

PRYSMIAN FOR THE ENVIRONMENT

At the end of 2016, 91% and 73% of the sites were certified in accordance with ISO 14001 and OHSAS 18001 respectively.

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.

At the start of 2016 Prysmian's Health Safety & Environment (HSE) department, working together with other department and with the backing of the Board of Directors, set the Group's HSE objectives for 2016-2018 based on the environmental performance indicators treated as relevant at Group level. These objectives were communicated to all Country and Business Unit managers and, where possible, individual targets were set.

During the year, HSE continued to coordinate activities at various levels of the Group's organisation (Corporate, countries or regions, business units and production units), including:

- the extension of OHSAS 18001 certification for the Safety Management System to five more sites and of ISO 14001 certification to one site;
- the transition of plants previously certified by other organisations to the official certifying body: during 2016, 4 plants passed to the official body for ISO 14001 (relating to the Environmental Management System) and 2 plants to that for OHSAS 18001. This will help improve coordination of Management Systems thanks to the periodic audit of the Group's HSE procedures by the independent certifying body and to HSE involvement in deciding and agreeing corrective actions applicable to the Group's various production facilities;
- the enhancement of ISO 14001 and OHSAS 18001 certifications at Prysmian PowerLink (the organisation responsible for high voltage submarine and underground cable installation activities), by extending their field of application to design and production supervision activities, with the ISO 14001 and OHSAS 18001 audits integrated into a single programme;
- extending the number of plants which, like PPL above, opt for an integrated system of auditing (two more plants in 2016 in addition to those already organised in this way);
- the audit of the effectiveness and correct application of the HSE rules locally, according to a random audit programme organised by HSE and conducted by the Group's team of qualified auditors;
- the evaluation of the results of energy audits conducted in 2015 at a number of European production sites, resulting in the identification of a series of energy efficiency initiatives to reduce consumption and greenhouse gas emissions, both locally and at Group level through HSE centrally coordinated projects;

- the launch of pilot projects, at Group production units, aimed at analysing the issue of energy consumption more specifically and in greater detail, with reference to the production, machinery and maintenance needs of each site, to the type of supply and any existing constraints, to climate data, etc., in order to assess whether any machinery solutions or operational situations exist that can help reduce energy consumption and pollutant emissions compared with present;
- the drafting of Guidelines, to be adopted at Group level for consistent and coordinated implementation of efficiency projects managed by HSE, in particular the "Relamping with LED" and "Smart metering" projects;
- the launch of the "Relamping with LED" project to replace current lighting systems with LED lamps, starting with the 16 production units selected as priorities;
- the organisation of the next "world" departmental meeting, scheduled for early 2017 for HSE managers from each Region or Business Unit, with the intent of reviewing the state of existing initiatives, of presenting the initiatives planned by HSE for the next 3 years, including an explanation of how these will be implemented including with the involvement of local HSE teams, and of assigning responsibilities and specific HSE objectives, also in light of Prysmian Group's new commitments where Sustainability is concerned.

Once again during 2016, significant variables and indicators were tracked to assess the effectiveness of environmental performance in areas such as compliance with health and safety standards at work, energy consumption, waste management, atmospheric emissions of greenhouse gases and the use of water resources. As regards the latter, a method was developed in 2016 for concise evaluation of how efficiently process water is reused in the various production units. These indicators are presented in the Sustainability Report, which also reports greenhouse gas emissions, dividing them into "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 2016, in the Carbon Disclosure Project (CDP), to consolidate and improve the efforts involved in greenhouse gas emissions accounting and reporting and to define improvement objectives at Group level. The possibility of including assessment of product environmental impact - specifically focused on carbon footprint - at the design stage has been discussed and the most suitable courses of action to achieve this objective are being identified.

During the year a total of some 160 inspections were carried out at the various production units, including certification audits and audits for maintenance of existing certifications, of which 25% by qualified Prysmian personnel and the remainder by auditors from independent certifying bodies.

During the year a total of some 160 inspections were carried out at the various production units for certification purposes (individual inspections at production units with integrated auditing systems have been counted twice, once as an environmental audit and once as a safety audit). Of these 160, about 12% were carried out by qualified Prysmian auditors, and the remainder by auditors from independent certifying bodies.

This total also includes internal audits by qualified staff from Corporate HQ in connection with certified management systems.

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

- completion of the environmental and safety section of the RobecoSAM corporate sustainability assessment questionnaire for the rating process of the Dow Jones Sustainability Index (DJSI), with a major improvement on the prior year score, partly thanks to more complete reporting - for certain initiatives – about the link between environmental improvements and the resulting economic impacts;
- active participation in various industry association working groups and committees (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).