Consolidated disclosure of non-financial information of the Group pursuant to Legislative Decree 254/2016

2018 Sustainability Report

The present document was approved by the Board of Directors on 5 March 2019 and subsequently withdrawn on 10 April 2019.
For the new version, please refer to the document approved on 17 April 2019.

Prysmian Group

Consolidated disclosure of non-financial information of the Group pursuant to Legislative Decree 254/2016

2018 Sustainability Report

Prysmian Group

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METHODOLOGY

This document represents the Consolidated Disclosure of Non-Financial Information (hereinafter also the "NFD", "Statement" or "Sustainability Report") prepared pursuant to Articles 3 and 4 of Legislative Decree no. 254/16 (hereinafter also the "Decree") and subsequent amendments, by Prysmian S.p.A. and companies consolidated line-by-line (hereinafter also "Prysmian" or the "Prysmian Group" or the "Group") and its objective is to ensure the understanding of the business model, the activities, the main risks and performance indicators of the Group with regard to environmental, social, employee matters, respect for human rights and anti-corruption and bribery matters that are relevant taking into account the activities and characteristics of the company during the 2018 financial year (from 1 January to 31 December).

The NFD covers - to the extent necessary to ensure the understanding of the business activity, its performance, its results and the impact produced by it - environmental, social, employee matters, respect for human rights and anti-corruption and bribery matters that are relevant taking into account the Group's activities and characteristics, as illustrated in the materiality matrix contained in this document in the chapter "Stakeholder engagement and materiality analysis".

On 6 June 2018, the Prysmian Group, with registered offices in Milan at Via Chiese 6, completed its acquisition of General Cable. Therefore, the data and the information relate to all the companies belonging to the Prysmian Group as at 31 December 2018, consolidated on a line-by-line basis, including the legacy General Cable legal entities consolidated from June 2018. The perimeter of the data will be clearly indicated in the text and tables and in the section "Notes on the data and information".

Taking into account the acquisition of General Cable in the financial year 2018, for the purposes of compliance with the requirements of Legislative Decree 254/16, this Statement reports separately, where present, the quantitative data of the perimeter of the Prysmian Group before the acquisition of General Cable throughout the reporting period in question (1/01/2018 – 31/12/2018) and the data relevant to the former General Cable Group perimeter as from the date of acquisition (June 2018 - December 2018). This approach is valid for all types of data with the exception of employee numbers data, which instead provides a complete picture of the Prysmian Group as at 31/12/2018. The reason for the separate reporting of the data was to ensure comparability with the previous years (2017 - 2016, contained in the 2017 NFD) with reference to the pre-acquisition perimeter and at the same time provide a vision of company performance with respect to the newly acquired perimeter. In addition, information relating to projects launched in the previous reporting periods that were still applicable as of 31 December 2018 is also included in the document.

All initiatives launched before June 2018 refer always to the Prysmian Group before the acquisition of General Cable.

Regarding the months of 2018 following the acquisition, the following terms will be used:

- Prysmian Group (or "Group" or "Prysmian") – with reference to the entire post-acquisition Prysmian Group perimeter, as at 31/12/2018;
- Prysmian Group w/o General Cable – with reference to the Prysmian Group perimeter before the acquisition of General Cable (thus excluding the General Cable legal entities);
- former General Cable - with reference only to the General Cable perimeter from June to December 2018.

This NFD has been prepared in accordance with the "GRI Sustainability Reporting Standards" published in 2016 by the "GRI - Global Reporting Initiative," adopting the "in accordance - Core" option. The document was prepared taking into account the sustainability issues considered significant for the Group and for the Group's stakeholders, submitted as part of the materiality matrix (see paragraph "Stakeholder engagement and materiality analysis"). As required by the reporting Standard, the "GRI Content Index" is reported at the end of this document, containing details of the accounted indicators.

The process of collecting the data and information necessary for the drafting of the NFD involved various functions of the Group companies and was set up to ensure reporting in line with the GRI principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The Consolidated Disclosure of Non-Financial Information is currently set to be published annually. The latest NFD Group was in fact made available in March 2018, via publication in the "Media Library" section of the Group's website.

The Board of Directors of Prysmian SpA approved this document on 05 March 2019.

This document has been subjected to a limited assurance, according to the principle of the International Standard on Assurance Engagement (ISAE 3000 Revised), undertaken by EY S.p.A. The audit was performed according to the procedures indicated in the "Independent Auditors' Report", included in this document.

Please direct comments, requests, opinions and ideas for improving the activities of Prysmian and the information contained in the Sustainability Report to:

CORPORATE AND BUSINESS COMMUNICATIONS
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sustainability@prysmiangroup.com

NOTES ON THE DATA AND INFORMATION

With reference to currently adopted policies, the Group's strategies and the associated procedures for the management of sustainability issues identified as material, are, unless otherwise specified, applicable to the entire perimeter of the Group after the acquisition of General Cable.

In general, for all the data that presents a cross-section by geographical area, the EMEA, APAC, North America and LATAM regions were taken in to account. For details of the countries included in the geographical regions, please refer to the map of the Group's plants shown in the "Prysmian Group" section. Note that since 2018 Mexico has been classified in the LATAM region (in line with the classification of the former General Cable), having been categorized in the North and Central America region in previous years.

Workforce data
For 2018, the total data of the Group as at 31.12.2018 was considered with the portion also from the former General Cable. For 2018, the data reported in the document considers the total employees of all the Group companies consolidated line-by-line (excluding, as in previous years, Oman Aluminium Processing Industries - OAPIL, which has a total of about 30 employees) calculated by headcount. This approach applies to all tables except for the table on the total workforce of the Group representing the Group Full Time Equivalent (FTE), which includes not only employees but also temporary and OAPIL workers, in line with the information contained in the Annual Report.
For 2017 and 2016, the data is calculated in the headcount and corresponds to the total of Prysmian employees except for OCI (Oman Cables Industry (SAOG)) and OAPIL.

As regards the 2018 data on turnover:

- Prysmian Group w/o General Cable: absolute values of new employee hires and employee departures s were reported, only for white collar staff with permanent contracts for the full year of 2018; in addition, the reporting of the turnover of outgoing permanent contract white collar staff considers only voluntary exits (in line with the contents of the 2017 and 2016 reports). These rates are calculated with respect to the number of employees as at 31/12/2017;
- Prysmian Group: absolute values of incoming and outgoing employees were reported for the period from September to December 2018 – for all reasons for leaving (e.g. voluntary departures, retirements, redundancies, etc.).

Note that in 2016 the turnover data was calculated by FTE and not by headcount.

Environmental data

The environmental data presented in the document is derived from a reporting system that, with respect to the declared perimeter of the reporting, does not include the data of the R&D laboratories, offices and proprietary naval fleet, as they have a reduced environmental impact, in view of the production activities of the Group.
Furthermore, with reference to the perimeter of the Prysmian Group w/o General Cable, the presence of certain data of reliability lower than the predetermined threshold necessitated the use of estimates, as a precaution and to allow full coverage of the reporting area, for environmental data on:

- the Muscat production site (Oman);
- the Sohar production site (Oman);
- some production sites that are not fully aligned with the Group's data collection methods. i.e. Chiplun and Pune (India), Grombalia (Tunisia) and Shanghai and Wuhan (China);
- Joinville, the operating unit dedicated solely to the production of wire rod.

