	EMEA	IT1510_018:Prysmian PowerLink - Branch South Africa (EUR)	Closed
South Africa	EMEA	ZA1950:General Cable Phoenix South Africa Pty. Ltd. (ZAR)	Dormant
South Africa	EMEA	ZA1951:National Cables (Pty) Ltd. (ZAR)	Dormant

Country	Region	Legal Entity	Activity
South Africa	EMEA	ZAB005:Prysmian Spain SA EPC - Branch South Africa (ZAR)	Distribution; Provision of services to unrelated parties
Spain	EMEA	ES0563_000:Prysmian Cables Spain. S.A. (Sociedad Unipersonal) - Head Office (EUR)	Manufacturing; Distribution
Spain	EMEA	ES1698:Marmavil.S.L.U. (EUR)	Dormant
Spain	EMEA	ES1699:Draka Holding. S.L. (Sociedad Unipersonal) (EUR)	Holding shares or other equity instruments
Spain	EMEA	ES1952:GC Latin America Holdings, S.L. (EUR)	Holding shares or other equity instruments
Spain	EMEA	ES1953:General Cable Holdings (Spain). S.L. (EUR)	Holding shares or other equity instruments
Spain	EMEA	ES1954:Grupo General Cable Sistemas. S.L. (EUR)	Holding shares or other equity instruments
Spain	EMEA	IT1510_010:Prysmian PowerLink - Branch Spagna (EUR)	Dormant
Spain	EMEA	IT0950_004:Prysmian Cavi e Sistemi S.r.l. - Branch Spagna (EUR)	Provision of services to unrelated parties
Sweden	EMEA	SE1610:Prysmian Group Sverige AB (SEK)	Manufacturing; Distribution
Sweden	EMEA	SE1704:Prysmian Group North Europe AB (SEK)	Holding shares or other equity instruments
Thailand	APAC	TH1742:MCI-Draka Cable Co. Ltd. (THB)	Manufacturing; Distribution
Thailand	APAC	TH1955:General Cable Asia Pacific & Middle East Co., Ltd. (THB)	Dormant
Trinidad and Tobago	AMERICAS	TT1956:General Cable Trinidad Limited (TTD)	Dormant
Tunisia	EMEA	FR1919_004:Silec Cable SAS – Branch Tunisia (EUR)	Provision of services to unrelated parties
Tunisia	EMEA	TN0954:Auto Cables Tunisie S.A. (TND)	Manufacturing; Distribution
Tunisia	EMEA	TN1531:Eurelectric Tunisie S.A. (TND)	Manufacturing; Distribution
Tunisia	EMEA	TNB003:Prysmian Cables et Systèmes France SAS - Branch Tunisia (TND)	Provision of services to unrelated parties
Turkey	EMEA	IT1510_011:Prysmian PowerLink - Branch Turchia (EUR)	Dormant
Turkey	EMEA	TR0799:Türk Prysmian Kablo Ve Sistemleri A.S. (TRY)	Manufacturing; Distribution
Turkey	EMEA	TR1707:Draka Istanbul Asansör İhracat İthalat Üretim Ltd Sti. (TRY)	Dormant
Turkey	EMEA	TR1708:Tasfiye Halinde Draka Comteq Kablo Limited Şirketi (TRY)	Dormant
Turkey	EMEA	TRC001:Türk Prysmian –Prysmian Powerlink Adi Ortakligi (TRY)	Dormant
Turkey	EMEA	TRC002:Türk Prysmian –Prysmian Powerlink Adi Ortakligi II (TRY)	Dormant
United Arab Emirates	EMEA	FR0535_004:Prysmian Cables et Systèmes France SAS - Branch Abu Dhabi (EUR)	Manufacturing; Distribution
United Arab Emirates	EMEA	FR1919_002:Silec Cable SAS – Branch Abu Dhabi (EUR)	Provision of services to unrelated parties
United Arab Emirates	EMEA	IT0950_003:Prysmian Cavi e Sistemi S.r.l. - Branch Abu Dhabi (EUR)	Provision of services to unrelated parties
United Arab Emirates	EMEA	IT1510_012:Prysmian PowerLink - Branch Emirati Arabi (Abu Dhabi) (EUR)	Provision of services to unrelated parties
United Kingdom	EMEA	GB0335:Cable Makers Properties & Services Ltd. (GBP)	Professional organisation
United Kingdom	EMEA	GB0435:Prysmian Cables & Systems Ltd. (GBP)	Manufacturing; Distribution
United Kingdom	EMEA	GB0530:Prysmian Construction Company Ltd. (GBP)	Dormant
United Kingdom	EMEA	GB0764:Comergy Ltd. (GBP)	Dormant
United Kingdom	EMEA	GB0872:Prysmian Cables (2000) Ltd. (GBP)	Dormant
United Kingdom	EMEA	GB0876:Prysmian Cables and Systems International Ltd (EUR)	Dormant
United Kingdom	EMEA	GB1185:Prysmian Pension Scheme Trustee Ltd. (GBP)	Pension fund
United Kingdom	EMEA	GB1652:Draka Distribution Aberdeen Ltd. (GBP)	Dormant
United Kingdom	EMEA	GB1653:Draka Comteq UK Ltd. (GBP)	Manufacturing; Distribution
United Kingdom	EMEA	GB1654:Draka UK Ltd. (GBP)	Dormant
United Kingdom	EMEA	GB1655:Draka UK Group Ltd. (GBP)	Dormant
United Kingdom	EMEA	GB1770:Prysmian UK Group Ltd. (GBP)	Holding shares or other equity instruments
United Kingdom	EMEA	GB1771_000:Prysmian PowerLink Services Ltd. - Head Office (GBP)	Submarine cable installation services and owner of cable-laying vessels
United Kingdom	EMEA	GB1917:General Cable Holdings (UK) Limited (GBP)	Dormant
United Kingdom	EMEA	GB1918:General Cable Services Europe Limited (GBP)	Dormant
United Kingdom	EMEA	GB1949:NSW Technology Limited (GBP)	Distribution
United Kingdom	EMEA	IT1510_013:Prysmian PowerLink - Branch Uk (EUR)	Provision of services to unrelated parties

Country	Region	Legal Entity	Activity
United States	AMERICAS	DE1921_001:Norddeutshce Seekabelwerke GmbH – Branch US (EUR)	Provision of services to unrelated parties
United States	AMERICAS	US0717:Prysmian Construction Services Inc. (USD)	Payroll company
United States	AMERICAS	US0767:Prysmian Cables and Systems USA. LLC (USD)	Manufacturing; Distribution; Administrative. Management or Support Services
United States	AMERICAS	US1519:Prysmian Cables and Systems (US) Inc. (USD)	Holding shares or other equity instruments
United States	AMERICAS	US1605:Draka Elevator Products. Inc. (USD)	Manufacturing; Distribution
United States	AMERICAS	US1713:Draka Transport USA. LLC (USD)	Manufacturing; Distribution
United States	AMERICAS	US1957:Diversified Contractors. Inc. (USD)	Dormant
United States	AMERICAS	US1958:GC Global Holdings, Inc. (USD)	Holding shares or other equity instruments
United States	AMERICAS	US1959:General Cable Canada Holdings LLC (USD)	Holding shares or other equity instruments
United States	AMERICAS	US1960:General Cable Corporation (USD)	Administrative. Management or Support Services; Holding shares or other equity instruments
United States	AMERICAS	US1961:General Cable Industries, Inc. (USD)	Research and Development; Manufacturing; Distribution; Administrative. Management or Support Services; Holding shares or other equity instruments
United States	AMERICAS	US1962:General Cable Industries, LLC (USD)	Manufacturing; Distribution
United States	AMERICAS	US1963:General Cable Overseas Holdings, LLC (USD)	Holding shares or other equity instruments
United States	AMERICAS	US1964:General Cable Technologies Corporation (USD)	Holding / managing intellectual property
United States	AMERICAS	US1965:Phelps Dodge Enfield Corporation (USD)	Holding shares or other equity instruments
United States	AMERICAS	US1966:Phelps Dodge International Corporation (USD)	Administrative. Management or Support Services;
United States	AMERICAS	US1967:Phelps Dodge National Cables Corporation (USD)	Holding shares or other equity instruments
United States	AMERICAS	US1968:GK Technologies, Incorporated (USD)	Holding shares or other equity instruments

## HUMAN RESOURCES <sup>84</sup>

### Group work force by professional category <sup>85</sup>

Prysmian Group (FTE)	2018	2019	2020
White Collar	8,109	7,692	7,591
Blue Collar	21,051	21,022	20,730
<b>Total</b>	<b>29,160</b>	<b>28,714</b>	<b>28,321</b>

### Employees by region and professional category

Prysmian Group no. at 31.12.2020	White Collar	Blue Collar	Total
EMEA	4,569	10,957	15,526
APAC	808	1,826	2,634
LATAM	1,012	3,206	4,218
North America	1,388	3,979	5,367
<b>Total</b>	<b>7,777</b>	<b>19,968</b>	<b>27,745</b>

<sup>84</sup> See the "Methodology Note" for the scope of the data and its limitations.

