

Investing in people

For the Prysmian Group, intellectual capital and talent are strategic assets for the achievement of profitability and value creation objectives and, as such, must be supported by appropriate actions to develop and enhance their worth. For all activities, the Group relies on the performance of its people, be it the steady improvement of product quality, the expansion of markets, the management of customers or the acquisition of new businesses.

Consolidated processes for the management of human resources, incentives and personal motivation, combined with opportunities for international exchanges, ensure that Group employees are able to grow both personally and professionally.

The Human Capital Development strategies based on an integrated talent management system that can attract, develop, promote and retain high-potential people.

The talent management system is based on four pillars: Recruiting and Talent Acquisition, Training and Development, Performance Management and Talent and Succession Management.



RECRUITING AND TALENT ACQUISITION: GRADUATE PROGRAM

Over 45,000 applications received and 170 young people selected in 2012-2016.

The development of managers and technicians of the future starts by recruiting the most capable individuals available, with particular reference to new graduates. “Build the Future, the Graduate Program” is an international programme for the recruitment and induction of new graduates. The objective is to place young graduates with high-potential profiles in various functions and geographical areas.

The Graduate Program involves the following phases: a thorough selection process, an induction period in Milan followed by a one-year job rotation and allocation of a company mentor, an international placement for at least two years, ongoing training opportunities and involvement in inter-company projects.

Launched in 2012, this programme has already resulted in the recruitment of 170 young people from 30 different countries. In the first half of 2015, 41 new international staff were taken on from the fourth wave of the programme, while in the second half of the year 20,000 applications were received. This will lead to the

recruitment of another 40 young people in the fifth wave of the programme. All this has been made possible thanks to an intensive employer branding campaign, in partnership with professional social networks such as LinkedIn and Monster, as well as local networks, online portals, employment fairs at the best engineering and economic universities in the world and finally on Facebook, in order to maximise media exposure and gather the highest possible number of quality applications.

MAKE IT

In 2015, in line with the talent acquisition strategy, Prysmian launched a new international recruiting programme known as "Make It". It specifically targets engineers with 3-5 years' experience who are interested in taking key, highly challenging positions at the main factories within the Group.

Prysmian is looking for process, maintenance and design and quality engineers as well as expert technicians to hold key manufacturing area positions at one of our global centres of excellence.

The first edition, which was launched in October 2015, received around 6,000 direct and indirect applications. The aim is to recruit 40 engineers from other sectors. They will have the opportunity to contribute to the growth of manufacturing and will be committed to a structured programme that will offer them training, mentorship, challenging roles and professional growth pathways.

Over a professional development path of four years, "Make It" will offer the successful applicants a high-standard training programme organized by the Prysmian Group Academy thus further honing the prime vocational skills of the chosen candidates.

In 2016, the programme will include a two-week training session at the Milan offices and a further two weeks' training in the new Manufacturing Academy of Mudanya (Turkey), a centre of specialization that was launched in January 2016 at one of the main Group plants enabling us to train our staff to an exceptionally high level.

TRAINING AND DEVELOPMENT: PRYSMIAN GROUP ACADEMY

About 750 employees involved in 2015

In order to develop its people, in 2012 the Group created the Prysmian Group Academy, an international managerial and professional training school whose objective is to develop and consolidate the leadership and technical expertise of its management.

All the training provided is monitored with systems to measure both its effectiveness and the satisfaction of the participants.

Prysmian Group Academy, the Group's Corporate University, has a Professional School and a School of Management.

