

A SUSTAINABLE APPROACH TO MANAGING THE BUSINESS

The Prysmian Group has embarked on a path towards sustainability in recent years, allowing it to create value and improve relations with all its stakeholders. Sustainability has now become one of the Group's distinguishing factors and an important competitive advantage for managing its business and future strategies.

In line with its Vision statement, focused on promoting "the efficient, effective and sustainable supply of energy and information as the principal driver for the development of communities", Prysmian's commitment over the years means that sustainability is now an ever more integrated part of the Group's activities. Responsible operation is a conscious policy choice by Prysmian, in the knowledge that this will contribute to long-term value generation.

In constantly seeking to satisfy customer needs, Prysmian holds true to its corporate Mission and develops sustainable, quality products, by investing in technological solutions able to enhance the value of its product offering.

The Group expresses its approach to sustainability on a daily basis, by engaging every business function across the board and directing its growth strategy towards key areas, like the sustainable, technological innovation of its solutions, the environmental responsibility of its production processes, the management of relations with the local communities in which Prysmian operates, as well as attention to safety at work and the development of personnel.

This approach is characterised by the importance given to the many stakeholders with whom the Group interacts globally. Accordingly, Prysmian has a day-by-day commitment to establishing relationships of trust with its stakeholders, based on the principles of transparency, openness and readiness to listen.

The year 2014 saw the launch of several projects and initiatives marking significant steps in the Group's path towards sustainability and which demonstrate the deep, ongoing commitment that has allowed it to achieve significant results.

Aware of the important role of stakeholders in strengthening Prysmian's commitment to corporate responsibility, in 2014 the Group took an important step in its relations with stakeholders, by organising its first Multi-Stakeholder Engagement event in Milan on the subject of sustainabil-

ity. The event provided an opportunity for representatives of various stakeholder categories to participate actively, through open discussions and workshops in which they were free to express and exchange ideas, opinions and perspectives on a range of topics relating to sustainability and corporate social responsibility. These forums led to a long discussion on Prysmian's approach to sustainability, serving to highlight those commitments and issues viewed by stakeholders as priorities for steering the Group towards new and broader future horizons. In addition, during the course of debate, the stakeholders suggested potential sustainability initiatives and targets that the business should adopt in the long term, in order to improve its path towards sustainability.

Prysmian also gave attention to sustainability in its relations with business partners: aware of the effects that its suppliers' activities have on the environment and society, the Group decided in 2014 to adopt a Code of Business Conduct, aimed at disseminating responsible business practices by defining principles of economic, environmental and social responsibility for application throughout the Group's value chain. This Code, which applies to all Group employees and suppliers, will be adopted from 2015.

The Group promotes the development of its employees by providing continuing education and ongoing individual enrichment opportunities within an international working environment. The Prysmian Group Academy, an international school of managerial and professional education whose mission is to consolidate and develop management expertise, carried on its activities during the course of 2014. The Group's socially responsible commitment to the territory in which it operates was also demonstrated by its decision to promote the value of innovative studies on sustainable technologies applicable to its own business, by offering a financial reward and practical training to young people who had excelled in this area. In particular, in collaboration with

Human Foundation, a foundation active in the field of social innovation, Prysmian promoted a degree thesis competition entitled "Technology for human beings", for students on three-year and master's engineering and physics degree courses at Italian universities. The competition was directed at students who had focused on the applicability of new technologies for sustainable development and who had analysed these topics from a technical standpoint and in terms of their application in developing contexts and countries. The awards, made in February 2015, involved cash prizes for the six winning theses, plus a six-month internship in Prysmian for the winners in each category.

Prysmian's steadfast commitment to sustainability is also reflected in transparent, structured communication to all its stakeholders through the annual publication of the Sustainability Report, offering its readers the chance to learn more about the policy promoted by Prysmian and its economic, environmental and social performance. Updating the work of previous years, in 2014 this Report was prepared in accordance with the new "Sustainability Reporting Guidelines G4" published by the Global Reporting Initiative (GRI)

in 2013, and reflecting Prysmian's ongoing commitment to make the reporting process ever more complete and effective, by increasing the breadth and depth of the topics covered. The GRI Reporting Framework is a universally accepted model for sustainability reporting, which includes common practices for different types of entities and contains topics of a general nature as well as industry-specific ones with the aim of communicating an organisation's sustainability performance. The Sustainability Report has also been audited by a recognised external firm to provide all stakeholders with assurance as to the reliability of the information contained therein. Reference should be made to the 2014 Sustainability Report for a complete account of how the Group manages the economic, environmental, and social impacts deemed of importance for itself and its stakeholders and its performance in these areas.

Lastly, in continuity with past practice, Prysmian will participate in the top international assessments of sustainability for 2014, namely the RobecoSAM Assessment for the Dow Jones Sustainability Index (DJSI) and the Carbon Disclosure Project questionnaire.