<sup>85</sup> Including agency personnel and OAPIL (Oman Aluminium Processing Industries LLC).



## Employees by contract type (fixed-term/permanent) and gender

Prysmian Group no. at 31.12.2020	Men	Women	Total
Permanent	22,196	4,525	26,721
Fixed-term	718	306	1,024
<b>Total</b>	<b>22,914</b>	<b>4,831</b>	<b>27,745</b>

Prysmian Group no. at 31.12.2019	Men	Women	Total
Permanent	22,721	4,357	27,078
Fixed-term	956	392	1,348
<b>Total</b>	<b>23,677</b>	<b>4,749</b>	<b>28,426</b>

Prysmian Group no. at 31.12.2018	Men	Women	Total
Permanent	23,111	4,327	27,438
Fixed-term	896	281	1,177
<b>Total</b>	<b>24,007</b>	<b>4,608</b>	<b>28,615</b>

## Employees by contract type of (fixed-term/permanent) and geographical region

Prysmian Group no. at 31.12.2020	EMEA	APAC	North America	LATAM	Group
Permanent	14,730	2,562	5,304	4,125	26,721
Fixed-term	796	72	63	93	1,024
<b>Group</b>	<b>15,526</b>	<b>2,634</b>	<b>5,367</b>	<b>4,218</b>	<b>27,745</b>

Prysmian Group no. at 31.12.2019	EMEA	APAC	North America	LATAM	Group
Permanent	15,159	2,651	5,473	3,795	27,078
Fixed-term	856	86	92	314	1,348
<b>Total</b>	<b>16,015</b>	<b>2,737</b>	<b>5,565</b>	<b>4,109</b>	<b>28,426</b>

Prysmian Group no. at 31.12.2018	EMEA	APAC	North America	LATAM	Group
Permanent	15,310	2,793	5,462	3,873	27,438
Fixed-term	922	96	74	85	1,177
<b>Total</b>	<b>16,232</b>	<b>2,889</b>	<b>5,536</b>	<b>3,958</b>	<b>28,615</b>

## Employees by part time/full time and gender

Prysmian Group no. at 31.12.2020	Men	Women	Total
Full Time	22,852	4,688	27,540
Part Time	62	143	205
<b>Total</b>	<b>22,914</b>	<b>4,831</b>	<b>27,745</b>

Prysmian Group no. at 31.12.2019	Men	Women	Total
Full time	23,625	4,613	28,238
Part time	52	136	188
<b>Total</b>	<b>23,677</b>	<b>4,749</b>	<b>28,426</b>

Prysmian Group no. at 31.12.2018	Men	Women	Total
Full time	23,841	4,466	28,307
Part time	166	142	308
<b>Total</b>	<b>24,007</b>	<b>4,608</b>	<b>28,615</b>

## Percentage of employees by professional category, gender and age group

Prysmian Group no. at 31.12.2020	≤30			30-50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
White Collar	60.1%	39.9%	100.0%	68.2%	31.8%	100.0%	76.2%	23.8%	100.0%
Blue Collar	83.2%	16.8%	100.0%	87.5%	12.5%	100.0%	90.3%	9.7%	100.0%
<b>Total</b>	<b>78.1%</b>	<b>21.9%</b>	<b>100.0%</b>	<b>81.9%</b>	<b>18.1%</b>	<b>100.0%</b>	<b>86.1%</b>	<b>13.9%</b>	<b>100.0%</b>

Prysmian Group no. as of 31.12.2019	≤30			31 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
White Collar	61.7%	38.3%	100.0%	68.5%	31.5%	100.0%	76.0%	24.0%	100.0%
Blue Collar	86.1%	13.9%	100.0%	88.0%	12.0%	100.0%	90.4%	9.6%	100.0%
<b>Total</b>	<b>80.4%</b>	<b>19.6%</b>	<b>100.0%</b>	<b>82.6%</b>	<b>17.4%</b>	<b>100.0%</b>	<b>86.2%</b>	<b>13.8%</b>	<b>100.0%</b>

Prysmian Group no. as of 31.12.2018	≤30			31 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
White Collar	63.3%	36.7%	100.0%	68.8%	31.2%	100.0%	77.1%	22.9%	100.0%
Blue Collar	87.3%	12.7%	100.0%	89.0%	11.0%	100.0%	90.8%	9.2%	100.0%
<b>Total</b>	<b>81.3%</b>	<b>18.7%</b>	<b>100.0%</b>	<b>83.2%</b>	<b>16.8%</b>	<b>100.0%</b>	<b>86.7%</b>	<b>13.3%</b>	<b>100.0%</b>

New employee hires/departures <sup>86</sup>

2020	Total new employee hires (no.) – Prysman Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	311	164	475	157	44	201	203	38	241	481	219	700	1,152	465	1,617
31-50	338	147	485	147	57	204	244	56	300	294	144	438	1,023	404	1,427
>50	64	8	72	9	1	10	89	18	107	12	7	19	174	34	208
<b>Total</b>	<b>713</b>	<b>319</b>	<b>1,032</b>	<b>313</b>	<b>102</b>	<b>415</b>	<b>536</b>	<b>112</b>	<b>648</b>	<b>787</b>	<b>370</b>	<b>1,157</b>	<b>2,349</b>	<b>903</b>	<b>3,252</b>

2020	Total employee departures (no.) – Prysman Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	242	109	351	141	24	165	154	24	178	361	171	532	898	328	1,226
31-50	581	101	682	213	104	317	248	52	300	303	152	455	1,345	409	1,754
>50	348	32	380	46	16	62	216	54	270	59	15	74	669	117	786
<b>Total</b>	<b>1,171</b>	<b>242</b>	<b>1,413</b>	<b>400</b>	<b>144</b>	<b>544</b>	<b>618</b>	<b>130</b>	<b>748</b>	<b>723</b>	<b>338</b>	<b>1,061</b>	<b>2,912</b>	<b>854</b>	<b>3,766</b>

2020	WC employee departures – Prysman Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	54	27	81	12	9	21	17	7	24	18	11	29	101	54	155
31-50	121	39	160	46	47	93	37	21	58	49	32	81	253	139	392
>50	86	14	100	10	5	15	45	22	67	21	6	27	162	47	209
<b>Total</b>	<b>261</b>	<b>80</b>	<b>341</b>	<b>68</b>	<b>61</b>	<b>129</b>	<b>99</b>	<b>50</b>	<b>149</b>	<b>88</b>	<b>49</b>	<b>137</b>	<b>516</b>	<b>240</b>	<b>756</b>

2020	BC new employee hires - Prysman Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	219	104	323	140	24	164	176	28	204	453	211	664	988	367	1,355
31-50	201	73	274	114	43	157	207	28	235	246	122	368	768	266	1,034
>50	46	4	50	2	0	2	69	12	81	10	6	16	127	22	149
<b>Total</b>	<b>466</b>	<b>181</b>	<b>647</b>	<b>256</b>	<b>67</b>	<b>323</b>	<b>452</b>	<b>68</b>	<b>520</b>	<b>709</b>	<b>339</b>	<b>1,048</b>	<b>1,883</b>	<b>655</b>	<b>2,538</b>

2020	BC employee departures – Prysman Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	188	82	270	129	15	144	137	17	154	343	160	503	797	274	1,071
31-50	460	62	522	167	57	224	211	31	242	254	120	374	1,092	270	1,362
>50	262	18	280	36	11	47	171	32	203	38	9	47	507	70	577
<b>Total</b>	<b>910</b>	<b>162</b>	<b>1,072</b>	<b>332</b>	<b>83</b>	<b>415</b>	<b>519</b>	<b>80</b>	<b>599</b>	<b>635</b>	<b>289</b>	<b>924</b>	<b>2,396</b>	<b>614</b>	<b>3,010</b>

<sup>86</sup> The 2020 and 2019 data indicates the totals and the WC (White Collar) / BC (Blue Collar) analysis. The data for prior years only includes the white-collar category, permanent contracts and voluntary redundancies.

