Prysmian Group – Sustainability Policy

Table of Contents

Sustainability values and vision

Prysmian Group, a worldwide leader in the production and supply of cables and systems for energy and telecommunications, believes in its responsibility for developing and enhancing sustainable business practices.

In conformity with the Corporate Vision, which aims at promoting "the efficient, effective and sustainable supply of energy and information as the main driver for the development of communities", Prysmian integrates sustainability in its business model. Operating in accordance with a philosophy founded on the principles of Excellence, Integrity and Comprehension, the Group has consolidated its economic, environmental and social commitment over time, seeking to create value for all its stakeholders and contributing to sustainable development. Sustainability plays a central role in our Group's Development Strategies and Objectives.

Prysmian is a global industrial company that works in the manufacturing sector and owns several plants worldwide. Along its entire value chain and production processes, Prysmian takes care of people's health and safety and environmental protection, promoting the sustainable development of local communities. Sustainability vision is consolidated through four main areas of responsibility: business integrity, product, social and environmental responsibility.

Business integrity

Prysmian is committed to running a fair and ethical business, based on a system of values that marks the behaviour of individuals both inside and outside the organisation following our Code of Ethics and Code of Business Conduct.

Product responsibility

Prysmian is committed to developing and constantly improving innovation, technology and quality in its products. Modern, reliable, eco-sustainable and efficient electricity grids and telecommunications networks are both critical and strategic for the global economic growth.

Social responsibility

Prysmian is committed to protecting social values while operating and believes this is instrumental to pursuing the objective of generating lasting and sustainable value. People are the most important resource for creating the competencies to succeed at the highest level in our business sectors. Our view of social responsibility is multifaceted, including aspects such as human rights protection, personnel development and well-being, creation of a responsible supply chain and corporate citizenship and philanthropic initiatives for the benefit of communities. Prysmian is deeply committed to all these aspects, which are covered by specific Group policies (Human Rights, Whistleblowing, Diversity and Inclusion, Corporate Citizenship and Philanthropy).

Environmental responsibility

Prysmian is committed to safeguarding the environment and to the conservation of natural resources. Our responsibility affects both the intrinsic characteristics of our products and our production systems. In particular, the Group is engaged in the prevention and reduction of its environmental impacts through the efficient use of natural resources, the optimisation of logistic flows and the responsible management of waste and water. Group policies for Health, Safety and Environment (HSE), as well as the related Operating Procedures and Technical Standards, have been adopted and applied at the operating unit level.

Sustainability Governance

The Remuneration and Appointments Committee, an internal committee of the Group's Board of Directors, has the responsibility of supervising the sustainability topics associated with the Group's activities and the dynamics of Prysmian's interactions with all stakeholders.

As part of the sustainability governance system, a Sustainability Steering Committee, formed by Prysmian's heads of departments, supports the activities of the Board Committee. The Sustainability Steering Committee is in charge of discussing the Group's strategic guidelines and priorities for sustainability, as well as defining and implementing the action plan aimed at progressively reaching specific goals that are aligned to the guidelines and priorities.

The Corporate and Business Communications department, on the basis of international best practices, supports the Steering Committee in mapping stakeholders' expectations, organising Stakeholder Engagement events and monitoring the main sustainability indexes and assessments, providing the Committee with the appropriate elements and information useful in the definition of the sustainability strategy, plans and actions.

Moreover, the Corporate and Business Communication department coordinates all the sustainability activities at the corporate level, including data collection from foreign countries and departments and any useful information for the Prysmian Group Sustainability Report. Each department has thus the duty to focus on the sustainability practices promoted by the headquarters and integrate the norms and principles expressed in the Group's policies in order to embrace the values and vision of the Group and improve its attitude to corporate responsibility and its awareness of sustainability issues.

Sustainability Strategy

Prysmian Group is committed to operating in a responsible way through a business model that identifies sustainability as a driver of business decisions. The medium/long-term strategy adopted by the Group is, indeed, based on the shared principles established in the corporate Vision and Mission.

The sustainability path undertaken by Prysmian is characterised by a comprehensive and grounded approach. In fact, the Group draws on the identification and analysis of stakeholders' expectations and on the UN Sustainable Development Goals to define its sustainability objectives and related activities. Establishing and developing trust-based relationships, founded on the principles of transparency, openness and active listening, enables Prysmian to understand the changing expectations and requirements of those stakeholders that, directly or indirectly, influence the activities of the Group or that, in turn, are influenced by the Group's activities.

Despite a dynamic and competitive external context and an environment which is subjected to constant changes, being able to foresee any transition and identify the emerging sustainability trends will enable the Group to consistently generate shared value over the long-term.

Our strategy, which is also inspired by the UN Sustainable Development Goals, is founded on the Priorities and Guidelines below reported, which are converted into clear Sustainability goals.

Sustainability Priorities and Guidelines

Enable affordable energy and telecom innovation and infrastructure
- Develop innovative products and solutions that support the sustainable improvement of energy and telecom infrastructures
- Develop sales of high quality, reliable, affordable and "green" products and systems
- Contribute to make possible universal access to power and telecommunications by supporting affordable and reliable infrastructures
- Facilitate the access to clean energy, by providing solutions to renewable energy operators and by fostering the research on sustainable technologies

Pursuit responsible consumption of natural resources and sustainable supply chain
- Pursue efficient and sustainable use of energy and natural resources by reducing consumption and Green House Gas emissions, as well as minimizing waste generation and promoting reuse and recycling
- Promote sustainable business practices amongst suppliers and business partners

Contribute to people and communities development
- Participate and contribute to the socio-economic development of the communities where the Group operates by adopting a proper management of Corporate Citizenship and Philanthropy

- Promote ethical behaviour, protect labour rights and diversity, develop an healthy working environment, education and professional development for workers
- Develop effective, accountable and transparent communication to stakeholders.

Milan, 13 February 2017

Valerio Battista

CEO Prysmian Group