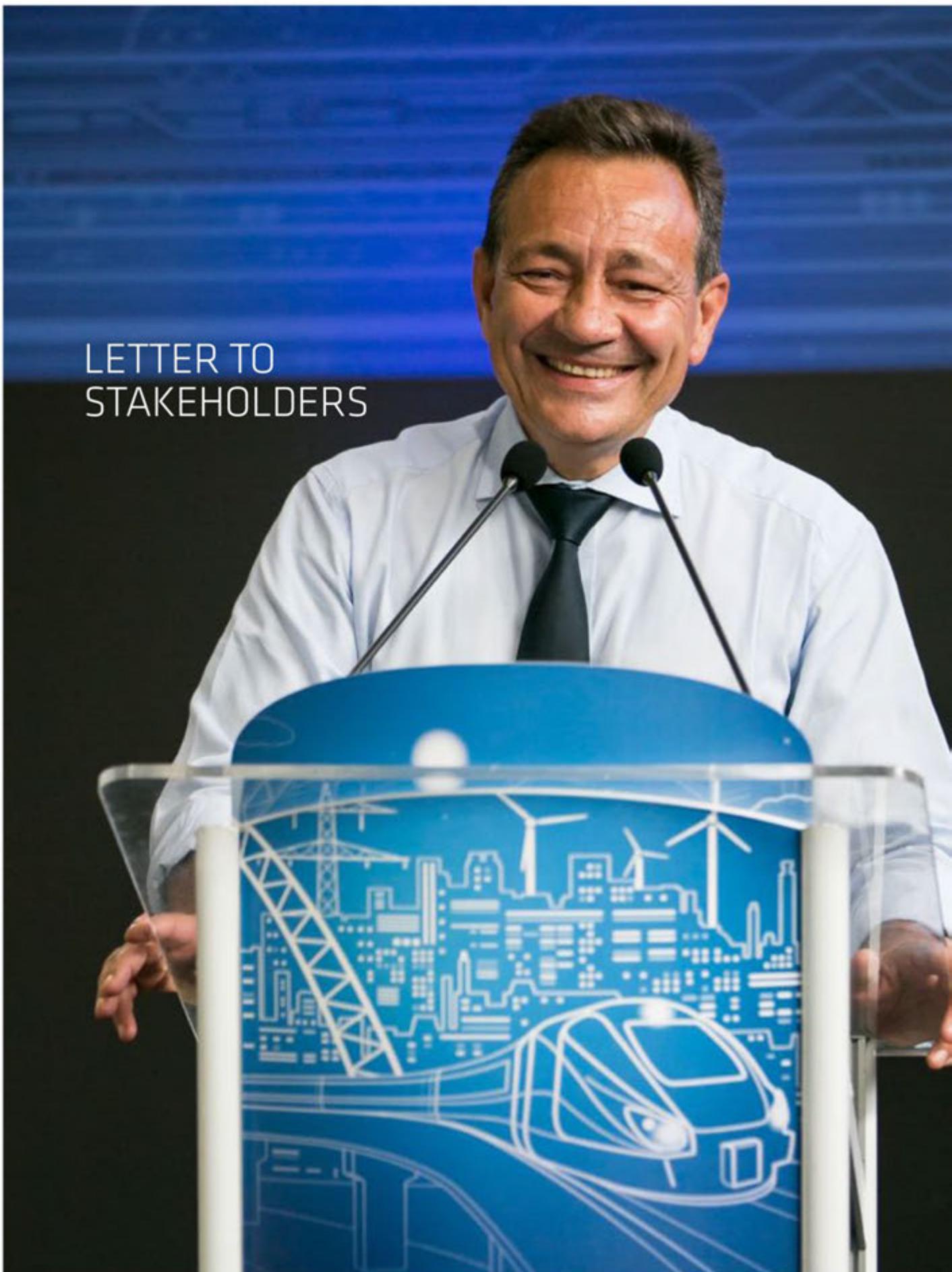


LETTER TO
STAKEHOLDERS



The Prysmian Group implemented numerous sustainability initiatives during 2015, once again achieving significant results. In particular, with a focus on the **Sustainable Development Goals** (SDGs) for 2030, renewed by the 193 Member States of the United Nations in order to promote global growth, the Group strengthened its commitment by improving the governance of sustainability, analysing more precisely the impact of its activities, adopting new KPIs, improving disclosures and implementing a new Multi-Stakeholder Engagement initiative in Spain.