2019	Total new employee hires (no.) – Prysmian Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Total
≤30	502	89	591	117	45	162	292	62	354	445	193	638	1,356	389	1,745
31-50	531	165	696	111	46	157	260	66	326	375	166	541	1,277	443	1,720
>50	100	12	112	6	1	7	97	28	125	31	15	46	234	56	290
<b>Total</b>	<b>1,133</b>	<b>266</b>	<b>1,399</b>	<b>234</b>	<b>92</b>	<b>326</b>	<b>649</b>	<b>156</b>	<b>805</b>	<b>851</b>	<b>374</b>	<b>1,225</b>	<b>2,867</b>	<b>888</b>	<b>3,755</b>

2019	Total employee departures (No.) – Prysmian Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Total	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	483	81	564	111	17	128	177	46	223	343	160	503	1,114	304	1,418
31-50	605	141	746	149	59	208	258	79	337	351	142	493	1,363	421	1,784
>50	380	60	440	28	8	36	208	53	261	82	16	98	698	137	835
<b>Total</b>	<b>1,468</b>	<b>282</b>	<b>1,750</b>	<b>288</b>	<b>84</b>	<b>372</b>	<b>643</b>	<b>178</b>	<b>821</b>	<b>776</b>	<b>318</b>	<b>1,094</b>	<b>3,175</b>	<b>862</b>	<b>4,037</b>

2019	WC new employee hires – Prysmian Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	104	51	155	23	20	43	28	19	47	13	21	34	168	111	279
31-50	151	63	214	37	20	57	38	14	52	50	26	76	276	123	399
>50	21	3	24	2	1	3	17	11	28	7	0	7	47	15	62
<b>Total</b>	<b>276</b>	<b>117</b>	<b>393</b>	<b>62</b>	<b>41</b>	<b>103</b>	<b>83</b>	<b>44</b>	<b>127</b>	<b>70</b>	<b>47</b>	<b>117</b>	<b>491</b>	<b>249</b>	<b>740</b>

2019	WC employee departures – Prysmian Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	88	37	125	22	13	35	15	14	29	23	26	49	148	90	238
31-50	117	96	273	59	30	89	72	30	102	78	37	115	386	193	579
>50	143	38	181	5	3	8	67	27	94	25	4	29	240	72	312
<b>Total</b>	<b>408</b>	<b>171</b>	<b>579</b>	<b>86</b>	<b>46</b>	<b>132</b>	<b>154</b>	<b>71</b>	<b>225</b>	<b>126</b>	<b>67</b>	<b>193</b>	<b>774</b>	<b>355</b>	<b>1,129</b>

2019	BC new employee hires – Prysmian Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	398	38	436	94	25	119	264	43	307	432	172	604	1,188	278	1,466
31-50	380	102	482	74	26	100	222	52	274	325	140	465	1,001	320	1,321
>50	79	9	88	4	0	4	80	17	97	24	15	39	187	41	228
<b>Total</b>	<b>857</b>	<b>149</b>	<b>1,006</b>	<b>172</b>	<b>51</b>	<b>223</b>	<b>566</b>	<b>112</b>	<b>678</b>	<b>781</b>	<b>327</b>	<b>1,108</b>	<b>2,376</b>	<b>639</b>	<b>3,015</b>

2019	BC employee departures – Prysmian Group														
	EMEA			APAC			North America			LATAM			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	395	44	439	89	4	93	162	32	194	320	134	454	966	214	1,180
31-50	428	45	473	90	29	119	186	49	235	273	105	378	977	228	1,205
>50	237	22	259	23	5	28	141	26	167	57	12	69	458	65	523
<b>Total</b>	<b>1,060</b>	<b>111</b>	<b>1,171</b>	<b>202</b>	<b>38</b>	<b>240</b>	<b>489</b>	<b>107</b>	<b>596</b>	<b>650</b>	<b>251</b>	<b>901</b>	<b>2,401</b>	<b>507</b>	<b>2,908</b>

2018	New employee hires (No.) – Prysmian Group														
	EMEA			APAC			North America			LATAM			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	19	13	32	6	7	13	2	1	3	5	9	14	32	30	62
31-50	37	21	58	14	10	24	3	0	3	6	2	8	60	33	93
>50	7	0	7	0	0	0	5	1	6	1	0	1	13	1	14
<b>Total</b>	<b>63</b>	<b>34</b>	<b>97</b>	<b>20</b>	<b>17</b>	<b>37</b>	<b>10</b>	<b>2</b>	<b>12</b>	<b>12</b>	<b>11</b>	<b>23</b>	<b>105</b>	<b>64</b>	<b>169</b>

2018	Employee departures (No.) – Prysmian Group														
	EMEA			APAC			North America			LATAM			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	26	9	35	5	5	10	9	11	20	6	15	21	46	40	86
31-50	74	25	99	17	15	32	42	22	64	23	18	41	156	80	236
>50	26	7	33	4	6	10	51	29	80	16	4	20	97	46	143
<b>Total</b>	<b>126</b>	<b>41</b>	<b>167</b>	<b>26</b>	<b>26</b>	<b>52</b>	<b>102</b>	<b>62</b>	<b>164</b>	<b>45</b>	<b>37</b>	<b>82</b>	<b>299</b>	<b>166</b>	<b>465</b>

### New employee hires/employee departures Prysmian Group w/o General Cable <sup>87</sup>

Sept-Dec 2018	New employee hires – Prysmian Group w/o General Cable														
	EMEA			APAC			North and Central America			South America			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	74	45	119	23	27	50	12	2	14	16	12	28	125	86	211
31-50	80	45	125	49	31	80	7	3	10	19	5	24	155	84	239
>50	13	1	14	3	2	5	6	0	6	0	0	0	22	3	25
<b>Total</b>	<b>167</b>	<b>91</b>	<b>258</b>	<b>75</b>	<b>60</b>	<b>135</b>	<b>25</b>	<b>5</b>	<b>30</b>	<b>35</b>	<b>17</b>	<b>52</b>	<b>302</b>	<b>173</b>	<b>475</b>

Sept-Dec 2018	Employee departures – Prysmian Group w/o General Cable														
	EMEA			APAC			North and Central America			South America			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	37	13	50	9	9	18	6	1	7	8	2	10	60	25	85
31-50	83	32	115	30	26	56	18	6	24	7	8	15	138	72	210
>50	11	2	13	1	2	3	5	2	7	1		1	18	6	24
<b>Total</b>	<b>131</b>	<b>47</b>	<b>178</b>	<b>40</b>	<b>37</b>	<b>77</b>	<b>29</b>	<b>9</b>	<b>38</b>	<b>16</b>	<b>10</b>	<b>26</b>	<b>216</b>	<b>103</b>	<b>319</b>

<sup>87</sup> The internal reporting year 2018 is considered; only white collar category, permanent contracts and voluntary redundancies.

## Average hours of (local) training – Prysmian Group

2020	Average hours of (local) training by professional category <sup>88</sup>		
	Men	Women	Total
Blue Collar	19.57	30,54	20.90
White Collar	8.15	7.70	8.02
<b>Total</b>	<b>16.91</b>	<b>19.36</b>	<b>17.33</b>

2019	Average hours of (local) training by professional category - Prysmian Group		
	Men	Women	Total
Blue Collar	26.27	39.18	27.75
White Collar	13.59	14.60	13.89
<b>Total</b>	<b>23.30</b>	<b>26.86</b>	<b>23.89</b>

2018	Average hours of (local) training by professional category – Prysmian Group w/o General Cable		
	Men	Women	Total
Blue Collar	14.3	17.2	14.6
White Collar	11.8	14.0	12.4
<b>Total</b>	<b>13.7</b>	<b>15.5</b>	<b>13.9</b>

2018	Average hours of (local) training by professional category – Former General Cable		
	Men	Women	Total
Blue Collar	11.7	7.0	11.3
White Collar	8.3	8.8	8.5
<b>Total</b>	<b>10.9</b>	<b>8.1</b>	<b>10.4</b>

## HEALTH AND SAFETY <sup>89</sup>

### Prysmian Group <sup>90</sup>

Prysmian Group (2020) <sup>91</sup>	Internal Employees	External Employees
No. of reportable injuries	316	4
<i>of which with serious consequences</i>	8	-
Severity rate (IG)	46.40	10.91
Frequency rate (IF)	1.30	0.34
Serious injury frequency rate	0,03	-
Hours worked	48,685,182	2,347,504
Occupational disease rate	0.2	

<sup>88</sup> Training hours include the hours of mandatory training and the hours of OTJ training, when certified, with the exclusion of OAPIL (Oman Aluminium Processing Industries LLC) and Associated Cables Pvt. Ltd.

<sup>89</sup> The calculation of injuries only considers those that occurred in the workplace and not those arising during travel between home and work, unless organised by the Company.

<sup>90</sup> Data includes Prysmian employees and external personnel, but not the fleet of the Prysmian Group whose data is shown separately.

<sup>91</sup> In accordance with Prysmian's internal procedures, the incidents shown (reportable injuries) were those that resulted in being off work for more than 24 hours. Injuries with serious consequences are defined as those resulting in 180 or more days lost.