With regard to the former General Cable perimeter, the sites of Luanda (Angola), La Pointe (Canada) and Nogales (Mexico) are excluded. Therefore, on the basis of the above, the overall data reported in the "Environmental

responsibility" chapter also includes the above-mentioned estimates; the data related to individual product lines, however, does not take them into account, as they are analytical values calculated on the dataset deemed consistent with the defined reliability threshold (relative to the vast majority of production sites).

Environmental data is not yet reported in relation to the installation of terrestrial and submarine cables (the environmental aspects and methods of management differ greatly from those of the operating units), since a project is currently in progress for the future collection and reporting of representative indicators, using dedicated tools. Note that the environmental performance indicators relating to energy, greenhouse gas emissions, waste (including the proportion intended for recovery and recycling) and water have been partly derived from estimates, in view of the data collection deadlines for the preparation of this Statement. These estimates are based on the best information available from data of the previous year relating to the same period of time and/or on the basis of production.

Note also that the Nordhenam manufacturing site for the production of Telecom cables is included under the production of power cables - the same applies to the Montereau site - since it was not possible to separate the data into two types of product. Also, the water in the Drammen site was estimated according to the 2017 production-based data, as were the figures on water and waste from the Auckland site. Finally, the hazardous waste of the Sorocaba Energia plant has been estimated based on the data collected in previous years.

With regard to the conversion factors used for the calculation of GHG emissions, the main sources used are:

- 2016: GHG Protocol (Scope I) and Defra 2012 (Scope II)
- 2017: GHG Protocol (Scope I) and Terna 2014 (Scope II)
- 2018:
    - Scope I fuels: Defra 2018
    - Scope I F-GAS: GHG Protocol
    - Scope II Location-based: Terna 2016
    - Scope II Market-based: AIB 2017, where available, otherwise Terna 2016

Health and safety data

The health and safety data (IF, IG and occupational disease) does not include the following legal entities:

- Oman Cables Industry (SAOG) (the Chiplun, Sohar and Muscat sites);
- Associated Cables Pvt. Ltd. (Pune site);
- Draka Shanghai Optical Fibre Cable Co. Ltd. (Wuhan site)
- Prysmian Powerlink Asia Co. Ltd. (Shanghai site)

Absenteeism data considers one category of blue collar workers, but excludes the following sites: Arco Felice, Chiplun, Fujairah, OCI (Muscat), OAPIL (Sohar), Bridgewater, Kuala Lumpur, Pune, Chiplun, Haixun, Shanghai, YOFC, Zhongyao, Yixing and plants closed during the reporting year (Santo Andrè).

The calculation methods for accident rates are as follows:

- Frequency rate (IF): (total number of accidents with loss of work/hours worked) *200,000
- Lost day rate (IG): (number of days lost/hours worked) * 200,000;
- Occupational disease rate: cases of occupational disease (officially notified/hours worked) * 1,000,000
- Absentee rate: total hours of absence/hours to be worked.

Logistics and transport data

The logistics and transport data, i.e. the percentage of reused drums, on-time delivery and the type of transport used do not include the following sites: Brazil (Cariacica, Jacarei, Rio De Janeiro and Joinville plant); China (Wuxi and Beijing); Ivory Coast; France (Billy-Berclau - ZI Artois-Flanders); Italy (Pozzuoli Arco Felice); Oman; Russia and Tunisia.

LETTER TO STAKEHOLDERS

Sustainability is a strategically important asset for the Prysmian Group. We are a "public company" so it is vital for us to have open and transparent dialogue with a wide variety of stakeholders: shareholders, customers, suppliers, institutions and the communities where we are present. Sustainability is also an integral part of our business, because cable technology is a key component of power transport and telecommunications infrastructure, which is crucial to the development and welfare of communities. And since we are an industrial concern with approximately 120 production plants in 50 countries worldwide, our operations have a significant impact on the communities where we operate.

In recent years the Group has made progress in focusing its goals and action plans to improve sustainability performance; these plans have been extended to the new organizational structure resulting from the integration of General Cable. Special attention has been given to issues of particular importance to our stakeholders, such as energy efficiency and reduction of environmental impact, development of people and respect for the communities where we operate, as well as policies and codes regulating business ethics, transparency and integrity.

2018 Disclosure of Non-Financial Information
For the purpose of compliance with recent regulations on the disclosure of non-financial information (Legislative Decree 254/2016), the Prysmian Group has for the second year adopted its Sustainability Report as a Consolidated Disclosure of Non-Financial Information (NFD) with specific reference to environmental, social and staff-related issues, respect for human rights and the fight against bribery and corruption.

The NFD has been prepared in accordance with the "GRI Sustainability Reporting Standards" adopting the "in accordance - Core" option and setting out approximately 60 indicators. It has been drawn up taking into account the sustainability issues considered important for the Group and its stakeholders as part of the materiality matrix, which was updated in 2018 through an internal stakeholder engagement event. Since the NFD reports the data and information relating to the companies of the Prysmian Group as at 31.12.2018, fully consolidated within the Annual Financial Report pursuant to Legislative Decree 254/16 and taking into account the acquisition of General Cable in the 2018 financial year, the plants and operation of the perimeter of General Cable before the acquisition Prysmian Group are included in the reporting for the entire period in question (January 2018 - December 2018), while those relating to the former General Cable perimeter are included from the date of acquisition (June 2018 - December 2018).

The document reports sustainability performance achieved in 2018 in the various areas. Some of the improvements in environmental data for the Prysmian Group w/o General Cable perimeter include: waste recycling (66% vs 50% in 2017); reuse of drums for cable transport (>50% vs. >40% in 2017) – overtaking the 2020 target 40% in advance; product families covered by the calculation of CO2 emissions by updating the production database (60% vs 5% in 2017); recyclable products purchased annually to support the circular economy (86% vs> 80% in 2017).

The Group has improved its performance also in some key parameters in social and human resources, specifically in the following areas for the Prysmian Group w/o General Cable perimeter: key positions covered through internal promotions (90% vs.> 80% in 2017) – overtaking the 2020 target of >80% in advance; women in executive positions (10.8% vs 6.4% in 2017).
The economic value generated by the Prysmian Group, including the General Cable contribution, amounts to EUR 10,293 million. Investments (Capex) totaled EUR 285 million and were directed particularly at high-tech and high added-value business such as optical fibers and cables and submarine cables for power transmission. The Group's Research and Development function, which has more than 50 partnerships with universities and international research institutes, received EUR 105 million worth of investment. The Group has a portfolio of over 5,600 patents.

The Prysmian Group continues to work with international NGOs in projects to help develop local communities through the donation of cables. Some examples: the construction of photovoltaic systems in collaboration with Electriciens sans frontières in Angola to resolve the serious energy shortage in the hospital and the power supply for a homeless shelter in Palermo, Italy, where about 100 people are resident. The Prysmian Group has also donated approximately 20,000 meters of various types of cable to the National Museum of Science and Technology in Milan, for the wiring of the "Nuove Gallerie Leonardo" spaces.

Positive performances in the social, environmental and business areas during the year have enabled the Group to reaffirm its presence in the main international sustainability assessment indices, including the Dow Jones Sustainability Index and the Carbon Disclosure Project.

