

PRYSMIAN FOR THE ENVIRONMENT

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Commitment to environmental stewardship and to the conservation of natural resources is critical for the Group to create sustainable value, benefiting both the organisation and its stakeholders. This approach is expressed not only in the product's intrinsic characteristics, but also in the management of production systems, where the focus is on prevention and reduction of environmental impact through, for example, efficient use of natural resources, optimisation of logistics and responsible waste management.

On the basis of the environmental performance indicators viewed as relevant at Group level, Prysmian's Health Safety & Environment (HSE) function, working together with other functions and with the backing of the Board of Directors, established the Group's HSE objectives for 2013-2014. These objectives were communicated to all Country and Organisational Unit managers and, where possible, individual targets were set.

In 2014, HSE further consolidated its action at various levels of the Group's organisation (Corporate, countries or regions, business units and production units), by centralising activities and coordinating the work of local HSE functions. The Health, Safety and Environment policy, Management Procedures and corporate Technical Standards have been introduced and applied in the operating units. With the support of the Group's team of auditors, the HSE function has periodically checked the effectiveness and correct implementation of HSE rules locally.

The aspects that HSE monitors, through the use of indicators, include compliance with health and safety standards, energy consumption, waste management, the use of water resources and atmospheric emissions of greenhouse gases. These indicators are presented in the Sustainability Report. In particular, with regard to greenhouse gas emissions, the Group has started to collect energy consumption data to keep a track of "direct" emissions (arising from the production process), and "indirect" ones (arising from bought-in energy). This monitoring and reporting system has allowed Prysmian to participate, once again in 2014, in the Carbon Disclosure Project (CDP), an international initiative that aims to contribute to achievement of the Kyoto Protocol's targets for worldwide reduction in greenhouse gases.

During the year, the Prysmian Group also defined and applied the methodology for assessing the environmental impact of

certain types of products. In addition, the process continued of obtaining certification for the Group's HSE management systems. At the end of 2014, 93% and 59% of the sites were certified in accordance with ISO 14001 and OHSAS 18001 respectively.

During the year a total of 125 inspections were carried out at the various plants, of which a quarter by Prysmian auditors aimed at verifying compliance with the required standard, while the rest of the inspections were conducted by the Group's main certification body. In addition to these, there were other internal audits on specific matters and inspections by other bodies.

In addition to numerous training initiatives, Prysmian managed and carried out a series of activities, coordinated by the HSE function, including:

- completion of the environmental and safety section of the RobecoSAM corporate sustainability assessment questionnaire for admission to the Dow Jones Sustainability Index (DJSI), with a major improvement on the prior year score. The HSE function has already planned and launched several other initiatives in this regard to ensure more complete reporting and to highlight in more detail the connection between environmental improvements and the resulting economic impacts;
- active participation in various working groups and committees of industry associations (the Europacable ECOE Committee, the Orgalime "Substances Task Force", the ANIE Environment Committee, the AICE environment working group, and the IEC Maintenance Team which is developing the standard for the environmental statement specific to energy cables).

The integration process represents an opportunity for improvement, in which the HSE function will coordinate the development of additional policies and operating procedures to manage health, safety and the environment at all the Group's operating units. In this context, Prysmian Group monitors its environmental, health and workplace safety performance using qualitative and quantitative measures, some of which are published in the Sustainability Report. This document, to which reference should be made for further details, describes not only the Group's performance, but also the existing management models and lines of development for future action.