Prysmian Group (2019) <sup>92</sup>	Internal Employees	External Employees
No. of reportable injuries	342	15
<i>of which with serious consequences</i>	13	-
Severity rate (IG)	41.54	53.14
Frequency rate (IF)	1.30	1.56
Serious injury frequency rate	0.05	-
Hours worked	52,508,924	1,919,555
Occupational disease rate	0.67	

Prysmian Group (2019)	Group
Severity rate (IG)	41.94
Frequency rate (IF)	1.31
Hours worked	54,428,479
Occupational disease rate	0.67

Main types of injury in 2019 <sup>93</sup>	%
Bruising	27.45
Wounds	27.17
Twists, pulled muscles	14.29
Fractures	14.01

Prysmian Group w/o General Cable (2018) – Employees <sup>94</sup>	Men	Women	Group
Severity rate (IG)	71.4	34.3	65.5
Frequency rate (IF)	2.3	1.2	2.1
Occupational disease rate	0.4	0.0	0.3

Prysmian Group w/o General Cable (2018) – Employees <sup>95</sup>	EMEA	APAC	North America	LATAM	Group
Severity rate (IG)	81.4	30.7	16.8	105.5	65.5
Frequency rate (IF)	3.0	0.8	0.3	2.0	2.1
Occupational disease rate	0.0	0.2	0.2	2.7	0.3
Absentee rate <sup>96</sup>	7.3%	3.0%	4.3%	6.0%	6.1%

<sup>92</sup> In accordance with Prysmian's internal procedures, only incidents that resulted in being off work for more than 24 hours were reported in 2019. There were 357 incidents, of which 13 affecting external personnel and 344 affecting internal personnel. Among all incidents, 13 affecting internal employees each resulted in more than 180 days lost.

<sup>93</sup> In most cases, the types of injury shown in the table affected: Hands, 49.86%; Back, 14.29%; Feet, 10.92%.

<sup>94</sup> The injury data for 2018 has been reported in agreement with the previous GRI indicator 403 (2016).

<sup>95</sup> For privacy reasons, gender data for 2018 was not available in certain countries; accordingly, the proportions of injuries and hours worked were based on the FTEs at 31.12.

<sup>96</sup> Absenteeism data considers only the category of blue collar workers, but excludes the following sites: Arco Felice, Chiplun, Fujairah, OCI (Muscat), OAPIL (Sohar), Bridgewater, Kuala Lumpur, Pune, Chiplun, Haixun, Shanghai, YOFC, Zhongyao, Yixing and plants closed during the reporting year (Santo André).



Former General Cable (June - December 2018) - Employees	EMEA	APAC	Nord America	LATAM	Gruppo
Severity rate (IG)	28.5	0.0	6.2	14.8	13.9
Frequency rate (IF)	1.3	0.0	0.2	0.3	0.5
Occupational disease rate	0.0	0.0	0.2	0.3	0.2
Absentee rate	n/a	n/a	n/a	n/a	n/a

Former General Cable (2018) – Employees	Men	Women	Group
Severity rate (IG)	71.4	34.3	65.5
Frequency rate (IF)	2.3	1.2	2.1
Occupational disease rate	0.4	0.0	0.3

## Shipping fleet <sup>97</sup>

2020 Fleet Data	Internal employees	External employees
Hours worked	372,392	458,238
No. of reportable injuries	1	1
<i>of which with serious consequences</i>	0	0
Frequency rate (IF)	0.54	0.44
Serious injury (IF) frequency rate	0	0
No. of days lost	28	23

2020 Fleet Data	Internal employees	External employees
Hours worked	468,670	582,730
No. of reportable injuries	2	1
<i>of which with serious consequences</i>	0	0
Frequency rate (IF)	0.85	0.34
Serious injury (IF) frequency rate	0	0
No. of days lost	40	50

<sup>97</sup> With regard to injuries and rates for the fleet, the breakdown of hours worked between internal and external personnel on vessels was estimated with reference to their respective percentages on cable-laying ships. In particular, 95% of workers on the Ulisse and the Cable Enterprise are external personnel, while the entire crew of the Giulio Verne comprises internal personnel employed by Prysmian. In accordance with Prysmian's internal procedures, the incidents shown (reportable injuries) were those that resulted in being off work for more than 24 hours. Injuries with serious consequences are defined as those resulting in 180 or more days lost.

## ENVIRONMENT

### Energy consumption

Energy consumed [GJ]	Prysmian Group (2020)					
	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod	Total
Electricity purchased	2,661,699	536,005	43,832	439,375	46,891	3,727,802
Electricity covered by renewable energy certificates (Guarantees of Origin)	1,504,490	106,205	24,192	424,176	-	2,059,062
Natural gas	1,971,722	74,590	62,158	780,113	195,059	3,083,643
LPG	92,126	7,906	6,500	343	1,998	108,874
Petrol	12,217	91	629	11	28	12,978
Diesel	115,321	4,785	790	1,185	-	122,080
Fuel oil	20,366	3,820	-	-	-	24,185
Steam (purchased, not produced internally)	3,316	-	-	-	-	3,316
Heat (purchased from distribution networks)	117,018	-	-	7,414	-	124,432
Chilled water	303	-	64	-	-	367
<b>Total</b>	<b>6,498,579</b>	<b>733,402</b>	<b>138,165</b>	<b>1,652,615</b>	<b>243,977</b>	<b>9,266,739</b>

Energy consumed [GJ]	Prysmian Group (2019)				
	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Electricity purchased	3,339,272	644,084	69,420	479,127	47,282
Electricity covered by renewable energy certificates (Guarantees of Origin)	1,102,714	53,495	-	533,147	-
Natural gas	1,981,388	248,154	38,151	737,554	189,716
LPG	96,363	10,431	7,685	454	1,811
Petrol	11,034	341	309	34	21
Diesel	101,412	6,049	388	2,570	2
Fuel oil	25,731	4,999	-	-	-
Steam (purchased, not produced internally)	8,087	-	-	-	-
Heat (purchased from distribution networks)	95,341	-	-	7,616	-
Chilled water	206	448	380	-	-
<b>Total</b>	<b>6,761,548</b>	<b>968,003</b>	<b>116,333</b>	<b>1,760,502</b>	<b>238,833</b>

Energy consumed [GJ]	Prysmian Group w/o General Cable (2018)			
	Power cables	Telecom cables	Accessories	Optical fibre
Electricity purchased	2,250,129	524,207	57,290	420,124
Electricity covered by renewable energy certificates (Guarantees of Origin)	693,983	50,613	3,398	511,236
Natural gas	942,506	196,949	34,516	667,046
LPG	46,515	5,475	5,884	215
Petrol	7,219	290	148	36
Diesel	83,283	3,763	233	4,874
Fuel oil	38,212	4,961	0	0
Steam (purchased, not produced internally)	15,658	0	0	0
Heat (purchased from distribution networks)	97,694	0	0	7,355
Chilled water	152	0	0	0
<b>Total</b>	<b>4,175,351</b>	<b>786,258</b>	<b>101,469</b>	<b>1,610,886</b>

Energy consumed [GJ]	Former General Cable (June-December 2018)				
	Power cables	Telecom cables	Accessories	Optical fibre	Total 2018
Electricity purchased	764,322	102,936	4,630	0	871,888
Electricity covered by renewable energy certificates (Guarantees of Origin)	0	0	0	0	0
Natural gas	467,440	14,036	93	0	481,569
LPG	22,460	1,245	59	0	23,764
Petrol	566	0	47	0	613
Diesel	12,185	656	53	0	12,894
Fuel oil	2,818	0	0	0	2,818
Steam (purchased, not produced internally)	0	0	0	0	0
Heat (purchased from distribution networks)	0	0	0	0	0
Chilled water	777	0	218	0	995
<b>Total</b>	<b>1,270,568</b>	<b>118,873</b>	<b>5,100</b>	<b>0</b>	<b>1,394,541</b>

## Energy intensity

Energy consumed per Km/Ton of product	Prysmian Group (2020)			
	Power cables GJ/Ton	Telecom cables GJ/Km	Optical fibre GJ/Km	Wire rod GJ/Ton
	3.56	0.02	0.04	2.18

Energy consumed per Km/Ton of product	Prysmian Group (2019)			
	Power cables GJ/Ton	Telecom cables GJ/Km	Optical fibre GJ/Km	Wire rod GJ/Ton
	3.46	0.02	0.04	2.05

Energy consumed per Km/Ton of product	Prysmian Group w/o General Cable (2018)			Former General Cable (June-December 2018)	
	Power cables GJ/Ton	Telecom cables GJ/Km	Optical fibre GJ/Km	Power cables GJ/Ton	Telecom cables GJ/Km
	3.41	0.02	0.04	3.75	0.08