Valerio Battista
Chief Executive Officer
Prysmian Group

HIGHLIGHTS

HIGHLIGHTS 2018[1]				
	Prysmian Group (2017)	Prysmian Group w/o General Cable (2018)	Former General Cable (June-Dec 2018)	Prysmian Group (2018)
Economic value generated	8,147[2] Mln €	/	/	10,293 Mln €[3]
Capex	257 Mln €	/	/	285 Mln €
Investment in R&D and innovation	84 Mln €	/	/	105 Mln €
Investments in HSE	10 Mln €	around 13 Mln €	around 3 Mln €	/
Number of partnerships for innovation	35+	/	/	50+
Number of employees	19,606	/	/	28,615
Number of hours of training	498,854	314,378[4]	79,682[5]	/
ISO 14001 certified production sites	94%	95%	30%	/
OHSAS 18001 certified production sites	78%	78%	30%	/

[1] The data reflected in the financial statements is presented with reference to the combined perimeter, as a snapshot at 31/12/18. The data relating to operational aspects are shown differently, since they reflect approaches that have been made uniform during the year.
[2] Value adjusted for IFRS 15 and IFRS 9.
[3] Reported (PG + 7 MM GC).
[4] The figures do not include on-the-job training. The data includes 38,000 hours of Academy training for the Prysmian Group perimeter.
[5] The figures do not include on-the-job training.

PRYSMIAN GROUP

OVERVIEW

World leader in the energy and telecom cable systems industry

With 140 years of experience, Prysmian Group's story traces the history of the entire cable industry. More than a year after first announcing the merger agreement with General Cable, the new and stronger Prysmian Group continues to retain its leadership of the global cable industry, with sales in excess of Euro 10 billion in 2018[6], approximately 29,000 employees in over 50 countries and 112 plants. The Group offers the widest possible range of products, services, technologies and know-how for every type of industrial application thanks to a diffused commercial presence, 25 R&D centers in EMEA, North and South America and APAC and more than 900 qualified R&D professionals.

The integration of General Cable into Prysmian Group is a milestone in the Group's history and a strategic and unique opportunity to create value for its shareholders. Thanks to this union, the new Group will be even better equipped to face and overcome the challenges of the global economic and political environment, along with those of growing competition in the cable and systems industry.

Prysmian Group continues to establish close and lasting relationships with its customers in all the markets served. This practice helps the Group to fully understand their needs in order to provide fast, efficient service and satisfy every type of request.

Prysmian is a true public company, listed on the Italian Stock Exchange in the FTSE MIB index.

The Group's structure is organized around three business areas (Projects, Energy and Telecom), which also include the big submarine connections.

In fact, the Group operates in the business of underground and submarine cables and systems for power transmission and distribution, of specialty cables for applications in many different industries and of medium and low voltage cables mostly for the construction and infrastructure sectors.
The Group produces voice, video and data transmission cables and accessories for the telecommunications industry, offering a comprehensive range of optical fibers, optical and copper cables and connectivity systems.

Prysmian Group's work in the renewable energy transmission and distribution sector see it involved in the development and operation of some of the largest solar and wind farms in the world. The new projects awarded to Prysmian in 2018 for the construction of inter-array submarine cable systems have additionally confirmed the competitiveness of the Group's offering in this business. Among the contracts secured in 2018 was the Group's first cable project for a floating offshore wind farm, involving inter-array and export cables for a floating offshore wind farm. Prysmian will connect Kincardine wind farm, located southeast of Aberdeen in Scotland. In addition, the Group won contracts to supply submarine cables for the Hornsea 2 project in the UK, the world's largest offshore wind farm (66kV), and to construct an inter-array submarine cable system between the turbines of the Borssele III and IV wind farms in the North Sea (731.5 MW). Prysmian has also successfully implemented the inter-array cable system for the Wikinger wind farm, located in the West of Adlergrund cluster in the German Baltic Sea. In 2018, the Group won three other turnkey contracts to supply and install inter-array submarine cable systems in France for the offshore wind farms of Fécamp, Courseulles-sur-Mer and Saint Nazaire. NSW, a General Cable company recently acquired by Prysmian Group, has been awarded a contract by Northwester NV for the construction of an inter-array submarine cable system to connect the Northwester 2 offshore wind farm, located in the North Sea.
In Argentina, Prysmian Group will supply 3,600 km of cables and a PRY-CAM monitoring system for a new solar farm in Cauchari located 4,100 meters above sea level in one of the world's most concentrated areas of solar radiation. The 315 MW photovoltaic plant will provide the Argentine grid with an annual average of 660,887 MWh for 20 years.

Still in the area of power transmission, Prysmian Group executes major interconnection projects, both on land and subsea, for utilities and grid operators, such as the contract awarded in 2018 by the Independent Power Transmission Operator – the Greek electricity grid operator – for two interconnections between the Cyclades islands of Evia, Andros and Tinos and the Greek mainland. Prysmian has also been awarded a new project for the first submarine electricity interconnection between Crete and the mainland, involving the design, supply, installation and commissioning of an HVAC cable system. In addition, Prysmian has been commissioned by Terna Rete Italia S.p.A. to supply a cable to connect the isle of Capri and town of Sorrento, along a route running 16 km subsea and 3 km onshore.

[6] The data considers the sales of General Cable for the period 1 June 2018 - 31 December 2018.

In 2018, Prysmian secured an important contract from the utility SP Power Assets Ltd for the design, supply, installation and commissioning of two high voltage power transmission systems to connect the Rangoon and Paya Lebar substations in Singapore. Prysmian Group has also strengthened its solid partnership with Terna, the Italian transmission system operator, through a framework agreement for the supply, installation and emergency repair of 220 kV cables to upgrade the national power grid. Still in 2018, Caldwell Marine International LLC, a US company, engaged Prysmian to develop a power interconnection between Deer Island and the Boston power grid, involving a total of 6 km of submarine cable and 8 km of underground cable.

In Asia, the National Grid Corporation of the Philippines (NGCP) has selected Prysmian Group for the design, supply, installation and commissioning of two submarine power cables between the islands of Cebu and Negros, along a 30 km subsea route. In addition, Prysmian has been commissioned by Terna Rete Italia S.p.A. to supply a cable to connect the isle of Capri and town of Sorrento, along a route running 16 km subsea and 3 km onshore.
When constructing subsea power transmission infrastructure for both interconnection purposes and offshore wind farms, Prysmian benefits from an unrivalled fleet of cable-laying vessels, consisting of the Giulio Verne, Cable Enterprise and Ulisse and providing it with an installation capability able to meet the toughest challenges. The Group continues to invest in this sector and the current fleet will soon be joined by a fourth vessel, further enhancing its project execution capabilities.

In the area of onshore infrastructure, the Group has been involved in the construction of electricity grids in some of the world's largest metropolises, from New York to Buenos Aires, London to St. Petersburg, and Hong Kong to Sydney.
The Group also supports the petrochemicals industry with solutions for use in both upstream exploration and production activities, and downstream hydrocarbon processing and storage. More specifically, it has recently signed an agreement with JG Summit Petrochemicals Group (JGSPG) in the Philippines for the supply of approximately 820 km of low and medium voltage power cables, instrumentation and control cables and telecom cables for application in the petroleum and petrochemicals industry.

