

# BALTIC SUSTAINABILITY REPORT 2023



“Every decision and measure we take is guided by our commitment to steering the market toward sustainable development, which is the sole viable path. Sustainability is not only our approach to business management but a duty we owe future generations. We want to be a global player with a key role in the decarbonisation process and we intend to do so by promoting sustainable growth for people and the planet.”

**MARIA CRISTINA BIFULCO**

Chief Investor Relations, Sustainability and  
Communications Officer



# SUSTAINABILITY STRATEGY: SUSTAIN, TO LEAD

Sustain, to Lead sums up our sustainability strategy. It is the belief that shapes our goals and guides our vision.

The sustainability strategy is based upon four pillars, each of which contributes to the creation of added value for the benefit of the Group and all its stakeholders:



## ENVIRONMENT

Our primary goal is to act proactively as pioneers in our Group's decarbonisation processes, promoting emission reduction actions throughout the value chain and developing solutions, the positive impact of which extends beyond the boundaries of our business.



## PEOPLE AND COMMUNITIES

People are at the core of our activities. We are committed to implementing pro-employee policies, recognising merit, promoting the values of diversity and inclusion, ensuring work-life balance and benefitting the social communities within which we operate.



## GOVERNANCE

The centrality of sustainability in our strategy is also evident from the definition of specific governance, which has the task of presiding over all Group initiatives in a structured and rigorous manner, ensuring the transparency, accountability and alignment of the interests of the Group's stakeholders, towards the achievement of the ESG objectives.



## INNOVATION

Innovation is a strategic pillar that has characterised us since our origins, and it affects all dimensions of the company: from the development of new products, considering their added value in terms of sustainability, to decarbonisation and social impact initiatives.

# GLOBAL CULTURE, LOCAL COMMITMENT

Prysmian adheres to the UN's Global Compact and contributes to the UN's Sustainable Development Goals – the principles are reflected in the culture, values and practices of the group. Environmental, Social and Governance (ESG) values are deeply embedded in the group's DNA, inspiring its strategic priorities and influencing day-by-day behaviour.

The group implements its Sustainability strategy through a set of annual targets. The Prysmian impact scorecard has a set of 12 clear and measurable indicators in order to ensure continuous improvement. These targets are included in the annual Sustainability Report.

Read more: [prysmian.com/sustainability](https://prysmian.com/sustainability)

The Baltic organisation\* has implemented the group's sustainability strategy and impact scorecard. Sustainability topics are led and monitored by the sustainability work group\*\*. Through sustainability goals and activities, we create a better future for ourselves, partners, customers and the community.

Read more: [baltics.prysmian.com/sustainability](https://baltics.prysmian.com/sustainability)

*\* The organisation operates in the Keila factory and office, the Riga office and the Vilnius office; it distributes products from the Keila plant and the group to the Estonian, Latvian and Lithuanian markets and mediates the sale of products of the Keila plant to other markets via the group.*

*\*\*Includes the CEO, Plant Manager, Chief Engineer, HR Manager, HSE Manager, Quality Manager, Purchasing Manager, Logistics Manager and Marketing Manager.*

# ESG INDICES

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

Index	2021	2022	2023
	Rank: 87/100 (ELQ World) included and ranked as 1st	Rank: 87/100 (ELQ World) included and ranked as 3rd	Rank 79/100 (EQL World) included and ranked 3rd in the World score
	Score: AA	Score: AA	Score: A
	Score: 73/100 (Platinum)	Score: 74/100 (Gold)	Score: 76/100 (Gold)
	Score Climate Change: B (World) Score Water Security: B	Score Climate Change: A- (World) Score Water Security: B	Score Climate Change: A- (World) Score Water Security: B
	Risk: 22.8 (Medium)	Risk: 21.4 (Medium)	Rating: 16.5 (Low Risk)
	Score: 3.8/5	Score: 3.8/5	Score: 3.9/5

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

**BALTIC IMPACT SCORECARD 2023–2025**

	Baseline 2022	Results 2023	Target 2025
Calculated only on group level			
Calculated only on group level			
	-13%	+15%	-25%
Calculated only on group level			
	-	2,5%	57%
	0,2%	16%	25%
	57%	56%	50%
	57%	56%	50%
	-	3/5	3,4/5
	57%	63%	65%
	59%	90,5%	65%
	100%	- (no training)	100%

\* Based on the materiality analysis described in the group Sustainability Report 2023 p. 45–65.

