

Environmental and Social Data Sheet

Overview

Project Name:	PRYSMIAN RDI PLAN EUROPE
Project Number:	2021-0470
Country:	Italy, France, Germany
Project Description:	The project concerns research, development and innovation (RDI) activities in the field of medium, high and extra high voltage electricity cables and systems, and of telecommunication cabling systems
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The project concerns the financing of expenditures in research, development and innovation for the development of (i) energy-efficient and cost-competitive submarine and high voltage power cabling systems for use in the energy sector and of (ii) increased density optical cables for the use in the telecom sector.

Given the project's partial focus on developing high voltage and submarine power transmission cables that are essential for the off-shore wind power industry, the investment is expected to have indirect positive environmental effects as an enabler of renewable energy. Parts of the project also aim directly at reducing losses in high voltage power transmission.

In 2017, Prysmian published its corporate Sustainability Policy setting strategic priorities for the medium-long term in order to align with the United Nation's Sustainable Development Goals (SDGs). The promoter's objective was to spread the values of SDGs throughout the entire value chain of the company and to set up accordingly a Sustainability Plan that includes clear targets and 16 quantitative KPIs. The yearly-published sustainability reports include a monitoring feedback on the KPI's demonstrating that the promoter is usually in line with its plan. Following the acquisition of General Cable in 2018, the sustainability guidelines and monitoring systems were extended to the entire Group, taking 2019 as the new baseline and setting new targets for 2022.

In 2020, Prysmian significantly improved its performance in major sustainability indexes. Namely, it improved its performance in the FTSE4Good Index (Prysmian has been part of the FTSE4Good Index since 2015) as well as its score in the Dow Jones Sustainability Index World to 87/100 (2nd in its sector). It also enhanced its score in the EcoVadis² Index, reaching 76 out of 100 and thereby achieving Platinum Level recognition. Further information on the promoter's ESG performance (referring to some 10 ESG indices) can be found in the Sustainability report 2020.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

² EcoVadis is a platform providing an assessment of companies' CSR performance (Corporate Social responsibility) based on international sustainability standards, aiming at monitoring sustainability in global supply chains.

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The project has been assessed for Paris alignment and is considered aligned with both low carbon and resilience goals against the policies set out in the Climate Bank Roadmap. In 2020, Prysmian started to implement an ambitious climate strategy adopting science-based targets, in line with the requirements of the Paris Agreement (COP21), and endorsing the Business Ambition (1.5°C) target. Prysmian actually set its “net zero” target to be achieved between 2035 and 2040 - with regard to the emissions generated by its own operations (Scope 1 and 2) - and by 2050 for emissions generated by the value chain (Scope 3), aligned to a 1.5°C scenario. This ambitious strategy will be supported by the R&D activities of the project.

Other Environmental and Social Aspects

In 2020, amongst the production sites of the group (including former General Cable's sites), 83% were ISO14001 and 73% OHSAS18001/ISO45001 certified (out of 104 plants). Regarding the health and safety statistics for 2020, the Frequency and Severity rates were 1.25 (IF³) and 44.76 (IG⁴) respectively, while the Occupational disease rate⁵ amounted to 0.2.

Conclusions and Recommendations

The project concerns investments in research and development that will be carried out in existing facilities without changing their already authorised scope. The project does not fall under any of Annexes of the Environmental Impact Assessment Directive – Directive 2014/52/EU amending Directive 2011/92/EU, and therefore does not require screening or EIA Report.

The project per se does not have any impact on the environment. However, the project R&D activities focus on the development of new innovative products that will help the clients of Prysmian to perform better with respect to energy use, sustainability and environment. Specifically, the new products resulting from the project will facilitate transmission of large quantities of electricity over long distances, improve the performance of the electrical grid and network reliability, reduce cost of offshore wind farms and lessen the impact of construction work necessary in installations, thus supporting the shift towards renewable energy sources.

A portion of the project also aims at enabling the manufacturing of recyclable and eco-sustainable cables, while the R&D activities on telecom cable will improve the performance of data transmission through increased density of fibres collection in communication cables (reduction of CO2 emissions during installation).

The project is therefore acceptable for financing by the Bank in environmental and social terms.

³ IF: Injury Frequency rate = (total number of accidents with loss of work/hours worked) x 200,000

⁴ IG: Injury severity rate = (number of day losts/hours worked) x 200,000

⁵ Occupational disease rate = (cases of occupational disease / hours worked) x 1,000,000