Some of the world's most spectacular, state-of-the-art constructions like the new Louvre Abu Dhabi, the Wimbledon tennis stadium, the futuristic Marina Bay Sands in Singapore and the Shard skyscraper in London, the tallest in Western Europe, are made safe by Prysmian Group's fire-resistant cables. In Milan, Prysmian Group cable solutions have contributed to enhancing the safety of Isozaki Tower, the skyscraper designed by the renowned eponymous Japanese architect in the futuristic City Life district.

As for the elevator business, the Group's elevator cables are present in some of the world's tallest or most prestigious buildings, like the new World Trade Center in New York City. By cabling the Burj Khalifa in Dubai, the world's tallest building at 828 meters high, Prysmian has guaranteed the safety of every one of its 163 floors with elevator cables and fire-resistant cables the length of which is more than 1,300 times the tower's height.
Prysmian can also boast some exceptional achievements in the world of transport. In fact, the Group has supplied cables for all Airbus aircraft, including the recent A320 and the super-technological A350, for the world's largest cruise ships, like the MSC Seaside and MSC Seaview sister ships built by Fincantieri, for the fastest trains and for the most innovative metro systems, like the one inaugurated in Shanghai.

With a wide range of telecom cables and fiber solutions for voice, video and data, and also thanks to continuous investment in R&D, Prysmian Group contributes to the development of infrastructure that supports information flows and communications essential for the economic and social growth of communities around the world.
Among the more important projects won, the Group has secured a major contract from the US telco Verizon Communications, which it has assisted since 2017 in the "Onefiber" digital transformation process, for the supply of optical fiber products to develop and accelerate 5G services and improve 4G broadband capacity.

Business areas
The Projects business area encompasses the high-tech and high value-added businesses focused not only on the entire project and its execution, but also on the customization of products and systems. The cables and systems produced in the Projects segment for the energy sector are mainly high or extra high voltage, for both underground and submarine installation.

Prysmian designs, manufactures and installs high and extra high voltage cables for underground and submarine power transmission directly from power stations to primary distribution networks. Through Prysmian PowerLink S.r.l., the Group develops pioneering "turnkey" submarine cable systems for installation at depths of up to 2,000 meters, assisted by its cable-laying fleet comprising the Giulio Verne, one of the largest and most high-tech such vessels in the world, the Cable Enterprise and the Ulisse. Prysmian also offers state-of-the-art solutions, ranging from project management to cable installation, for submarine cables between offshore wind farms and the mainland, used for both generation and distribution. The Group's technological solutions for this business cover inter-array and export cables.

The Energy business area encompasses the businesses offering a complete and innovative product portfolio designed to meet the many and diverse demands of the market: Energy & Infrastructure, Oil&Gas, Electronics, Elevators, Automotive, Network Components, Industrial Specialties, serving in turn the sectors of Crane, Mining, Railways, Rolling Stock, Nuclear and Renewables (cables for applications in the solar energy industry and for the operation of wind turbines).

In the field of power transmission and distribution, the Group manufactures medium voltage cable systems to connect industrial and residential buildings to primary distribution grids and low voltage cables for power distribution and the wiring of buildings. Prysmian solutions are designed to support utilities and grid operators, industrial concerns, installers and wholesalers in the electric power industry. In particular, its products for the Trade & Installers market include cable systems for distributors and installers used to wire buildings and distribute power to or within commercial and residential structures. Fire-resistant and low smoke halogen-free cables complete one of the widest and most comprehensive product ranges in the world.

The Group's offer of integrated solutions for the Industrial market constitutes the most comprehensive and technologically advanced response to the needs of a wide variety of industries. Prysmian's Industrial Specialties business offers cable systems for many specific industrial applications such as trains, aircraft, ships, port cranes, tunnel and mining excavation systems, nuclear power stations, military vehicles and renewable energy. The Group also offers specific, technologically advanced solutions for the elevator and automotive industries. The product range is completed with accessories and components for connecting cables and other elements contained in networks.

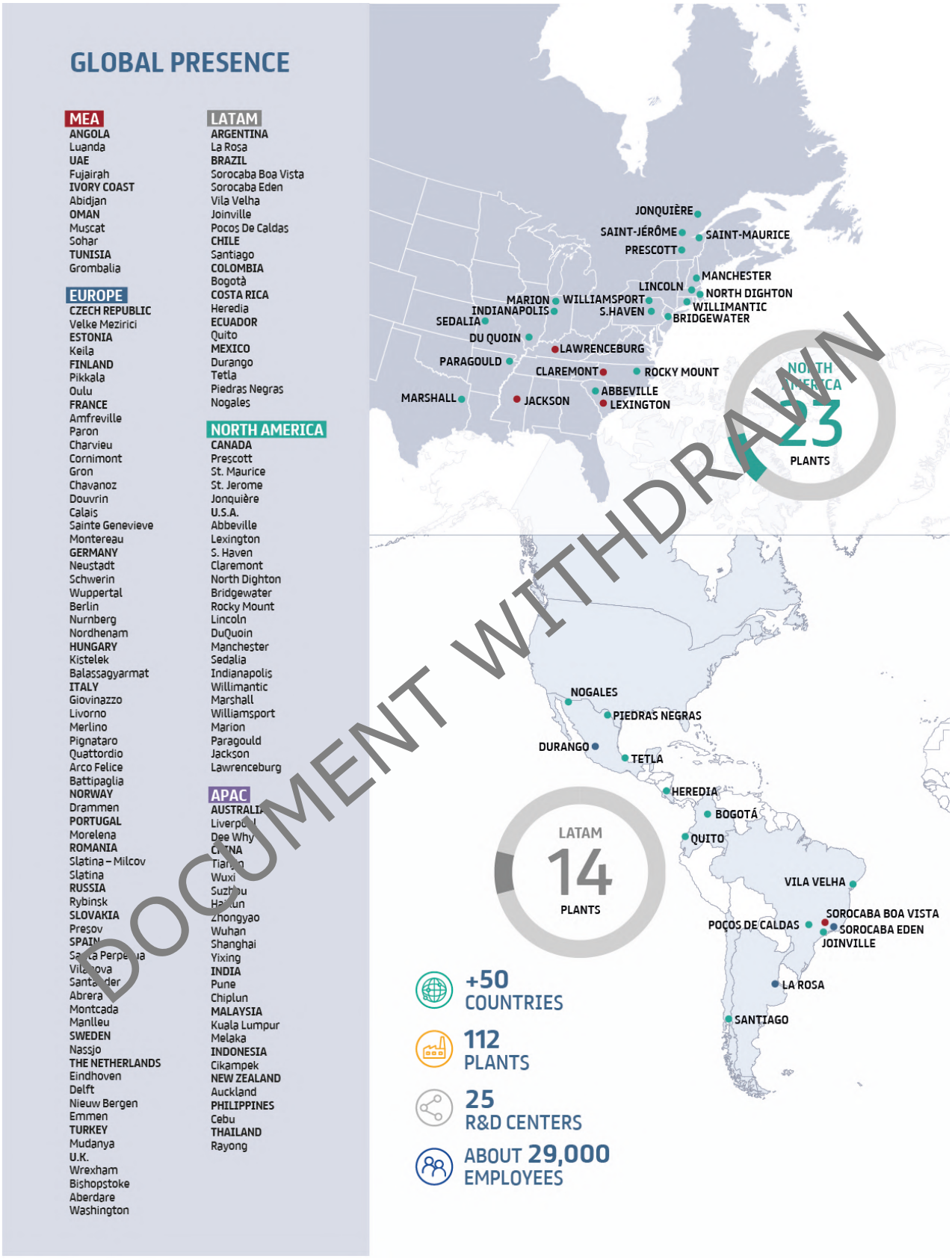
Completing the offer of the Energy business is the Business Unit Electronics product range for diagnostics and monitoring of electrical systems for voltages from 3 kV to 600 kV, using the Group's innovative and revolutionary proprietary PRY-CAM technology.