## GHG emissions

Emissions of greenhouse gases [t CO <sub>2</sub> eq]		Prysmian Group (2020)					
		Power cables	Telecom cables	Accessories	Optical fibre	Wire rod	Total
Scope I	Direct emissions from combustion	128,500	5,391	4,035	44,234	11,162	193,322
	Emissions from refrigerant gas leaks	5,114	1,943	5	382	34	7,479
	Emissions from SF6 gas leaks	50,388	-	56,134	0	-	106,522
	<b>Total Scope 1</b>	<b>184,003</b>	<b>7,334</b>	<b>60,174</b>	<b>44,616</b>	<b>11,196</b>	<b>307,323</b>
Scope II	Location-based	381,605	60,802	7,494	57,066	1,700	508,665
	Market-based	306,778	60,150	6,281	35,904	2,640	411,752
<b>Total</b>	<b>Scope I and Scope II (Location-Based)</b>	<b>565,607</b>	<b>68,135</b>	<b>67,667</b>	<b>101,682</b>	<b>12,896</b>	<b>815,988</b>
	<b>Scope I and Scope II (Market-Based)</b>	<b>490,781</b>	<b>67,484</b>	<b>66,455</b>	<b>80,520</b>	<b>13,836</b>	<b>719,075</b>

Emissions of greenhouse gases [t CO <sub>2</sub> eq]		Prysmian Group (2019)				
		Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Scope I	Direct emissions from combustion	129,952	15,616	2,707	42,064	10,880
	Emissions from refrigerant gas leaks	6,493	2,292	49	481	226
	Emissions from SF6 gas leaks	78,911	-	35,021	-	-
	<b>Total Scope 1</b>	<b>214,356</b>	<b>17,908</b>	<b>37,777</b>	<b>42,544</b>	<b>11,106</b>
Scope II	Location-based	422,670	67,610	7,361	65,365	1,831
	Market-based	381,589	72,140	8,316	54,149	1,139
<b>Total</b>	<b>Scope I and Scope II (Location-Based)</b>	<b>637,026</b>	<b>85,518</b>	<b>45,138</b>	<b>107,909</b>	<b>12,937</b>
	<b>Scope I and Scope II (Market-Based)</b>	<b>595,945</b>	<b>90,048</b>	<b>46,093</b>	<b>96,694</b>	<b>12,245</b>

Emissions of greenhouse gases [tCO <sub>2</sub> eq]		Prysmian Group w/o General Cable (2018)			
		Power cables	Telecom cables	Accessories	Optical fibre
Scope I	Direct emissions from combustion	68,859	12,780	2,459	40,144
	Emissions from refrigerant gas leaks	3,832	2,180	39	320
	Emissions from SF6 gas leaks	42,590	0	73,006	0
	<b>Total Scope 1</b>	<b>115,282</b>	<b>14,959</b>	<b>75,503</b>	<b>40,464</b>
Scope II	Location-based	297,694	49,120	6,127	59,156
	Market-based	268,953	50,785	6,151	44,512
<b>Total</b>	<b>Scope I and Scope II (Location-Based)</b>	<b>412,976</b>	<b>64,079</b>	<b>81,630</b>	<b>99,620</b>
	<b>Scope I and Scope II (Market-Based)</b>	<b>384,234</b>	<b>65,745</b>	<b>81,655</b>	<b>84,977</b>

Emissions of greenhouse gases [t CO <sub>2</sub> eq]		Former General Cable (June-December 2018)				
		Power cables	Telecom cables	Accessories	Optical fibre	Total 2018
Scope I	Direct emissions from combustion	30,462	964	17	0	31,444
	Emissions from refrigerant gas leaks	1,900	185	0	0	2,085
	Emissions from SF6 gas leaks	23,028	0	0	0	23,028
	<b>Total Scope 1</b>	<b>55,390</b>	<b>1,149</b>	<b>17</b>	<b>0</b>	<b>56,557</b>
Scope II	Location-based	70,622	11,763	584	0	82,969
	Market-based	75,052	11,961	766	0	87,779
<b>Total</b>	<b>Scope I and Scope II (Location-Based)</b>	<b>126,012</b>	<b>12,912</b>	<b>601</b>	<b>0</b>	<b>139,526</b>
	<b>Scope I and Scope II (Market-Based)</b>	<b>130,442</b>	<b>13,110</b>	<b>782</b>	<b>0</b>	<b>144,336</b>

## Intensity of emissions

Emissions per Km/Ton of product		Prysmian Group (2020)			
		Telecom cables tCO <sub>2</sub> eq/Km	Optical fibre tCO <sub>2</sub> eq/Km	Wire rod tCO <sub>2</sub> eq/Ton	Power cables tCO <sub>2</sub> eq/Ton
Scope I		0.10081	0.00019	0.00114	0.09998
Scope II	Location-based	0.20906	0.00156	0.00146	0.01518
	Market-based	0.16807	0.00154	0.00092	0.02357
<b>Total</b>	<b>Scope I and Scope II (Location-Based)</b>	<b>0.30987</b>	<b>0.00175</b>	<b>0.00260</b>	<b>0.11516</b>
	<b>Scope I and Scope II (Market-Based)</b>	<b>0.26887</b>	<b>0.00173</b>	<b>0.00205</b>	<b>0.12355</b>

Emissions per Km/Ton of product		Prysmian Group (2019)			
		Telecom cables tCO <sub>2</sub> eq/Km	Optical fibre tCO <sub>2</sub> eq/Km	Wire rod tCO <sub>2</sub> eq/Ton	Power cables tCO <sub>2</sub> eq/Ton
Scope I		0.10954	0.00038	0.00095	0.09521
Scope II	Location-based	0.21600	0.00144	0.00146	0.01570
	Market-based	0.19500	0.00154	0.00121	0.00977
Total	<b>Scope I e Scope II (Location Based)</b>	<b>0.32554</b>	<b>0.00182</b>	<b>0.00241</b>	<b>0.11091</b>
	<b>Scope I e Scope II (Market Based)</b>	<b>0.30454</b>	<b>0.00192</b>	<b>0.00216</b>	<b>0.10497</b>

Emissions per Km/Ton of product		Prysmian Group w/o General Cable (2018)			Former General Cable (June-December 2018)	
		Telecom cables tCO <sub>2</sub> eq/Km	Optical fibre tCO <sub>2</sub> eq/Km	Power cables tCO <sub>2</sub> eq/Ton	Telecom cables tCO <sub>2</sub> eq/Km	Power cables tCO <sub>2</sub> eq/Ton
Scope I		0.09408	0.00035	0.00091	0.16332	0.00078
Scope II	Location-based	0.24294	0.00115	0.00133	0.20823	0.00803
	Market-based	0.21948	0.00118	0.00100	0.22129	0.00816
Total	<b>Scope I e Scope II (Location Based)</b>	<b>0.33701</b>	<b>0.00149</b>	<b>0.00224</b>	<b>0.37155</b>	<b>0.00881</b>
	<b>Scope I e Scope II (Market Based)</b>	<b>0.31356</b>	<b>0.00153</b>	<b>0.00191</b>	<b>0.38462</b>	<b>0.00895</b>

## Waste

### Hazardous waste

Source	Hazardous waste [kg] – Prysmian Group (2020)				
	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Ingredients of hazardous compounds	198,591	19,246	-	-	-
Asbestos	87,201	50,574	-	-	-
Copper and aluminium sludge	985,388	10,733	-	-	86,457
Equipment containing PCBs	11,121	-	-	-	-
Sludge or solid waste with solvents	-	-	-	-	-
Solvents	62,030	19,149	2,854	89,334	-
Waste waxes and fats	142,047	40,681	-	-	10,710
Waste oil	626,044	40,939	37,127	10,665	2,415
Waste emulsions	2,087,963	146,099	-	-	358,784
Waste ink	48,895	10,003	-	-	-
Contaminated sawdust	83,699	15,869	50	-	-
Other hazardous waste	1,776,174	169,626	138,560	2,389,123	988,482
<b>Total</b>	<b>6,109,154</b>	<b>522,918</b>	<b>178,591</b>	<b>2,489,122</b>	<b>1,446,848</b>

Source	Hazardous waste [kg] – Prysmian Group (2019)				
	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Ingredients of hazardous compounds	232,956	-	-	-	-
Asbestos	93,526	17,400	-	-	-
Copper and aluminium sludge	1,013,025	46,934	-	-	-
Equipment containing PCBs	1,315	450	-	-	-
Sludge or solid waste with solvents	-	-	-	-	-
Solvents	75,340	25,976	1,378	57,596	200
Waste waxes and fats	64,873	55,073	-	-	-
Waste oil	734,172	37,520	5,130	8,020	15,064
Waste emulsions	3,280,673	152,736	-	-	251,980
Waste ink	54,130	25,551	-	-	-
Contaminated sawdust	41,207	41,167	828	-	-
Other hazardous waste	1,825,467	252,331	191,127	4,277,092	1,036,475
<b>Total</b>	<b>7,416,684</b>	<b>655,138</b>	<b>198,463</b>	<b>4,342,708</b>	<b>1,303,719</b>

