

Ethics and integrity

The sustainability strategy adopted by the Prysmian Group is founded on a system of values that mark the behaviour of individuals both within and outside the organisation. The Code of Ethics establishes the principles for all to follow, consistent with the vision and mission of the Group. Acting as a veritable guide to daily behaviour, the Code of Ethics plays a strategic role for the Group as a tool for preventing irresponsible or illegal conduct by those who work in the name and on behalf of Prysmian. The values and principles expressed in the vision, mission and values of the Group are integral to this document. The Code of Ethics lives and evolves with the development of the business in the competitive world. It is always open to receive and accept requests for legality and propriety expressed by any group of Prysmian stakeholders.

The Code of Ethics complies with international best practices and adopts the principles embodied in the UN Universal Declaration of Human Rights and the Fundamental Conventions of the International Labour Organization (ILO).

With a view to managing the issues of corruption and unfair competition, Prysmian has adopted an Anti-Bribery Policy and an Antitrust Code of Conduct, as part of the Group's Compliance Policies. These policies are published on the Group's website and on the corporate intranet, while updates are communicated to all Group employees. In addition, during 2016, Prysmian updated and implemented throughout the Group a Whistle-blowing procedure that complies with the main best practices on ethical and compliance matters.

In order to support and sustain one of Prysmian's key values, namely Integrity, during 2016 the Group established a compliance structure that, among other activities, monitors observance of the Code of Ethics and the Compliance Policies. This organisation comprises the following roles:

- Chief Compliance and Internal Audit Officer: reports to the Control and Risks Committee and to the Chief Executive Officer of the Group. Responsible for managing all compliance policies and procedures, including the Code of Ethics.
- Local Compliance Officers: present at each Group company, with responsibility for implementing and the constantly applying all compliance policies.

The Code and the above policies reflect a common and shared approach to business, honest, ethical and compliant with all current laws and regulations, which must be respected by all Group employees wherever they work and live around the world. It is fundamental, in fact, for all employees to take responsibility for their daily work and accept personally, with conviction, the spirit of the Code.

As part of the Group's commitment to ethical and legal behaviour, the Code of Ethics invites Interested Parties to report any real or apparent violations of the law, the Code or ethical standards, so that they can be examined and dealt with appropriately. In order to achieve this and create conditions that assure confidentiality, security and ease of reporting, Prysmian has adopted a procedure for collecting and managing reports on alleged violations of the Code of Ethics (so-called "*Whistle-blowing procedure*"). This procedure offers everyone (whether employees or not) the opportunity to submit reports to the Group, even on-line and in anonymous form, about improper conduct and alleged illegal activities within the organisation. This process implements two channels for the collection of reports, comprising dedicated telephone lines and a web portal, that are both managed by independent operators and available in the 26 languages used by the Group.

The Whistle-blowing mechanism: integrity above all

The system of values adopted by the Prysmian Group guides the conduct of individuals both within and outside the firm. This system is documented in the Code of Ethics, which establishes the principles to be followed by all and represents an effective tool for preventing irresponsible or illegal conduct by persons who work for and in the name of Prysmian. Prysmian has decided to take another step forward by launching the Whistle-blowing mechanism at Group level. This tool, which enables stakeholders to report any improper practices, is intended to disseminate further the principles and practice of ethical conduct. The mechanism is consistent with the best practices relating to ethics and compliance, given that Whistle-blowing procedures based on anonymous reporting have been shown to be the most effective way to identify fraud and improprieties. An independent third party (The Network, Inc.) manages the Whistle-blowing channels and ensures their security, with a strict mandate to protect the identity of whistle-blowers and to act as intermediary for the transmission of questions and follow-up replies, as well as to communicate information about the outcome of each case. The Group has also established a specific Whistle-blowing Committee, which will assess all reports carefully, carry out investigations and, if appropriate, take the necessary action.

Code of Ethics

"The Code of Ethics represents the Group's "Constitution", being the charter of rights and moral duties that defines the ethical-social responsibilities of each participant in the organisation".

The structure of the Prysmian Group's Code of Ethics is founded on three pillars:

- Ethics in business activities: the profit motive does not justify improper behaviour. Profit must be achieved by respect for the rules and competitors, and by fair and transparent actions that anticipate and meet market needs, thus generating value for distribution to all stakeholders.
- Ethics in internal relations: the Group is aware of the importance of our ties with employees, which are strengthened by respecting their rights, expectations and needs, and by facilitating improvement in their living conditions and professional growth. The individual is central to all activities, as the engine for future development.
- Ethics in environmental and social matters: given our strong belief in the principle of sustainable development, the Prysmian Group operates worldwide with respect for the environment and local communities; at the same time, we encourage the responsible use of resources and promote local projects designed to enhance well-being in the areas concerned.

All companies within the Prysmian Group agree to comply strictly with the Code of Ethics, applicable regulations and the rules and procedures adopted from time to time by the Group. In order to ensure the widest possible distribution of its contents, the Code of Ethics – available in the 26 languages used by the Group – is also published on the Company's website, www.prysmiangroup.com.

Anti-corruption policy

With a view to managing corruption-related matters, Prysmian has adopted an Anti-Bribery Policy that prohibits the corruption of public officials and private individuals, requiring Prysmian employees to comply

with the policy and, if more restrictive, to observe and respect all the anti-corruption legislation in force in the countries in which they work or are active.

No employee may make, promise to make, offer or approve the payment of anything of value, whether directly or indirectly, for the benefit of public officials.

In particular, the term "public officials" means the employees of a public agency or company controlled by the government, including commercial entities, or international public organisations, political parties or party officials or candidates for public office.

Specific actions to prevent corrupt practices within the Group include:

- Mandatory due diligence to be performed during the agent selection process (before signing the contract) and updated every 3 years, in accordance with Group policy.
- Supply of periodic information from each area to the Supervisory Body, pursuant to Decree 231/2001. These areas comprise:
 - New Prysmian agents
 - Results of due diligence
 - Commission payments above a certain threshold
- E-learning (training and testing) activities for compliance with the anti-bribery rules applicable to all Group personnel.
- Implementation of ACL tools, with the definition of a number of key indicators for the "General/Ledger" and "Accounts Payable" processes. The system can also be used to monitor the high transaction risks associated with agents.
- Implementation of a central database of all agents, in order to guarantee the collection and filing of agency contracts, so that specific checks can be carried out on the related payment transactions.

Partly in view of the increased complexity of the regulatory framework, during 2016 the Prysmian Group decided to strengthen further the supervision and central guidance of compliance matters, by launching an *Anti-Bribery Compliance Program* based on the guidelines promulgated by ISO 37001 "*Anti-bribery management systems*" dated 15 October 2016.