The Telecom business area encompasses the businesses devoted to making cable systems and connectivity products used in telecommunication networks. The product portfolio includes optical fiber, optical cables, connectivity components and accessories, OPGW (Optical Ground Wire) and copper cables.

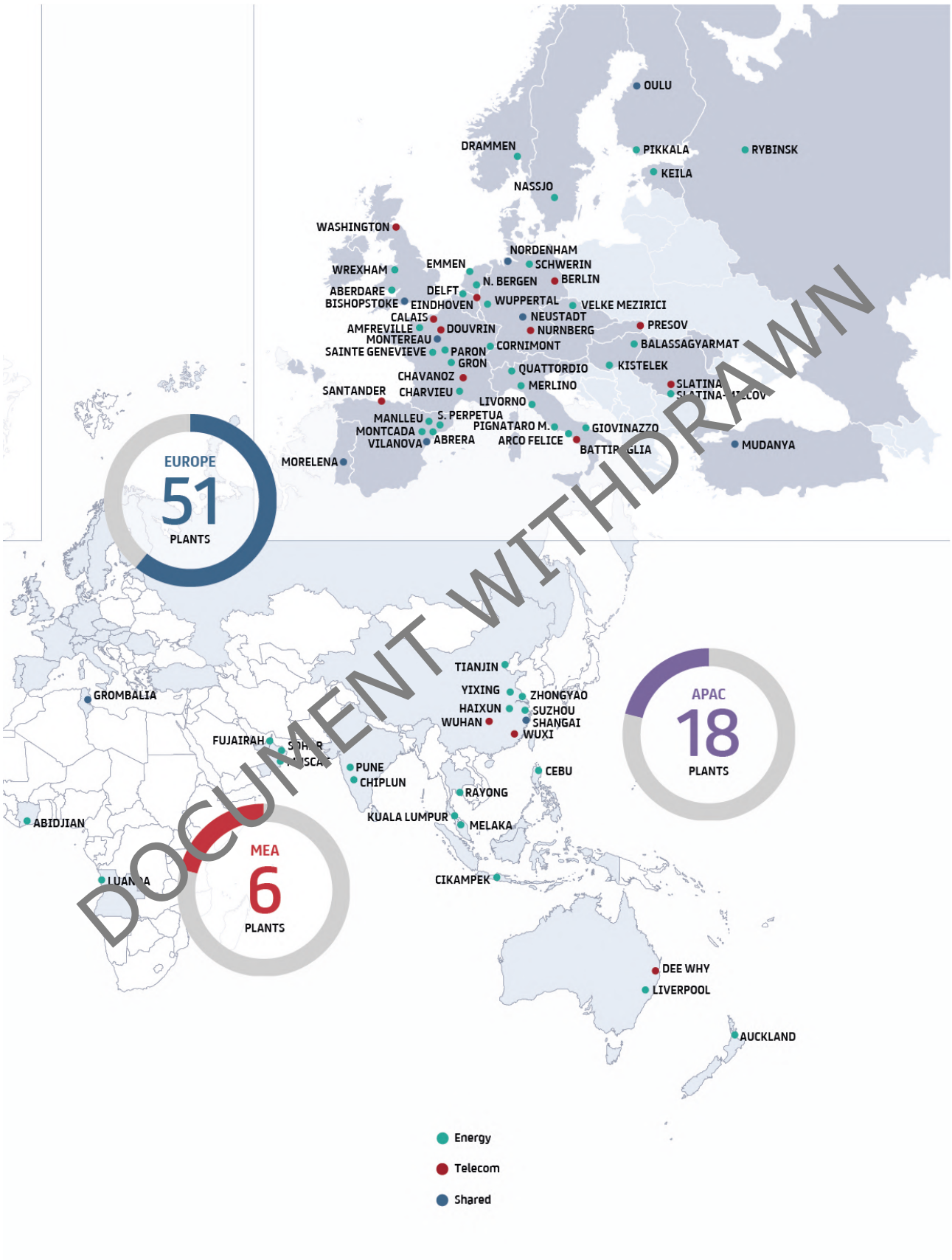
With centers of excellence in Battipaglia (Italy), Claremont (USA), Douvrin (France), Eindhoven (the Netherlands) and Sorocaba (Brazil), Prysmian Group is one of the leading manufacturers of the core component of every type of optical cable: optical fiber. A wide range of optical fibers is designed and made to cater to the broadest possible spectrum of customer applications, including single-mode, multimode and specialty fibers. The Group has proprietary technology for the manufacture of optical fiber, allowing it to achieve optimal solutions for the different applications. Optical fibers are employed in the production of a wide range of standard optical cables or those specifically designed for challenging or inaccessible environments, from underground ducts to overhead electricity lines, from road and rail tunnels to gas and sewerage networks. Prysmian Group also supplies passive connectivity solutions that ensure efficient management of optical fiber within networks. Growing demand for higher bandwidth has seen the deployment of optical fiber moving closer to the end user. The Group is extremely active in this rapidly growing sector of the market, known as FTTx, where its approach is based on combining existing technologies with innovative, new solutions allowing fibers to be deployed in high-rise buildings and multi-dwelling units. Many of the cables used in FTTx systems feature Prysmian's bend-insensitive BendBrightxs optical fiber, which has been specially developed for this application.
Prysmian Group also produces a wide range of copper cables for underground and overhead cabling solutions and for residential as well as commercial buildings. The product portfolio comprises cables of different capacity, including broadband xDSL cables and those designed for high transmission, low interference and electromagnetic compatibility. Prysmian has also designed FlexRibbon™, a new line of telecom products capable of packing up to 6912 optical fibers to offer superior performance to the data centers of major corporations around the world.

The Group also produces cable solutions serving communication needs in infrastructure, industry and transport, for a diverse range of applications: cables for television and film studios, cables for rail networks such as underground cables for long-distance telecommunications, light-signaling cables and cables for track switching devices, as well as cables for mobile communication antennae and for communication networks.