Source	Hazardous waste [kg] – Prysmian Group w/o General Cable (2018)			
	Power cables	Telecom cables	Accessories	Optical fibre
Ingredients of hazardous compounds	91,761	1,192	0	0
Asbestos	165,615	12,173	0	0
Copper and aluminium sludge	265,971	13,224	0	0
Equipment containing PCBs	7,959	360	0	0
Sludge or solid waste with solvents	0	0	0	0
Solvents	35,874	15,997	1,164	53,577
Waste waxes and fats	258,980	44,242	0	0
Waste oil	429,407	24,385	28,225	10,951
Waste emulsions	2,577,165	203,278	0	0
Waste ink	18,400	4,637	0	0
Contaminated sawdust	33,734	51,900	0	0
Other hazardous waste	1,322,380	142,066	111,583	4,623,505
<b>Total</b>	<b>5,207,246</b>	<b>513,454</b>	<b>140,972</b>	<b>4,688,033</b>

Source	Hazardous waste [kg] - Former General Cable (June-December 2018)			
	Power cables	Telecom cables	Accessories	Total
Ingredients of hazardous compounds	103,107	-	-	103,107
Aqueous solutions for washing of filters	-	-	-	-
Asbestos	-	-	-	-
Copper and aluminium sludge	91,012	1,163,516	-	1,254,528
Equipment containing PCBs	-	-	-	-
Sludge or solid waste with solvents	-	-	-	-
Solvents	39,164	1,998	20	41,182
Waste waxes and fats	8,930	-	-	8,930
Waste oil	89,794	3,282	110	93,186
Waste emulsions	338,412	-	-	338,412
Waste ink	4,755	109	-	4,864
Contaminated sawdust	-	-	-	-
Other hazardous waste	304,958	4,018	711	309,687
<b>Total</b>	<b>980,132</b>	<b>1,172,923</b>	<b>841</b>	<b>2,153,896</b>

## Non-hazardous waste

Source	Non-hazardous waste [kg] – Prysmian Group (2020)				
	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Waste compounds	18,304,162	3,138,009	-	-	-
Non-hazardous packaging	17,337,965	3,692,258	466,523	618,878	83,686
Non-hazardous ingredients for compounds	723,825	23,933	-	-	-
Sludge from treatment of emissions	-	-	-	342,100	-
Sludge from cleansing of civil water	1,479,968	6,490	10,610	-	-
Sludge from cleansing of industrial water	144,418	415,288	8,120	4,392	-
Urban waste	18,321,930	2,860,843	646,698	903,909	49,640
Wood	-	-	-	-	-
Other non-hazardous materials	15,890,229	4,483,282	1,272,846	824,676	134,200
Scrap cable	79,894,901	4,480,878	-	-	-
<b>Total</b>	<b>152,097,398</b>	<b>19,100,981</b>	<b>2,404,797</b>	<b>2,693,955</b>	<b>267,526</b>

Source	Non-hazardous waste [kg] – Prysmian Group (2019)				
	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Waste compounds	26,250,690	4,150,056	-	-	-
Non-hazardous packaging	19,020,648	3,900,148	492,461	341,468	-
Non-hazardous ingredients for compounds	328,334	-	-	-	-
Sludge from treatment of emissions	-	-	-	407,640	-
Sludge from cleansing of civil water	842,550	5,250	6,000	45,100	680
Sludge from cleansing of industrial water	912,479	461,259	-	4,131	8,560
Urban waste	18,791,090	4,928,683	613,265	2,362,582	19,318
Wood	289,658	-	93,368	-	-
Other non-hazardous materials	58,009,021	6,660,921	693,979	2,649,288	213,030
<b>Total</b>	<b>124,444,469</b>	<b>20,106,317</b>	<b>1,899,073</b>	<b>5,810,209</b>	<b>241,588</b>



Source	Non-hazardous waste [kg] – Prysmian Group w/o General Cable (2018)			
	Power cables	Telecom cables	Accessories	Optical fibre
Waste compounds	13,998,079	4,564,372	0	258,017
Non-hazardous packaging	15,670,945	3,894,230	206,239	0
Non-hazardous ingredients for compounds	1,312,901	0	0	0
Sludge from treatment of emissions	0	0	0	441,560
Sludge from cleansing of civil water	447,805	6,750	16,000	10,820
Sludge from cleansing of industrial water	733,735	2,913	0	4,035
Urban waste	10,643,762	4,879,884	419,617	2,465,057
Wood	52,106	0	0	0
Other non-hazardous materials	34,394,579	3,814,958	343,386	1,938,129
<b>Total</b>	<b>77,253,912</b>	<b>17,163,107</b>	<b>985,242</b>	<b>5,117,618</b>

Source	Non-hazardous waste [kg] - Former General Cable (June - December 2018)			
	Power cables	Telecom cables	Accessories	Total
Waste compounds	5,425,171	338,283	-	5,763,454
Non-hazardous packaging	3,522,621	153,626	8,679	3,684,927
Non-hazardous ingredients for compounds	740,863	-	-	740,863
Sludge from treatment of emissions	-	-	-	-
Sludge from cleansing of civil water	77,020	18,263	-	95,283
Sludge from cleansing of industrial water	650,117	291,723	-	941,840
Urban waste	4,949,055	824,943	1,840	5,775,838
Wood	145,319	-	72,659	217,978
Other non-hazardous materials	3,945,478	556,345	138,433	4,640,256
<b>Total</b>	<b>19,455,644</b>	<b>2,183,183</b>	<b>221,611</b>	<b>21,860,439</b>

## Water consumption

Source	Water consumption by source [m <sup>3</sup> ] – Prysmian Group (2020)				
	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Water from wells	3,860,065	170,362	361	922,146	10,537
Water from other sources	644,636	31,764	530,836	-	-
Water from public water main	1,972,781	197,765	50,976	230,080	55,356
<b>Total</b>	<b>6,477,482</b>	<b>399,890</b>	<b>582,173</b>	<b>1,152,226</b>	<b>65,893</b>

Source	Water consumption by source [m <sup>3</sup> ] - Prysmian Group (2019)				
	Power cables	Telecom cables	Accessories	Optical fibre	Wire rod
Water from wells	4,120,034	233,274	260	912,491	9,136
Water from other sources	705,122	22,785	612,674	-	-
Water from public water main	2,188,944	224,401	61,240	297,497	46,647
<b>Total</b>	<b>7,014,100</b>	<b>480,460</b>	<b>674,174</b>	<b>1,209,988</b>	<b>55,783</b>

Source	Water consumption by source [m <sup>3</sup> ] – Prysmian Group w/o General Cable (2018)			
	Power cables	Telecom cables	Accessories	Optical fibre
Water from wells	3,443,416	163,825	402	1,026,575
Water from other sources	667,615	19,580	604,497	-
Water from public water main	1,368,347	193,690	43,327	256,934
<b>Total</b>	<b>5,479,378</b>	<b>377,095</b>	<b>648,226</b>	<b>1,283,509</b>

Source	Water consumption by source [m <sup>3</sup> ] – Former General Cable (June - December 2018)			
	Power cables	Telecom cables	Accessories	Total
Water from wells	481,724	674	0	482,398
Water from other sources	69,946	0	0	69,946
Water from public water main	389,430	42,856	1,541	433,827
<b>Total</b>	<b>941,100</b>	<b>43,530</b>	<b>1,541</b>	<b>986,171</b>

## CORRELATION TABLE LEGISLATIVE DECREE 254/2016, MATERIAL ASPECTS AND GRI ASPECTS

Decree 254/16	Material aspects for Prysmian Group	GRI Aspects <sup>98</sup>
<b>Employees</b>	Human capital development and well-being	401: Employment
		404: Training and education
	Occupational health and safety	403: Occupational health and safety (2018)
<b>Anti-corruption</b>	Business ethics and integrity	205: Anti-corruption
<b>Human Rights</b>	Respect for human rights and workers' rights	402: Labor/Management Relations
		412: Human rights assessment
	Sustainable supply chain	414: Supplier social assessment
	Multiculturalism, diversity and equal opportunity	405: Diversity and equal opportunity
<b>Social</b>	Cyber security and data protection	418: Customer privacy
	Business ethics and integrity	207: Tax
	Governance and transparency	206: Anti-competitive behavior
	Community involvement	203: Indirect economic impacts
	Sustainable supply chain	204: Procurement practices
	Customer centricity	n.a.
<b>Environmental</b>	Business ethics and integrity	307: Environmental compliance
	Sustainable supply chain	308: Supplier environmental assessment
	Energy efficiency and climate change mitigation & adaptation	302: Energy
		305: Emissions
	Waste management and recycling	306: Effluents and waste
	Efficient use of water resources	303: Water (2018)
	Biodiversity	304: Biodiversity
	Efficient use of raw materials	301: Materials
Solutions for sustainable applications	301: Materials	
Technological development and Eco-design innovation	n.a.	

