

INVESTING IN PEOPLE

For the Prysmian Group, intellectual capital and talent are strategic assets for the achievement of our 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.

Prysmian launched a system of talent management back in 2011 since, consistent with the Group's business strategies, there was clearly an important and urgent need to implement processes and initiatives designed to attract, develop, promote and retain talented personnel.

During 2014, the Group consolidated its personnel training and development programme, which is founded on the following four initiatives:

- Talent Acquisition: **Graduate Program**
- Training and Development: **Prysmian Group Academy**
- Performance Management: **P3 Prysmian people performance**
- Talent and Succession: **P4 Prysmian People Performance potential**

TALENT ACQUISITION: GRADUATE PROGRAM



Over **16,000** applications received and about **50** young people selected in 2014-2015.

The development of future managers commences with the selection of 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.

Starting from 2012, this programme has already resulted in the recruitment of about 130 young people from all over the world.

For 2014/2015, more than 16,000 applications were received and 50 young people were selected from all continents.



This outcome followed an intensive campaign of employer branding in partnership with professional social networks, such as LinkedIn and Monster, in addition to local networks (e.g. GraduateLand, ChinaJob), on-line portals, job fairs at the world's leading engineering and economics universities, and Facebook. The objective of these efforts was to maximise media exposure and gather the largest possible number of candidates.

The Graduate Program comprises the following phases:

- Careful selection process
- Permanent contract with competitive salary
- Induction period in Milan, followed by job rotations for one year and support from an in-house mentor
- International assignment for two years

TRAINING AND DEVELOPMENT: PRYSMIAN GROUP ACADEMY



About **600** employees involved in 2014, with a further **600** expected in 2015.

In collaboration with SDA Bocconi, Prysmian Group has created the Prysmian Group Academy - an international school for managerial and professional training - with a view to developing and consolidating the technical and professional abilities of our managers.

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 persons, with a view to building an in-house network.

Training during 2014 involved about 230 employees from all continents, with activities concentrated in the following functional areas:

- **Research and development:** a technical training programme, delivered by senior Group experts, that seeks to develop technical skills in the areas of innovation and product development, with a view to providing customers with technologically innovative solutions at ever more competitive prices;
- **Operations and production management:** dedicated to operational personnel who aspire to managerial roles, with a focus on building skills in the areas of production and logistics. This programme prepares for an additional course that grants Green Belt certification;
- **Purchasing:** designed to develop excellence in managing the procurement of materials and services, tackling in particular such key topics as negotiation;

- **IT:** dedicated to providing the knowledge needed for the effective use of SAP One Client;
- **Business Control:** specialised courses that develop skills in the areas of Business Control, Finance and Sales;
- **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;
- **Human Resources:** consolidates the skills needed for managing the fundamental processes of recruiting, training and personnel development.

School of Management

The objective of the School of Management, created in partnership with SDA Bocconi, is to strengthen the leadership and managerial capabilities of individuals.

Training during 2014 involved about 370 employees from all continents: 90 new graduates; 130 middle managers and professionals (young talents); 150 executives (key people).

The structure of the management training programmes, which can count towards earning an MBA, depends on the type of recipient:

- **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. This programme is supplemented by a period working abroad lasting at least 2 years;
- **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;
- **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. Completion of this programme grants access to the GEMBA, Bocconi's Global Executive MBA.



As an international school of management and professional training and education, Prysmian Group Academy also coordinates the local training activities defined and delivered at country level, depending on specific local business needs.

PERFORMANCE MANAGEMENT: P3 PRYSMIAN PEOPLE PERFORMANCE



About **5,000** staff involved in 2013-2014.

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. For this reason, Prysmian People Performance (P3 SYSTEM) was created in 2012 as the Group's new performance appraisal system.

P3 is a tool for the motivation and engagement of employees, obtained via the appraisal and improvement of individual performance. Following the pilot project carried out in 2012, the programme was extended to all Group countries and businesses during 2013-2014, involving a total of about 5,000 staff (everyone).

The objective of this tool 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;

- facilitate communications between managers and staff, so that the results achieved can be shared;
- 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;
- feedback: provision of feedback to staff.