PRYSMIAN GLOBAL PRESENCE[7]

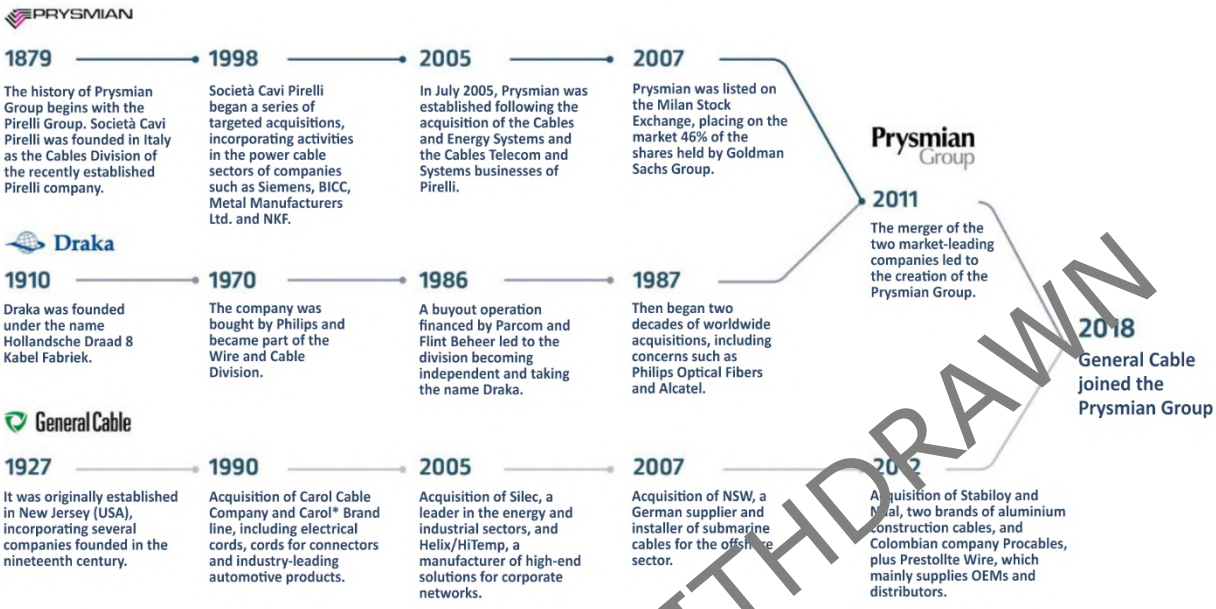


[7] The plants in Fujairah and Kuala Lumpur relate to two Prysmian Group companies, consolidated using the equity method.



HISTORY

In its 140 years of history and experience in the sector, the Prysmian Group boasts a long tradition, accompanied by a constant focus on evolution and innovation. The history of Prysmian traces the history of the entire cable industry, marked by numerous important milestones that have helped to consolidate our reputation as a pioneer in the sector, always pursuing the main objective of meeting the needs of our customers.



BRAND, VISION, MISSION AND VALUES

BRAND

The "Prysmian Group" brand is an important **lever for value creation** and is the **pillar of the multibrand strategy** of the Company. A strategy that includes, in addition to "Prysmian Group", the commercial brands "Prysmian", "Draka" and "General Cable", among the strongest and most respected industrial brands in the industry, with highly complementary products and services able to satisfy customer needs all over the world, always in compliance with the most rigorous quality and environmental sustainability standards.

In 2018 the Company further invested in enhancement and communication activities for its brand portfolio focusing, in particular, on the "Prysmian Group" corporate brand, with the aim of strengthening its position as leader and aggregator within the industry, and its reputation as a "technology enabler" and "best talent engager".
This commitment has translated into a structured business plan developed on the main international marketing and communication channels and platforms.

The vision, mission and values of Prysmian constitute the core principles that guide the Group's mode of operation. These elements contain and express the general orientation of our activity and are shared within the whole Group.

VISION

The Prysmian Group believes in the effective, efficient and sustainable supply of Energy and Information as a primary driver in the development of communities.

MISSION

The Prysmian Group provides its customers worldwide with superior cable solutions based on pioneering technology and consistent excellence in execution, ultimately delivering sustainable growth and profit.

Thanks to a well-established reputation in terms of performance and innovation, the Group is able to foster profits and sustainable growth.

The main objective is to be chosen by our customers for reliability and transparency in relationships. This is why we attach great importance to our values. Our working methods and our approach are a tangible sign of the passion and expertise we put into everything we do.

THE VALUES OF THE PRYSMIAN GROUP

DRIVE	**TRUST**	**SIMPLICITY**
Lead the industry evolution, combining our ability to develop our people and our business in a clear direction while anticipating customer needs.	Create an environment of trust that exploits diversity and collaboration, where people are empowered to make decisions with integrity.	Simplify everything we can, focusing on high-value generating activities and timely decisions to boost Company results. Focusing on what really matters, with efficiency, agility and responsibility.

GOVERNANCE

CORPORATE GOVERNANCE

Effective and efficient, in order to create long-term sustainable value and produce a virtuous circle with business integrity at its center.

Prysmian is aware of the importance of a good corporate governance system to achieve strategic objectives and create long-term sustainable value, by having a system that is effective in complying with the legal and regulatory framework, efficient in terms of cost-effectiveness, and fair towards all the Group's stakeholders.
Accordingly, Prysmian Group keeps its corporate governance system constantly in line with latest recommendations and regulations, adhering to national and international best practices.
In addition, the Group has adopted principles, rules and procedures that govern and guide the conduct of activities by all its organizational and operating units, as well as ensuring that all business transactions are carried out in an effective and transparent manner.

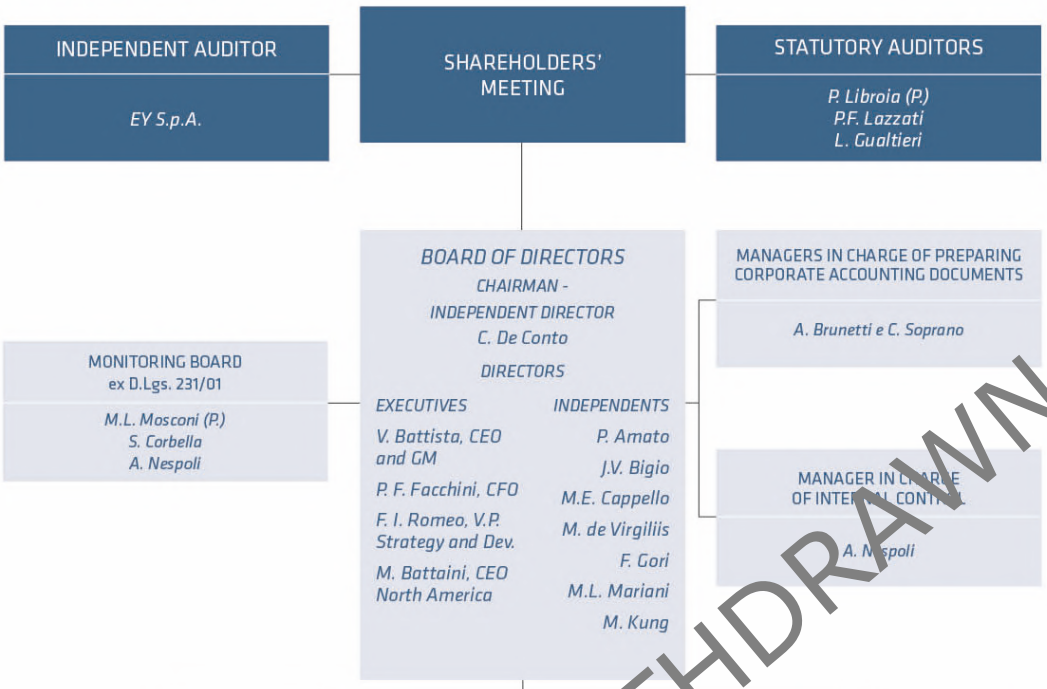
Once again in 2018, Prysmian undertook several initiatives to implement the recommendations of the Corporate Governance Code[8], to which it has adhered.