<sup>98</sup> Material aspects that cannot be linked to a specific GRI aspect are marked as "not applicable" (n.a.).

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# Methodological Note

This document represents the Consolidated Disclosure of Non-Financial Information (hereinafter also the “NFS”, “Statement” or “Sustainability Report”) prepared pursuant to Articles 3 and 4 of Legislative Decree no. 254/16 (hereinafter also the “Decree”) as amended, by Prysmian S.p.A. and companies consolidated line-by-line (hereinafter also “Prysmian” or the “Prysmian Group” or the “Group”) and its objective is to ensure the understanding of the organisational model, the activities, the main risks and performance indicators of the Group with regard to environmental, social, employee matters, respect for human rights and anti-corruption and bribery matters that are relevant taking into account the activities and characteristics of the company during the 2020 financial year (from 1 January to 31 December).

In addition, for reasons other than compliance with the requirements of Decree 254/2016, NFS 2020 includes additional specific KPIs for the sector in which the Group operates, having regard for the indicators published by the Sustainability Accounting Standards Board (SASB). These indicators are clearly identified in the table on page 21 and supplement the disclosures prepared in accordance with the GRI Standards in order to comply with the requirements of arts. 3 and 4 of Decree 254/16.

The NFS covers — to the extent necessary to ensure the understanding of the business activity, its performance, its results and the impact produced by it — environmental, social, employee matters, respect for human rights and anti-corruption and bribery matters that are significant considering the Group’s activities and characteristics, as illustrated in the materiality matrix contained in the “Materiality analysis” chapter of this document.

The data and information provided refer to all companies belonging to the Prysmian Group as at 31 December 2020, consolidated on a line-by-line basis. The perimeter of the data will be clearly indicated in the text and tables and in the section “Notes on the data and information”.

Considering changes in the reporting perimeter, the plants in Wuxi (China), Montcada (Spain), Manlleu (Spain) were closed during the year.

All initiatives launched before June 2018 refer always to the Prysmian Group before the acquisition of General Cable.

With reference to the 2018 data and information included in the document for full disclosure purposes, the following terminology will be used:

- Prysmian Group (or “Group” or “Prysmian”) — with reference to the entire post-acquisition Prysmian Group perimeter, as at 31/12/2018;
- Prysmian Group w/o General Cable — with reference to the Prysmian Group perimeter before the acquisition of General Cable (thus excluding the General Cable legal entities);
- former General Cable - with reference only to the General Cable perimeter from June to December 2018.

The data and information for 2019 and 2020 relates to the Prysmian Group post acquisition, unless expressly stated otherwise.

This NFS has been prepared in accordance with the “GRI Sustainability Reporting Standards” published in 2016 by the “GRI - Global Reporting Initiative,” adopting the “in accordance - Core” option with the exception of GRI 303: Water, GRI 403: Occupational health and safety updated in 2018 and GRI 207: Tax published in 2019. The document was prepared taking into account the sustainability issues considered significant for the Group and for the Group’s stakeholders, submitted as part of the materiality matrix (see paragraph “Stakeholder engagement and materiality analysis”). As required by the reporting Standard, the “GRI Content Index” is reported at the end of this document, containing details of the accounted indicators.

The process of collecting the data and information necessary for the drafting of the NFS involved various functions of the Group companies and was set up to ensure reporting in line with the GRI principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The Consolidated Disclosure of Non-Financial Information is currently set to be published annually. The latest Group NFS was in fact made available in April 2020, via publication in the “Media Library” section of the Group’s website.

The Board of Directors of Prysmian S.p.A. approved this document on 10 March 2021.

This document, except for the disclosures relating to the indicators summarised in the table on page 21, has been subjected to a limited examination, according to the principle of the International Standard on Assurance Engagement (ISAE 3000 Revised), undertaken by EYS.p.A. The audit was performed according to the procedures indicated in the “Independent Auditors’ Report”, included in this document.

Please direct comments, requests, opinions and ideas for improving the activities of Prysmian and the information contained in the Sustainability Report to:

#### Corporate and Business Communications

 +39 02 6449 1

 [sustainability@prysmiangroup.com](mailto:sustainability@prysmiangroup.com)

## NOTES ON THE DATA AND INFORMATION

With reference to currently adopted policies, the Group’s strategies and the associated procedures for the management of sustainability issues identified as material, are, unless otherwise specified, applicable to the entire perimeter of the Group after the acquisition of General Cable.

In general, for all the data that presents a cross-section by geographical area, the EMEA, APAC, North America and LATAM regions were taken in to account. For details of the countries included in the geographical regions, please refer to the map of the Group’s plants shown in the “Prysmian Group in the world” section.

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## Workforce data

For 2020, the total data for the Group at 31/12/2020 is considered. For 2020 as in 2019, the data reported in the document considers the total headcount of all the Group companies consolidated line-by-line (excluding, as in previous years, Oman Aluminium Processing Industries - OAPIL). This approach applies to all tables except for the table on the total workforce of the Group representing the Group Full Time Equivalent (FTE), which includes not only employees but also temporary and OAPIL workers, in line with the information contained in the Annual Report.

Note that in order to guarantee the reliability of this document and its comparability with previous editions, estimates have been made with regard only to the data of Associated Cables Pvt. Ltd., on the basis of the best available methodologies. In fact, due to a lack of data, the number of persons employed by Associated Cables Pvt. Ltd. Prysmian India has not changed for four years, while the qualitative breakdowns have been estimated with reference to Group averages.

Consistent with the turnover data reported for 2019, non-financial reporting has been improved by considering all white-collar and blue-collar workers (excluding the employees of Oman Aluminium Processing Industries – OAPIL and Associated Cables Pvt. Ltd.). Employee departures now include all reasons for leaving (e.g. voluntary departures, retirement, redundancies, etc.).

As regards the 2018 data on turnover:

- Prysmian Group w/o General Cable: absolute values of new employee hires and employee departures were reported, only for white collar staff with permanent contracts for the full year of 2018; in addition, the reporting of the turnover of outgoing permanent contract white collar staff considers only voluntary exits (in line with the contents of the 2017 and 2016 reports). These rates are calculated with respect to the number of employees as at 31/12/2017;
- Prysmian Group: absolute values of incoming and outgoing employees were reported for the period from September to December 2018 — for all reasons for leaving (e.g. voluntary departures, retirements, redundancies, etc.).

## Environmental data

The environmental data presented in the document is derived from a reporting system that, with respect to the declared perimeter of the reporting, does not include offices as they have a reduced environmental impact when considering the production activities of the Group.

The scope of the environmental performance data for 2020 excluded:

- the Chiplun production site (India);
- the Sohar production site (Oman).

The data for the Sicable production site (Côte d'Ivoire) has been estimated using the data collected in the 2019<sup>99</sup> reporting year.

With regard to the 2018 data for the Prysmian Group w/o General Cable, the presence of certain data with reliability below the predetermined threshold necessitated, as a precaution and to allow full coverage of the reporting area, the use of estimates for environmental data regarding:

- The Muscat production site (Oman);
- The Sohar production site (Oman);

<sup>99</sup> The sum of the environmental data reported in the individual tables might not coincide with the related totals due to the rounding of decimals.

- Certain production sites not fully aligned with the Group's data collection methods, i.e. Chiplun and Pune (India), Grombalia (Tunisia) and Shanghai e Wuhan (China);
- Joinville, the operating unit dedicated solely to the production of wire rod.

With regard to the former General Cable perimeter, the sites of Luanda (Angola), La Pointe (Canada) and Nogales (Mexico) are excluded from the 2018 data.

Environmental data is not yet reported in relation to the installation of terrestrial and submarine cables (the environmental aspects and methods of management differ greatly from those of the operating units), since a project is currently in progress for the future collection and reporting of representative indicators, using dedicated tools. Note that the environmental performance indicators relating to energy, green-house gas emissions, waste (including the proportion intended for recovery and recycling) and water have been partly derived from estimates, in view of the data collection deadlines for the preparation of this Statement. These estimates are based on the best information available from data of the previous year relating to the same period of time and/or on the basis of production.

Note also that the Nordhenam manufacturing site for the production of Telecom cables is included under the production of power cables — the same applies to the Montereau site — since it was not possible to separate the data into two types of product.