Professional School

The objective of the Professional School is to develop and consolidate the know-how and technical skills of individuals, ensuring that experts transmit their knowledge of the product portfolio to younger people, with a view to building an in-house network. Training during 2015 involved about 350 employees from all continents, with activities concentrated in the following functional areas:

- Manufacturing Academy: this has been made possible thanks to a strategic investment in training infrastructure at the Mudanya plant in Turkey. The school aims to develop the expertise of professionals operating at the Group's 80 sites.
- Research and development: courses delivered by senior Group experts, which seek to develop technical skills in the areas of innovation and product development with the aim of providing customers with technologically innovative solutions at ever more competitive prices;
- Manufacturing, Quality and Supply Chain: dedicated to staff in the Operations division to develop key skills in production management;
- Purchasing: designed to develop excellence in managing the procurement of materials and services, tackling in particular such key topics as negotiation;
- Sales and Marketing: designed to consolidate and develop technical-commercial skills relating to the various business segments, such as market analysis and the commercialisation of Group products;
- IT: dedicated to providing the knowledge needed for the effective use of SAP One Client;
- Interfunctional: specialised courses aimed at developing cross-sector knowledge;
- Human Resources: courses that consolidate the skills needed for managing the fundamental processes of recruiting, training and personnel development.

School of Management

The School of Management, which is run in partnership with SDA Bocconi and a network of leading international business schools, has seen 500 staff participate since 2012. Another 200 will participate in 2016 alone. The school is designed to attract talented staff with the aim of sharing a common vision of the business, diffusing the values and culture of Prysmian and exposing them to the best managerial practices.

The full product portfolio of managerial training programmes, which are structured to suit the various participants, will bring the trainees closer to an MBA. The programmes include:

- **Post Graduate Program:** a training programme for new graduates that have just joined the Prysmian Group, introducing them to the fundamentals of business, products, processes and customers.
- **International Leadership Program:** an intensive programme for talents with 5-7 years of experience, preparing them to take leadership positions within the Prysmian Group at an international level;
- **Regional Leadership Programs:** programmes designed in the ASEAN region in collaboration with Singapore Management University and the School of Management off Fudan University; in the United States, in collaboration with the Darla Moore School of Business of the University of South Carolina, and in CEE with the Steinbeis-Hochschule Berlin and the Corvinus University of Budapest. The programmes are addressed to regional middle managers who are not taking part in the global programmes. This means that the design and content of the courses can be tailored to suit the particular characteristics of the business and the local markets, reinforcing the network within the region without losing sight of the group's unitary strategy.
- **Advanced Leadership Program:** an ad-hoc programme for middle and senior managers intended to assess and develop their managerial skills and ability, in preparation for rapid career advancement within the Group. At the end of this programme, selected participants will be able to access the GEMBA, the global executive MBA course run by SDA Bocconi.
- **The Senior Leadership Program,** which will be introduced in 2016, is addressed to senior managers with the aim of creating a common corporate language to deal with managerial challenges.
- **Alumni:** events aimed at ALP, ILP and PGP participants with the aim of strengthening the network, facilitating knowledge sharing and diffusing best practices.

All the programme content has been heavily customised to meet the competitive challenges of the industry in which Prysmian operates. This has been made possible thanks to the contribution of the Faculty of SDA Bocconi in drafting "Prysmian case histories". Based on real situations, the case histories allow participants to pit themselves against the daily challenges they will find when elaborating strategies in the world of cables.

Academy more than training

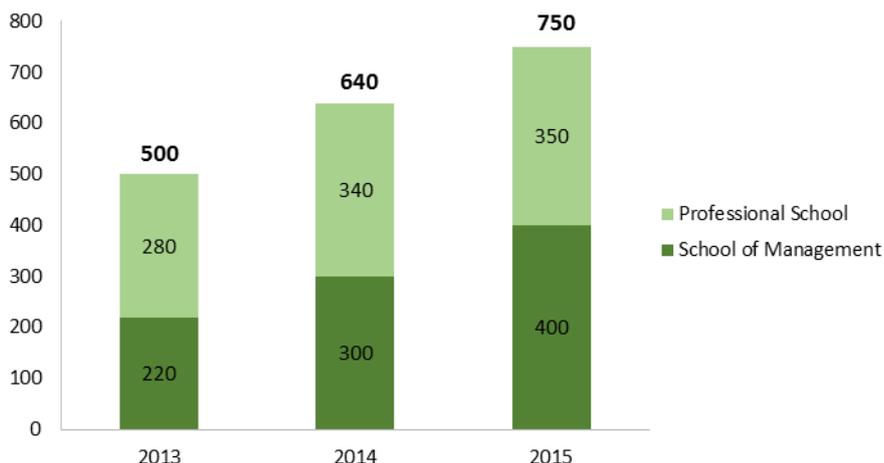
Leadership assessment and development processes have been included in all Academy classrooms. They were developed in 2014 in partnership with the consulting firm CEB. To date, about 250 executives, middle managers and technicians have benefited. This process means that the Prysmian Academy programmes can be complemented by individual action plans and growth plans, which gives the Group information about leadership potential and motivational drivers. This information can then be used in putting together succession plans.