- (1) Please see the group sustainability report.
- (2) Please see the group sustainability report.
- (3) Reduction in CO<sub>2</sub> emissions (Scope 1 and 2) compared to the year 2019, according to SBTi methodology. Scope 2 is calculated using the Market-based method. Baltic result for 2023 was impacted by plant and office expansion..
- (4) Please see the group sustainability report.
- (5) Portion of revenues from sustainable products. With the aim of making the Group’s approach more organic and due to the progress made in developing sustainable products and solutions in all Regions, the company has decided to eliminate the division between Europe and the rest of the world in the calculation of this KPI, as already shown during the Capital Markets Day held in October 2023. Baltics result 2023 - the initiative was launched and therefore no previous result.
- (6) Percentage by weight of recycled content of certain purchased materials. The scope of the indicator includes 1) copper purchased at Group level, excluding occasional suppliers and semi-finished products; 2) polyethylene used for sheathing, excluding those applications for which customers do not allow the use of secondary materials.
- (7) Share of women desk workers hired with permanent contract compared to the total employees hired with permanent contract. The index includes all desk workers hired abroad (including global recruiting programs and projects) and all change of contracts from agency/temporary to permanent.
- (8) Share of women in executive positions (job grade 20 and above) as a percentage of total executive employees. The number of employees is the headcount as at 31 De-cember 2023, including all permanent contract and temporary ones. The KPI shows the ability of the Group to develop internal figures to take on leadership roles, its capability to hire them from the market and its ability to retain those talents. Baltic result indicates the share of women in the management group.
- (9) Index relating to the level of maturity in the safety management of the Group’s various plants, calculated following an Audit conducted by a specialized third-party company. The index consists of four different categories (governance, employee engagement, risk assessment and injury frequency rate). At the end of the assessment, an overall score is given on a scale of 1 (lowest) to 5 (highest). Baltic result for 2023 – the initiative was launched, thus there is no previous data.
- (10) Index calculated as the percentage of employees who declared a level of engagement with the company of at least five out of seven points in the Speak Up survey conducted by the company. The indices and the survey were developed in collaboration with POLIMI University in order to ensure their quality and anonymity.
- (11) Number of employees with Prysmian shares deposited in company administrative accounts through GROW, YES and BE IN plans as at 31 December, divided by the total number of employees eligible to participate in at least one of the plans.
- (12) It includes e-learning conducted through the Group’s business management system and is for all desk workers (excluding business partners, consultants, contractors, employees on leave of 30 days or more and temporary trainees). It is subject to annual approval of the compliance plan by the Board of Directors; topics may include one or more of the following: code of ethics, anti-corruption, gifts, conflicts of interest, Helpline or business policy. Baltics result for 2023 –training takes place once every two years.

# ACTIVITIES IN THE BALTICS

## ENVIRONMENT & INNOVATION

Regarding the environment, our goal is to be a pioneer, proactively engaging in decarbonisation processes within our group, promoting emission reduction actions along the entire value chain and developing solutions, the positive impact of which extends beyond the boundaries of our business. The Keila plant has a roadmap related to the KPI “Percentage reduction of GHG emissions (Scope 1&2 Market Based)”. The production implements circular economy practices to reduce its environmental impact, using fewer resources to manufacture its products and keeping materials within the production cycle for as long as possible. The approach to circularity addresses three main aspects: procurement of recycled materials, minimisation of scrap materials, and recycling the waste downstream of the factories. Some examples: coil packages are made from 50% recycled plastic and there is a return-reuse system for wooden drums.

Innovation is a strategic pillar that is expressed in the development of new products conceived following the principle of design-to-sustainability. The Baltic engineering team follows design-to-sustainability practices to realise the KPIs “Share of revenues linked to Sustainable Products” and “Share of recycled content on PE jackets and Copper”. The Marketing and Sales team has launched the concept ECO CABLE, which markets low-impact cables to the Estonian, Latvian, and Lithuanian markets. The plan is to make progress in decreasing the impact of cables and increasing the portfolio and sales of low-impact products.

## PEOPLE & COMMUNITIES, GOVERNANCE

Regarding its people, our aim is to be proactive with regard to Health and Safety and increase the level of Diversity, Equity and Inclusion. Prysmian has moved from the previously used work accident frequency and severity index-related activities to a proactive approach – safety assessment audit and related plan – which the Keila plant has also adopted. In the Baltics, health and safety practices are inextricably linked with a well-being approach, which includes activities such as training, physical and mental health activities. Regarding diversity, equity and inclusion, the Baltic human resource team implements practices to maintain a gender balance in management and the office, and to achieve such in production, while supervising supportive activities (e.g., feedback training) related to the Leadership Impact Index.