With regard to the conversion factors used for the calculation of GHG emissions, the main sources used are:

- 2018:
  - Scope I fuels: Defra 2018
  - Scope I F-GAS: GHG Protocol
  - Scope II Location-based: Terna 2016
  - Scope II Market-based: AIB 2017, where available, otherwise Terna 2016
- 2019:
  - Scope I fuels: Defra 2019
  - Scope I F-GAS: GHG Protocol
  - Scope II Location-based: Terna 2017
  - Scope II Market-based: AIB 2018 (for European countries) and Center for Resource Solutions (for the USA and Canada), using the "2018 Green-e Energy Residual Mix Emissions Rates" as source where available, otherwise Terna 2017
- 2020:
  - Scope I fuels: Defra 2020
  - Scope I F-GAS: GHG Protocol
  - Scope II Location-based: Terna 2018
  - Scope II Market-based: AIB 2019 (for European countries) and Center for Resource Solutions (for the USA and Canada), using the "2020 Green-e Energy Residual Mix Emissions Rates" as source where available, otherwise Terna 2018



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## Health and safety data

The 2020 and 2019 health and safety data (IF, IG) does not include the following legal entities With respect to the 2018 perimeter, the 2020 and 2019 health and safety data (IF, IG) does not include the following legal entities:

- Associated Cables Pvt. Ltd. (Chiplun site);
- Oman Aluminium Processing Industries LLC (Sohar site);

while the 2020 and 2019 data for professional diseases does not include the following legal entities:

- Associated Cables Pvt. Ltd. (Chiplun site);
- Oman Aluminium Processing Industries LLC (Sohar site);
- Oman Cables Industry (Muscat site).

The 2018 data does not include the following legal entities respect to the 2018 perimeter:

- Associated Cables Pvt. Ltd. (Chiplun site);
- Oman Aluminium Processing Industries LLC (Sohar site);
- Oman Cables Industry (Muscat site).

The absenteeism data for 2018 only considered the category of blue collar workers, except for: Arco Felice, Chiplun, Fujairah, OCI (Muscat), OAPIL (Sohar), Bridgewater, Kuala Lumpur, Pune, Chiplun, Haixun, Shanghai, YOFC, Zhongyao, Yixing and plants closed during the reporting year (Santo André).

The injury rates are calculated as follows:

- Injury rate (IR): (total number of accidents with loss of work/hours worked) \* 200,000
- Severity rate (IG): (number of days lost/hours worked) \* 200,000;
- Occupational disease rate: (cases of occupational disease (officially notified) / hours worked) \* 1,000,000;
- Absentee rate: total hours of absence/hours to be worked;
- The severity and frequency rates were calculated using on the denominator hours worked in proportion to the FTEs at 31.12.

## DESCRIPTION OF MATERIAL TOPICS

Macro area	Material topics	Description
Corporate governance and compliance	Business ethics and integrity	Business management model based on the most stringent standards of business ethics and integrity, especially with regard to the measures adopted by the Group to prevent both active and passive corruption.
	Cyber security and data protection	Strengthen the cyber security measures to manage information security risks and ensure the protection of data and privacy.
	Governance and transparency	Governance organisation and mechanisms designed to ensure the fair and transparent management of business activities and the involvement of employees, management and shareholders, partly via the share ownership plan reserved for employees.
Products	Customer centricity	Market approach that makes the customer and product quality central to all strategic and organisational decisions.
	Technological development and Eco-design innovation	Research and development activity linked to the development of sustainable products and processes, considering the environmental and social impact of the product throughout its entire life cycle.
	Solutions for sustainable applications	Develop solutions that may generate sustainability benefits (e.g. solutions for plants that generate renewable energy, smart grids, innovative solutions for the electrical system).
Environment	Energy efficiency and mitigation and adaptation to climate change	Policies and actions to monitor and reduce energy consumption and minimise atmospheric emissions (e.g. initiatives to enhance energy efficiency, the use of renewable sources of energy, "green" practices in office areas).
	Waste management and recycling	Aware management of waste via the promotion of such practices as reuse, differentiated collection and recycling.
	Efficient use of water resources	Aware and efficient management of water resources
	Efficient use of raw materials	Responsible and efficient use of the raw materials employed in production processes, considering their availability and impact.
	Biodiversity	Awareness of the impact of the Group on the ecosystem and the consequences that the loss of biodiversity has on the business and the areas in which the Group operates.
Prysmian's People	Development of human capital and well-being	Policies and actions to attract talent and ensure the development of human resources, including training and mentoring programmes, remuneration policies, benefit policies and reward systems, career plans, long-term incentives and emotional well-being.
	Multiculturalism, diversity and equal opportunity	Promotion of multiculturalism and social inclusion, protection of diversity in the workplace and the reduction of wage differentials.
	Occupational health and safety	Systems for managing occupational health and safety, in order to reduce the number of injuries and occupational diseases and, via suitable training programmes, develop a culture of prevention and management covering these two aspects.
	Respect for human rights and workers' rights	Policies and actions to protect human rights throughout the entire value chain (banning child and forced labour, respect for freedom of association and collective bargaining, fair pay); development of collaborative relations with the trade unions.
Supply chain	Sustainable supply chain	Monitoring and assessment of suppliers on such topics as the environment, human rights and the social aspects, in addition to the quality of their products and services; building supplier awareness about the environment, human rights and the social aspects.
Local communities	Community involvement	Group activities designed to promote access to energy and telecommunications for everyone; sponsorships and donations for the development of local communities.

## ANALYSIS OF THE TOPIC BOUNDARY OF MATERIAL ASPECTS FOR THE PRYSMIAN GROUP

Below is the analysis of the “topic boundary” (as defined by the GRI) for each material aspect of the Prysmian Group, as required by Disclosure 103 of the GRI. Reporting is not extended to the external perimeter. Concerning the reporting of the internal perimeter, the limitations are indicated precisely in the “Notes on data and information” and in correspondence with each table, where necessary.

GRI Aspects	Analysis of the “topic boundary” (internal or external to the Prysmian Group) of the material aspects	
	Internal	External
403: Occupational health and safety (2018)	Group	Suppliers
401: Employment	Group	-
402: Labor/Management Relations	Group	-
404: Training and education	Group	-
205: Anti-corruption	Group	-
206: Anti-competitive behaviour	Group	-
207: Tax (2019)	Group	-
307: Environmental compliance	Group	-
412: Human rights assessment	Group	Suppliers
405: Diversity and equal opportunity	Group	-
418: Customer privacy	Group	-
203: Indirect economic impacts	Group	-
204: Procurement practices	Group	Suppliers
308: Supplier environmental assessment	Group	Suppliers
414: Supplier social assessment	Group	Suppliers
302: Energy	Group	-
305: Emissions	Group	-
306: Effluents and waste	Group	-
303: Water and effluents (2018)	Group	-
301: Materials	Group	-
304: Biodiversity	Group	-

# Independent Auditors' Report



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

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

We have been appointed to perform a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of CONSOB Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Prysmian S.p.A. and its subsidiaries (hereinafter "Group" or "Prysmian Group") for the year ended on 31<sup>st</sup> December 2020 in accordance with article 4 of the Decree and approved by the Board of Directors on 10<sup>th</sup> March 2021 (hereinafter "DNF").

## Responsibilities of Directors and Board of Statutory Auditors for the DNF

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

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

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

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

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

## Auditors' independence and quality control

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

EY S.p.A.  
Sede Legale: Via Lombardia, 31 - 00187 Roma  
Capitale Sociale Euro 2.525.000,00 i.v.  
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Iscritta all'Albo Speciale delle società di revisione  
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997



## Auditors' responsibility

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

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

In particular, we have performed the following procedures:

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

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

5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF. In particular, we have conducted interviews and discussions with the management of Prysmian S.p.A. and with the personnel of Prysmian Cavi e Sistemi Italia S.r.l., Prysmian Cabos e Sistemas do Brasil S.A., Turk Prysmian Kablo Ve Sistemleri A.S., Prysmian Group Norge AS, Prysmian Group Baltics AS, Prysmian Kablo s.r.o. and we have performed limited



documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.

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

- at Group level
  - a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
  - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data;
- for Prysmian Cavi e Sistemi Italia S.r.l. (Livorno plant), Prysmian Cabos e Sistemas do Brasil S.A. (Sorocaba plant), Turk Prysmian Kablo Ve Sistemleri A.S. (Mudanya plant), Prysmian Group Norge AS (Drammen plant), Prysmian Group Baltics AS (Keila plant) and Prysmian Kablo s.r.o. (Presov plant), that we have selected based on their activities, relevance to the consolidated performance indicators and location, we have carried out remote interviews during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

### Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the Prysmian Group for the year ended on 31<sup>st</sup> December 2020 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Milan, 1<sup>st</sup> April, 2021

EY S.p.A.

Signed by: Pietro Carena, Auditor

This report has been translated into the English language solely for the convenience of international readers.





**Prysmian**  
Group

Linking the  
sustainable future