Each programme, organised in partnership with the consulting firm CEB, has been devised to deliver training using the most innovative methodology.

The first Regional Leadership Program (RLP) of the APAC region

The first Regional Leadership Program (RLP) of the APAC region began in August 2015 with a five-day course in Singapore, during which various professors from two prestigious international business schools (SDA Bocconi and SMU – Singapore Management University) gave lectures on various topics including: Developing Strategic Projects, Business Model Innovation, Human Capital across borders in Asia and Doing Business in APAC.

PRYSMIAN GROUP ACADEMY – PARTICIPANTS



Once again in 2015 the number of participants in the Prysmian Group Academy rose substantially compared to the previous year (more than 15%). The increase in the number of staff involved also saw a rise in the number of courses, which increased from 30 to 42 between 2014 and 2015.

PERFORMANCE MANAGEMENT: P3 PRYSMIAN PEOPLE PERFORMANCE

About 5,000 staff involved in 2015.

In order to achieve our business objectives and continue to improve our results, each employee must be put in a position to make a daily contribution. This requires the allocation of clear objectives agreed with management and the provision of constant feedback about the work performed and results obtained.

The Prysmian People Performance system (P3) was introduced for the first time in 2012. After a pilot phase targeting the Group’s executives, the system was then extended to the entire managerial and clerical population in all countries, involving around 5,000 staff in 2015.

The objectives of the Prysmian People Performance system are:

- to align personal objectives with those of the Group, thereby motivating each employee to do their best and generate value for the entire organisation, creating a single business identity;
- to facilitate communications between managers and staff, so that the results achieved can be shared;
- to train those deemed most deserving, based on objective appraisals.

This process, backed by an on-line platform, implements 5 main steps:

- definition of performance: determine targets and expected behaviours
- constant feedback: consolidated and lasting relations between managers and staff

- overall assessment: appraisal of the quantitative and qualitative results achieved
- calibration: sharing and comparison of the assessments made by management at different levels (Country/Region, BU, Group)
- feedback: provision of feedback to staff

In 2015, thanks to a survey that received a large response (around 3,000 replies) and was widely praised, various improvement actions were launched in order to guarantee better meritocracy and employee engagement:

- alignment between the performance process and career programmes
- links to rewarding practices
- the possibility for staff to state their targets as agreed with their superiors, and to redefine those targets during the year in response to changes in their roles or conditions in the external environment
- elaboration of an action plan intended to improve performance

TALENT MEASUREMENT AND SUCCESSION: P4 PRYSMIAN PEOPLE PERFORMANCE POTENTIAL About 250 executives, middle managers and professionals involved in leadership assessment programmes

In 2015, following various talent assessment and measurement projects and also in accordance with the provisions of the Code of Conduct of the Italian Stock Exchange on successions, the Group decided to streamline its talent assessment procedure by introducing a single process for talent assessment and for the drafting of succession plans. This initiative involves everyone who participates in the P3 process and the aim is to create talent pools and succession tables for all key positions, not only on the Group's front line but also for each country and site. The new P4 (Prysmian People Performance Potential system) process has the fundamental aim of assessing talent and of predicting future performance in roles of greater responsibility. The first step is to work towards defining talent for Prysmian by means of structured interviews with 35 key managers. The process, which is expected to be launched in April 2016, will involve around 1,000 staff and will be in three phases:

- individual assessment of potential by managers
- consolidation of the Group Talent Pools
- preparation of the succession plans

COMMITMENTS FOR THE FUTURE

Strategic Recruitment

“Build the Future, the Graduate Program” and “Make-it, Manufacturing career at Prysmian Group”: 80 new staff are ready to join the Group in 2016, which confirms the great success of the two strategic recruitment programmes aimed at building the future of our business.

