

order to maximise cash flow generation and return on investment. The Group also aims to maintain adequate financial leverage for its strategy of organic and acquisition-led growth.

Transparency, corporate governance and market and investor confidence. The Group pays particular attention to its relations with financial markets, shareholders and investors, also because of its public company status. Its focus in this sense is on maintaining and delivering its commitments in terms of target results. Transparency and credibility are also expressed in a system of corporate governance based on strict interpretation and application of the relevant regulations and the adoption of principles and choices drawn from international best practices.

Expansion and growth. The Group's development strategy follows the dual track of growth in size and continuous improvement in profitability. The Group pursues both organic growth of the business, based on a selective investment policy and development of commercial and production synergies, and acquisition-led growth. Growth opportunities are primarily sought among higher value-added tech-driven businesses, while in terms of geographical expansion, the Group's main focus of investment is in countries and markets able to ensure high rates of growth and profitability.

More efficient and innovative industrial and commercial processes. Prysmian has over time consolidated its ability to optimise industrial processes. In 2017 the Group took an important step towards Factory 4.0 with the implementation of the "Fast Track" pilot project. Launched in the Calais optical cable plant (France), the project will make factories smarter, using cutting-edge IoT technologies and Big Data analytics and leveraging the interaction between digital knowledge and human expertise. The "Fast Track" approach will ensure full traceability of manufacturing activities and materials, while managing events that could jeopardise production processes and providing all relevant real-time information needed to identify root causes and possible solutions. This digital ecosystem will not only make production processes more efficient, but will also improve the quality of work for employees.

APPROACH TO THE MARKET

Prysmian Group has perfected a market approach over the years that puts the customer at the centre of its strategic, organisational and business choices. Its commitment to analysing customer expectations and their evolution over time allows the Group to develop organisational and operating models that translate into fast, efficient and targeted responses to the markets concerned.

At the heart of this approach is **Customer Centricity**, which expresses itself in the ability to anticipate and satisfy customer needs by being constantly present, from product design through to delivery, and providing a level of service that is monitored against specific, agreed parameters.

Prysmian Group is able to develop solutions that not only meet specific standards but also satisfy precise customer needs. In particular, the Group is able to serve very different segments and markets thanks to its ad hoc matrix organisational structure allowing it to have a local presence even for large complex global projects. This means that markets with high local specificity are served by country commercial and development teams, and that markets with global products and customers are followed by integrated business unit teams, while other segments requiring a local presence and cooperation between countries draw on the matrix structure's potential.

The strategy of customer centricity and satisfaction is implemented by having a fast, smooth organisation throughout the supply chain, capable of expediting decision-making and time to market by adapting itself to the needs of the various industries through continuous investment in innovation.

One of the ways of implementing customer centricity is through **Factory Reliability**, a process that makes it possible not only to improve the reliability of planning and the execution of manufacturing output, in terms of both mix and volumes in ever faster response times, but also to have stricter control over inventory levels for every type of stock (raw materials, intermediate and finished goods); this enables the Group to deal effectively and efficiently with upswings and downswings in sales volumes and consequent variation in manufacturing output.

APPROACH TO SUSTAINABILITY

Prysmian Group is strongly committed to making sustainable growth a reality, thanks to the very latest technologies and a responsible business model. From its products, to its sites, processes and people, Prysmian Group's attention is constantly focused on solutions that improve efficiency, protect people's health and safety, and create constructive relationships with local communities in which it operates, all while limiting its impact on the environment. Prysmian has aligned its sustainable development strategy with the Sustainable Development Goals (SDGs) established by the United Nations, setting itself measurable sustainability targets to be achieved by 2020.

For further details and information on the Group's sustainability policies and performance, please refer to the 2017 Sustainability Report, a non-financial statement.