TALENT MEASUREMENT AND SUCCESSION: P4 PRYSMIAN PEOPLE PERFORMANCE POTENTIAL



About **250** executives, middle managers and professionals involved in leadership assessment programmes

The process of assessment and leadership development was refined in the Academy classrooms during 2014.

Each programme, organised in partnership with CEB, a consultancy, has been devised to deliver training using the most innovative methodology. To date, about 250 executives, middle managers and technicians have benefited. The objective of the programmes is to plan job succession within the Group, via an exchange of information and knowledge about the potential and ability (readiness) of individuals to cover different positions.

Leadership assessment is carried out in order to:

- Strengthen the leadership skills of Group employees and ensure the reliability of the succession plan;
- Supplement the programmes of the Prysmian Academy with action plans and individual development plans.

In order to objectively evaluate the potential of individuals, the Group focuses on two main areas:

- leadership potential: a mix of ability and personality traits that indicates the potential for each person to grow in terms of taking additional responsibility;
- motivational drivers: motivation is one of the most important traits for the organisation. It is key to identify and recognise the origin and variety of a person's motivational drivers, in order to understand properly their potential and build a solid leadership culture.



A group of young graduates at the Build Future Meeting recently held in Milan.

- «Build the Future, the Graduate Program»: 42 new graduates are ready to join the Group in 2015, confirming the great success of the Prysmian Graduate Program in terms of employer branding. An important contribution to this success was made by a new internal initiative: the Group's first Referral Campaign. The idea was to involve the employees of the Prysmian Group in the recruitment of young candidates for the 2015 edition of the Graduate Program. The intention of the initiative is to build the future of the Group by drawing on potential synergies between the various generations of workers.
- Prysmian Group Academy: with a view to continuing to create tangible benefits for the Group, the 2015 programme has already scheduled 18 courses for the Professional School and 16 sessions for the School of Management. The objective is to spread technical and specialist knowledge more widely and strengthen the ability of managers to guide activities and manage personnel, as well as the numerous processes of change under way on the industrial, strategic, organisational and commercial fronts.
- Regional Academy: during 2015, Prysmian will continue to offer customised training courses for managers and professionals in the various countries, with a view to combining local needs with the experience and excellence accumulated by the Group over the years, thus creating the effective network required in order to share Prysmian know-how both within and outside each region. Decentralisation while maintaining the Academy approach, applying and spreading best practices, is essential for Prysmian in order to satisfy local needs and become ever closer to the personnel in each country.
- P3 Prysmian People Performance: from 2015, the performance appraisal process will no longer include a Mid-Year Review and will allow objectives to be revised at any time during the year. In addition, the new process will provide managers with a form to record their comments and notes, which may be useful when providing feedback in future years.

INTERNATIONAL MOBILITY



About **173** employees of **35** different nationalities expatriated by the Group, of which **62%** at non-executive level and **8%** women. **82** new departures during 2014.

International mobility is an integral part of the Group's policies for the growth and development of talent. This 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.

In addition, international mobility helps to meet local organisational requirements, via the transfer of managerial and technical know-how from one country to another.

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

During 2014, about 50 new graduates from 24 countries of origin commenced an international experience due to last two years in 19 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 45% of the Group's senior executives work in their country of origin.

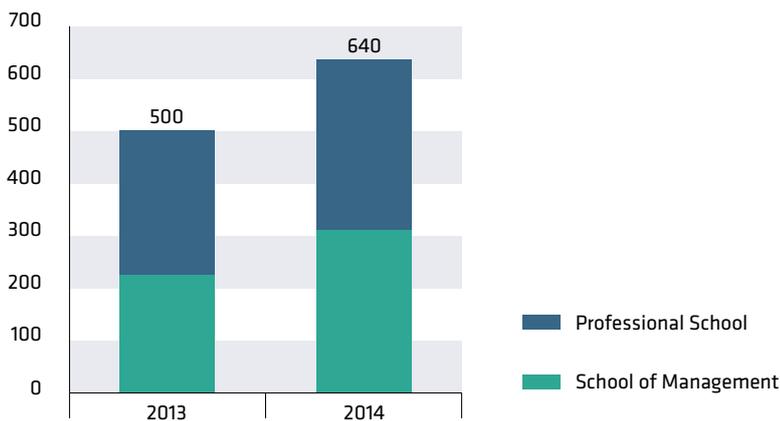
International mobility during 2015 will focus on guaranteeing the success of the international assignment, as measured in terms of its effectiveness in transferring know-how and developing the local team. Efforts will also be made to improve the career planning for expatriates on completion of their 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.