Training and development

For 2016, Prysmian Group Academy plans to run about 50 Technical/Managerial courses with the aim of diffusing technical and specialist knowledge and of strengthening the managers' ability to guide the business and manage their staff along with the many change processes currently underway on the industrial, strategic, organisational and commercial front. Investment in the regional academies is also continuing, with Prysmian being committed to offering bespoke training for managers and professionals in the various countries with the aim of integrating the experience and excellence built up by the Group over the years with local requirements, thus creating an effective network which is necessary for knowledge sharing within Prysmian, both internally and externally to the region. Decentralising while preserving the Academy's approach by adopting best practices is now a must for Prysmian, in order to meet local requirements and gain a better understanding of each country.

These programmes were launched in Central & Eastern Europe (CEE) and South America in 2016.

Performance and Career

In line with the strategic development of the business and the opinions of staff gathered in the P3 pulse survey, several major development and improvement actions will be rolled out during the year:

- alignment between the performance process and career programmes;
- links to rewarding practices;
- staff involvement in proposing targets, after agreeing them with their superiors;
- elaboration of an action plan intended to improve performance

INTERNATIONAL MOBILITY

As of 31 December 2015, the Prysmian Group's expat population counts about 215 employees with 27 different nationalities (slightly over 38% are Italians) allocated to 29 different destination countries. 66% are at a non-executive level and 14% are women. There were 68 new relocations in 2015.

These statistics evidence the importance of the international mobility programme within the Prysmian Group. International mobility is an integral part of the Group's policies for the growth and development of talent. On the one hand, it spreads the culture and values of Prysmian to all countries and Group affiliates, which is a need that became central following the acquisition of the Draka Group in 2011. On the other hand, international mobility helps to meet local organisational requirements, via the transfer of managerial and technical know-how from one country to another.

During 2015 the Group reviewed the mobilisation policy and processes, which became operational on 1 January 2016. The purpose of this review was to align Prysmian's policy with the most advanced market practices to facilitate expatriates even outside of the head office, to standardise their treatment and to segment the various types of assignment.

International experience is also central to the professional and managerial growth of the young talents participating in the Graduate programme.

During 2015, 39 new graduates from 18 different countries of origin commenced an international experience due to last two years in 16 destination countries.

Despite this great attention to internationalism and the cross-country development of resources, the Prysmian Group also dedicates much energy to appreciation of the cultural diversity that exists within each country where the Group is present. About 54% of the Group's senior executives work in their country of origin.