These efforts were driven by the spread of a culture of sustainability throughout the organisation and a rigorous reporting that assures completeness and transparency in relation to the economic, social and environmental matters addressed by the Group. This Sustainability Report was prepared in accordance with the “**G4 Sustainability Reporting Guidelines**” issued in 2013 by the GRI – Global Reporting Initiative. These guidelines drive organisations in the disclosure of information about material matters, which are those with a significant economic, environmental and/or social impact and that significantly influence the assessments and decisions of stakeholders. With the aim of guaranteeing the reliability of the information included in this document, Deloitte was appointed to review again for this year, this information and release the Auditors' Report.

The Group was included in the **FTSE4Good** in 2015. This prestigious global index comprises firms that stand out for the ethical, transparent and sustainable management of their activities. In addition, Prysmian achieved a 10-point improvement in its Corporate Sustainability Assessment for the **Dow Jones Sustainability Index** (DJSI), which is one of the main sustainability assessments at international level.

The sustainability strategy adopted by the Group focuses on such key topics as sustainable and technological innovation in the solutions offered, the environmental responsibility of production processes, the management of relations with local communities, safety at work and the development of personnel.

In terms of **Governance**, the Board of Directors has appointed the Compensation and Nomination Committee with supervising the sustainability matters associated with the Group's activities and the dynamics of its interactions with all stakeholders.

With regard to **economic and financial responsibility**, Prysmian has re-opened the international YES (Your Employee Shares) programme, following the broad involvement achieved in the first two years. This plan enables employees to purchase shares on advantageous terms. To date, the YES plan has involved about 40% of employees, with an investment of almost 17 million euro and about 1% of capital. This successful programme seeks to increase the involvement, sense of belonging and business understanding of employees, thus strengthening the internal perception of the Prysmian Group as ‘One Company’.

Work on the **development of innovative products** has continued in all segments of the market: Energy Projects, Energy Products and Telecom. The Group extended the line of Afumex Green cables during the year, with the Afumex Green 1kV now representing the safest and most sustainable cable on the market. In particular, the production of this product no longer uses the traditional petroleum-derived polyethylene for insulation purposes, but rather bio-polyethylene (“green” polyethylene) derived from sugar cane, which is 100% renewable, certified at international level and capable of reducing CO₂ emissions.

In order to assess the environmental and social impact of activities of the Group, Prysmian has taken additional steps towards the **sustainable management of the entire supply chain**. With regard to the management of supplier relations, the Group has already adopted a Code of Business Conduct that is

intended to spread responsible business practices. In this context, screening initiatives were strengthened during the year by considering sustainability criteria in the process of selecting and qualifying new suppliers. In addition, all suppliers of wire rod, which represents about 80% in volume of all metals purchased, were requested to complete a self-assessment questionnaire. The results were consequently shared with each supplier during the usual negotiation meetings.

Given the importance of the role played by **intellectual capital** and **talent** in achieving the various profitability and value creation objectives, the Group has further supported the activities of the Prysmian Group Academy, an international professional and management education centre, with the involvement of more than 700 employees. Additionally, consistent with the strategy of acquiring talent, a new international recruiting programme, known as "Make It", has been launched to attract engineers interested in taking key, highly challenging positions at the main plants within the Group. The first year of this programme gathered about 6,000 applications.

Prysmian has also continued to **support the economic, social and cultural development of the territories in which the Group is active**, encouraging offices and factories around the world to take a proactive approach to the well-being of their local communities. In particular, consistent with the Corporate Citizenship and Philanthropy strategy designed to support access to energy and telecommunications, the Group has collaborated with the UNHCR (United Nations High Commission for Refugees) by contributing to the purchase of solar lights for the Nepalese people hit by a major earthquake that, among the very serious damage caused, also destroyed the country's electricity grid.

Lastly, the UN Climate Change Conference, COP 21, was held in Paris during the year, with the leaders of every country in the world seated around a table to discuss the future of our planet. In this context, Prysmian has maintained a strong **focus on the environmental impact of the Group**, making constant efforts to implement initiatives designed to reduce energy consumption, the quantity of waste produced and the amount of water consumed. This way of making our contribution will continue into the future, with an ever greater commitment.

Valerio Battista - Chief Executive Officer