PRYSMIAN GROUP ACADEMY - PARTICIPANTS

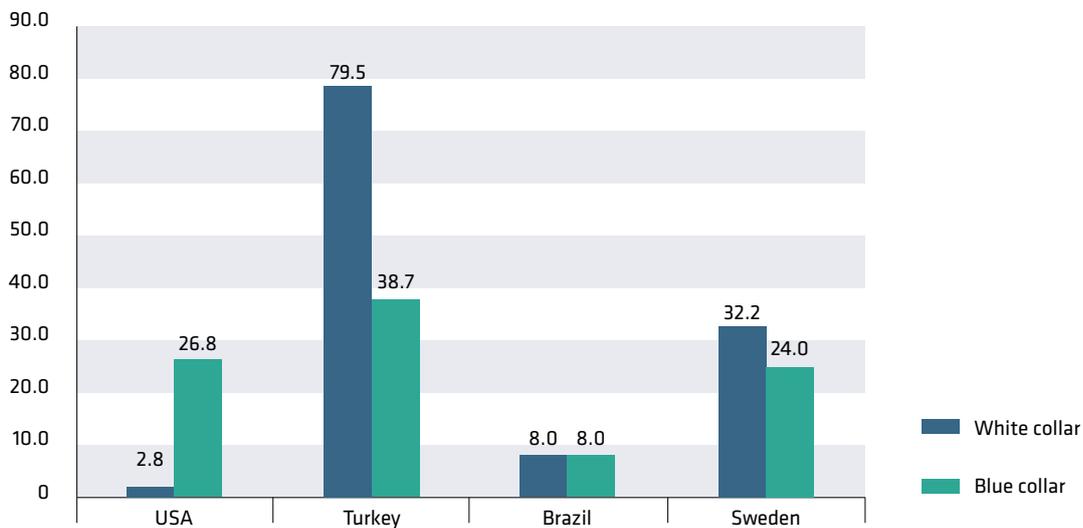


PRYSMIAN GROUP ACADEMY - TRAINING ACTIVITY



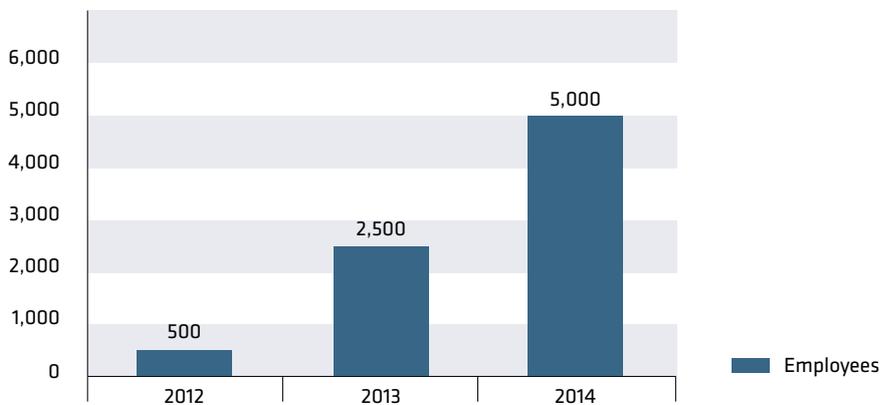
PER CAPITA* HOURS OF TRAINING DELIVERED, BROKEN DOWN BY PROFESSIONAL CATEGORY

The chart shows the per capita training hours delivered at some of the Group's main locations during 2014.



COMPANY POPULATION INVOLVED IN THE P3 PRYSMIAN PEOPLE PERFORMANCE PROGRAMME

The chart shows that the company population involved in the P3 programme has increased significantly over the year, peaking at 5,000 employees during 2014.



* 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.