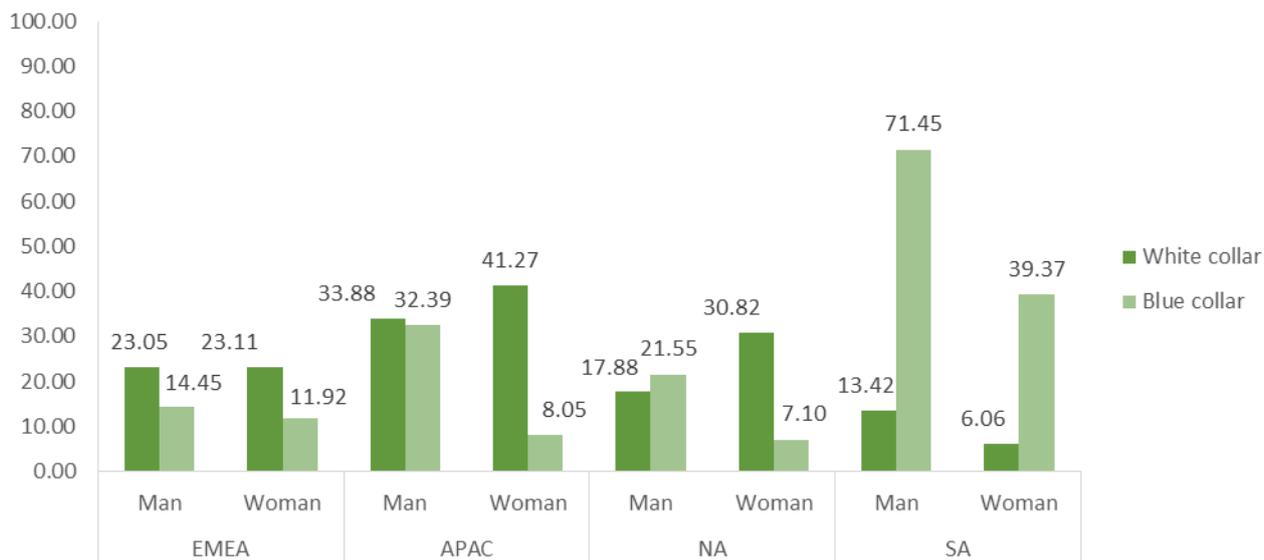
International mobility during 2016 will focus on guaranteeing the success of the international assignment, as measured in terms of its effectiveness in transferring know-how and developing the local team. Efforts will also be made to improve the career planning for expatriates on completion of their international assignment. The success of the international mobility policy very much depends on expatriates sharing Prysmian's identity, culture and values with local teams, thus strengthening cohesion, while also drawing on the diversity of talent available across borders in order to obtain superior results for the organisation.

EXPERIENCE COUNTS

As in all companies where technology is one of the main resources, critical know-how within the Prysmian Group is often concentrated in the hands of a few. Facilitating exchanges of knowledge and best practices is therefore a key aspect and expert workers are a fundamental component of this process: keeping senior workers fully on-board is necessary for the creation and spread of the Prysmian Group's management culture.

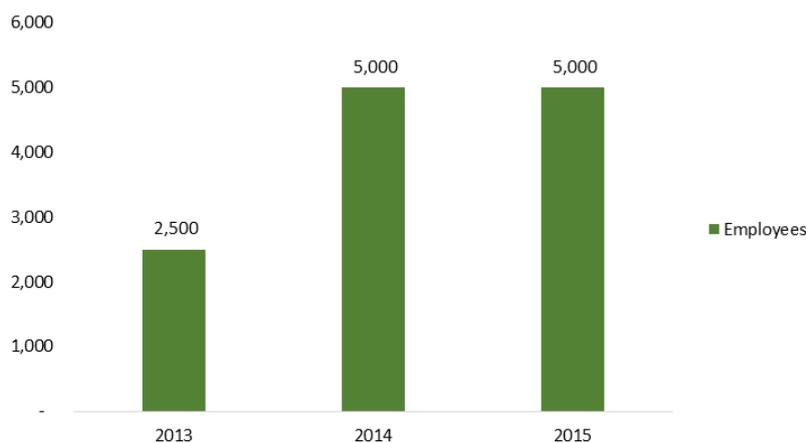
PER CAPITA TRAINING HOURS¹⁸ BY EMPLOYEE CATEGORY AND GENDER

The chart¹⁹ shows the per capita training hours delivered at some of the Group's main locations during 2015. The training offer includes courses on issues such as health and safety, anti-corruption and human rights.



COMPANY POPULATION INVOLVED IN THE P3 PRYSMIAN PEOPLE PERFORMANCE PROGRAMME

The graph shows that the company population involved in the P3 programme has increased significantly between 2013 and 2014, peaking at 5,000 participants in 2014. This number was maintained in 2015 and corresponded to almost all of the white-collar population.



¹⁸ Headcount data at year-end, including solely the employees of companies that are Group subsidiaries or subject to management and control. This data represents 100% of total employment by the Prysmian Group.

¹⁹ The following countries are included: EMEA (Turkey, the UK, Sweden, Denmark, Romania, Spain, Estonia, Russia, Finland, Italy, Norway, Slovakia, Hungary, Germany), APAC (Thailand, the Philippines, Malaysia and Indonesia), NA (US, Canada, Mexico), SA (Brazil).