Corporate Governance Structure. Prysmian's corporate governance structure is based on the central role of the Board of Directors (as the most senior body responsible for managing the company in the interests of shareholders) in providing strategic guidance, in ensuring the transparency of the decision-making process and in establishing an effective system of internal control and risk management, including decision-making processes for both internal and external matters. The model of governance and control adopted by Prysmian is the traditional one, with the presence of a general meeting of the shareholders, a Board of Directors and a Board of Statutory Auditors.

An overview of the Company's corporate governance structure now follows, along with a description of its main features.

[8] Corporate Governance Code for Listed Companies - Ed. July 2018" - approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

GOVERNANCE STRUCTURE



In compliance with the provisions of art. 14 of the By-laws, the Company is currently managed by a Board of Directors consisting of twelve members - who will remain in office until the date of the annual general meeting that approves the financial statements for the year ended 31 December 2020 - of whom eight are non-executive.

Seven of the directors are men and five women, while one director is in the 31-50 age group and eleven in the over-50 category.

The Board of Directors is vested with the broadest possible powers of ordinary and extraordinary management of the business, except those which by law are the exclusive prerogative of the shareholders in general meeting. In line with the recommendations of the Corporate Governance Code, the non-executive directors are sufficiently numerous and have enough authority to ensure that their judgement carries significant weight in Board decision-making. Seven of the non-executive directors are independent within the meaning of art. 148, par. 3 of Legislative Decree 58 dated 24 February 1998 (known as the Unified Finance Act) and of art. 3.C.1. and art. 3.C.2. of the Corporate Governance Code, while one non-executive director is independent within the meaning of art. 148, par. 3 of the Unified Finance Act. The Board of Directors has appointed a Chief Executive Officer and General Manager from among its members and granted him all the authority and powers of ordinary management of the company necessary or useful for conducting its business.

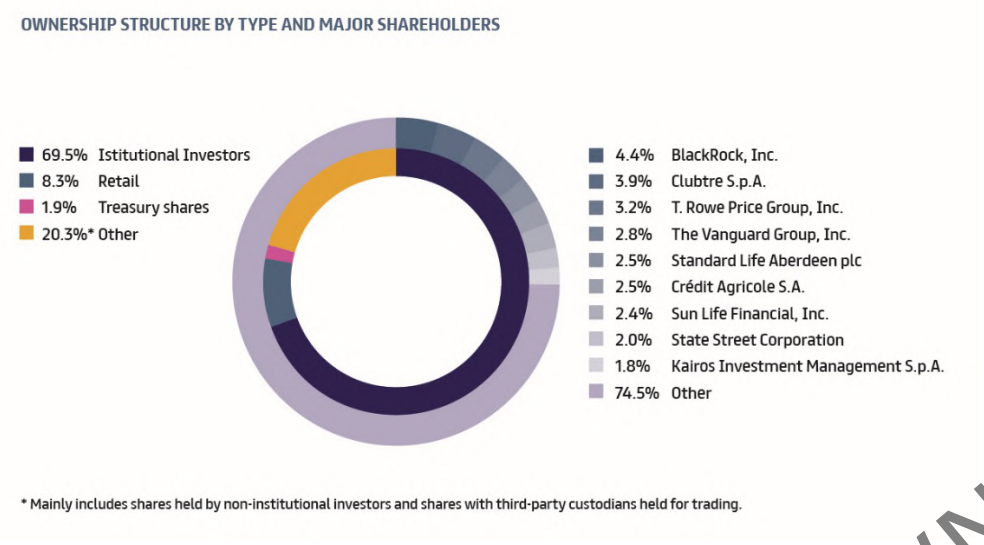
Management of the business is the responsibility of the directors, who take the actions necessary to implement the corporate purpose. The Board of Directors is also responsible for the Group's internal control and risk management system and is therefore required to verify its adequacy and to adopt specific guidelines for this system, with the support of the other parties involved in the internal control and risk management system, namely the Control and Risks Committee, the Director in charge of the internal control and risk management system, the Chief Audit & Compliance Officer, the Board of Statutory Auditors and the Managers responsible for preparing corporate accounting documents.
Completing the Prysmian corporate governance structure is a Compensation, Nomination and Sustainability Committee and a Monitoring Board instituted under Legislative Decree 231/2001.
Further information regarding (i) the corporate governance system of Prysmian S.p.A., (ii) its ownership structure, as required by art.123-bis of the Unified Finance Act, and (iii) directors' disclosures about directorships or statutory auditor appointments held in other listed or relevant companies, can be found in the "Report on Corporate Governance and Ownership Structure", prepared in accordance with art. 123-bis of the Unified Finance Act and available in the Investor Relations/Corporate Governance section of the company website at www.prysmiangroup.com.

PRYSMIAN AND THE FINANCIAL MARKETS

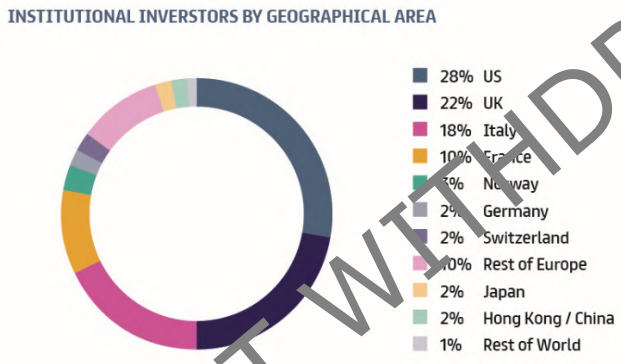
OWNERSHIP STRUCTURE

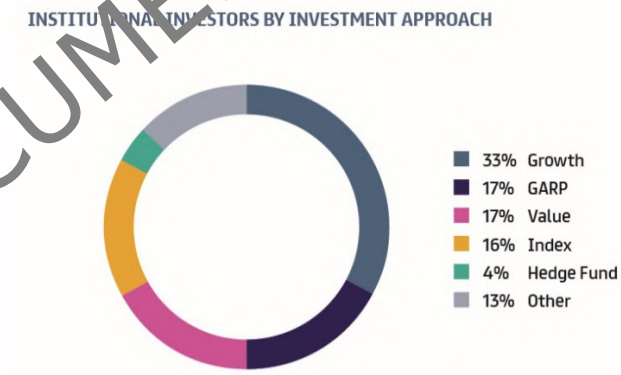
Prysmian Group has been a Public Company in all respects for many years: its free float is equal to 100% of capital, of which around 70% held by institutional investors.