Governance aims to ensure the transparency, accountability and alignment of the interests of the stakeholders and includes tax strategy, cybersecurity and compliance. The Code of Ethics and related procedures are led by the group centrally and described in the group’s Sustainability Report 2023, p. 66–85. The Baltic organisation provides support via tactical activities, as well as the completion of related KPIs – “Percentage of shareholders’ employees” and “Completion rate for compliance e-training promoting anti-corruption”.

### LAST NOTES

- The Baltic organisation has ISO 14001:2015, ISO 9001:2015, ISO 45001:2018.
- The Keila plant uses green energy.
- Prysmian conducts a yearly, country-specific employee satisfaction and customer survey.
- The Baltic organisation offers EPDs for its cables.
- Prysmian’s CableApp – launched and well-used in the Baltics – promotes the environmentally conscious choice of cables.



In 2023, Prysmian Group Baltics was awarded the GOLD LEVEL label of the Responsible Business Forum Index, the assessment of which takes into account the principles of the ESG framework.

# PROACTIVE ROLE IN TRADE ASSOCIATIONS

Our leadership in the industry is also testified by our membership in the most important trade associations. It is a strategic network to share best practices and remain up-to-date on regulatory and product news, with the opportunity to express policy opinions.

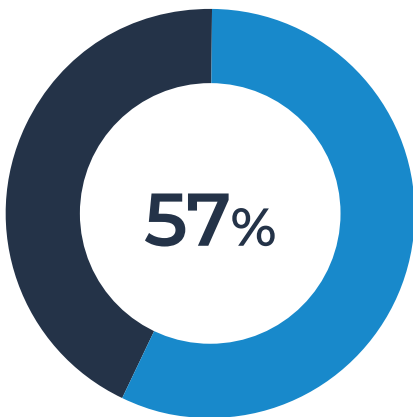
**PRYSMIAN GROUP BALTICS IS A MEMBER  
OF THE FOLLOWING ASSOCIATIONS:**



# HIGHLIGHTS

## SOCIAL RESPONSIBILITY

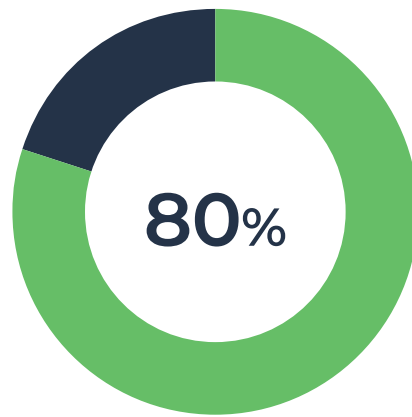
Percentage of desk workers women hired



vs 2022 56%

## ENVIRONMENTAL RESPONSIBILITY

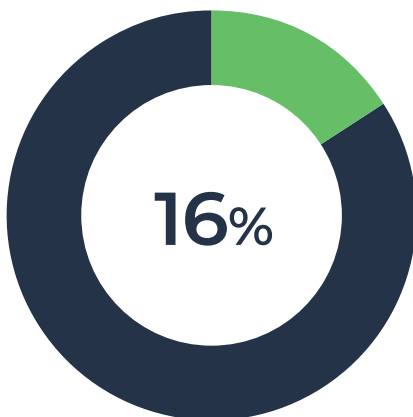
Percentage of waste recycled\*



vs 2022 71%

## INNOVATION

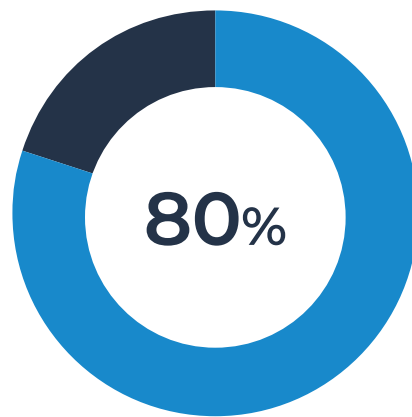
Share of recycled content on PE jackets and Copper



vs 2022 0.2%

## SUSTAINABLE VALUE CHAIN

Percentage of drums reused\*



vs 2022 64%

*\*KPIs from the previous impact scorecard. Drum-related KPI clarification: percentage of re-use of drums (tonnes) sold to third parties in the Baltics.*

Prysmian Group Baltics supports electrical education, the local community, and the voluntary work of our employees.





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