The listing of Prysmian's ordinary shares, resulting from the sale of 46% of the shares held by the Goldman Sachs Group Inc., took place on 3 May 2007 at a price of Euro 15.0 per share, corresponding to a capitalization of Euro 2.7 billion. Subsequent to the listing, the Goldman Sachs Group Inc. gradually reduced its interest in the company, control of which it had acquired in July 2005, by placing the remaining 54% of the shares with institutional and selected investors in several successive stages: i) approx. 22% in November 2007, ii) approx. 14% in November 2009, iii) approx. 17% in March 2010. Valerio Battista, Prysmian's Chief Executive Officer, announced on occasion of the last sale that he had purchased 1,500,000 shares, corresponding to around 0.8% of share capital and taking his total shareholding to 1.2%, which he has raised to approximately 1.5% during the course of subsequent years.
At 31 December 2018, the Company's free float was equal to 100% of the outstanding shares and significant shareholdings (in excess of 3%) accounted for approximately 12% of total share capital, meaning there were no majority or controlling interests. Prysmian is now one of Italy's few globally present industrial concerns to have achieved true Public Company status in recent years. As at 31 December 2018, the share capital of Prysmian S.p.A. amounted to Euro 26,814,424.60, comprising 268,144,246 ordinary shares with a nominal value of Euro 0.1 each. The ownership structure at this date is shown below.



Source: Nasdaq, December 2018 (Ownership structure by type)





Source: Nasdaq OMX December 2018

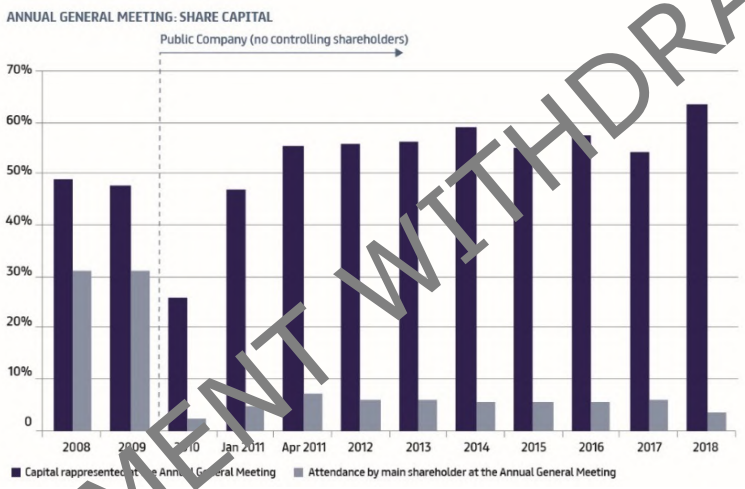
The geographical ownership structure shows a predominant presence of the United States, which represents 28% of the institutional investor total, up from 2017, followed by the United Kingdom, which accounted for 22%, down from 2017. Italy accounted for around 18% of the capital held by institutional investors, slightly up from 2017, while France's share remained the same at 10%. The proportion of Asian investors was basically unchanged.

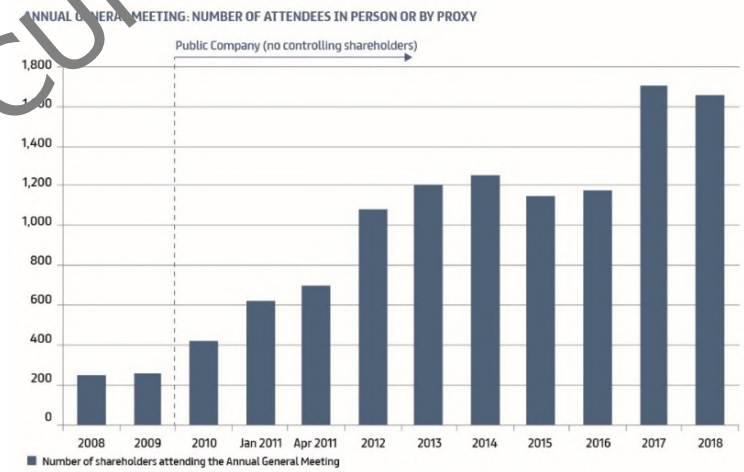
Overall, around 67% of the share capital held by institutional investors is represented by investment funds with Value, Growth or GARP strategies, therefore focused on a medium to long-term investment horizon. The proportion of investors adopting an Index investment strategy, based on the principal stock indexes, was up from 2017, while the Hedge Fund component, focused on a shorter time horizon, remained in line with the year before.

ANNUAL GENERAL MEETING

The Annual General Meeting saw participation by over 63% of share capital, with more than 1,650 shareholders present, in person or by proxy.

The Annual General Meeting of the shareholders of Prysmian S.p.A. was held on 12 April 2018 in single call to adopt resolutions on a number of items: in ordinary session, approval of the 2017 financial statements, allocation of profit for the year and declaration of a dividend, determination of the size of the Board of Directors, determination of the directors' term in office, appointment of the directors, determination of the global directors' fee, authorization of a share buyback program, amendments to the Group employee share ownership plan, approval of incentive plan and consultation on remuneration policies; in extraordinary session, the meeting authorized the proposal to increase share capital by a maximum of Euro 500,000,000.00 in cash. The meeting, which was attended by over 1,650 shareholders, in person or by proxy, representing more than 63% of share capital, approved every item on the agenda by a wide majority (more than 85%).
The Annual General Meeting also approved the declaration of a dividend of Euro 0.43 per share, in line with the amount distributed the previous year. The dividend was paid on 25 April 2018, involving a total pay-out of approximately Euro 96 million.





FINANCIAL CALENDAR 2019

5 March 2019	Consolidated financial statements of prysmian group and proposed statutory financial statements of PRYSMIAN s.p.a.
17 April 2019	General meeting of shareholders for the approval of the statutory financial statements of PRYSMIAN S.p.a. for the year ended 31 December 2018
13 May 2019	First-Quarter Report at 31 March 2019
1 August 2019	Half-yearly financial report as of 30 June 2019
12 November 2019	Third-Quarter Report at 31 September 2019

INVESTOR RELATIONS

Transparency in communication, growth in market confidence in the company and promotion of a long-term investment approach to its stock.

Creating value for shareholders, and other stakeholders, is a key priority for Prysmian, whose policy of strategic and financial communication is directed towards the highest standards of accuracy, clarity and transparency. Its actions and procedures are designed to provide the market with credible information, with the goal of boosting market confidence in the group by seeking to encourage a long-term investment approach, avoiding unequal access to information and ensuring effective compliance with the principle that all existing and potential investors have the right to receive the same information so as to make informed investment decisions.

On occasion of the publication of its quarterly results, Prysmian organizes conference calls with institutional investors and financial analysts and also invites industry press representatives to take part. In addition, it promptly informs existing and potential shareholders of any action or decision that could have a material impact on their investment.

There was intense contact with the financial market during 2018, with more than 500 encounters involving conference calls and one-to-one or group meetings at Prysmian's offices. Prysmian also undertook numerous road shows in the major financial centers of Europe and North America, and took part in conferences organized by major international brokers. In addition, the increasing attention paid to the Group's activities by socially responsible investors (SRI) was confirmed by their growing number at SRI dedicated meetings and road shows. Lastly, the Group organized several visits during the year for institutional investors and financial analysts to view its factories and R&D centers, in order to give them a deeper understanding of its products and production processes.

Coverage of the Prysmian stock remained very high and geographically diversified. There are 20 independent analysts who regularly cover the Prysmian stock: Banca Akros, Banca Profilo, Banca IMI, Barclays Capital, BofA Merrill Lynch, Citi, Credit Suisse, Equita, Exane BNP Paribas, Fidentiis, Goldman Sachs, Hammer Partners, HSBC, Intermonte, JP Morgan, Kepler Cheuvreux, Mediobanca, Morgan Stanley, Natixis and Société Générale.

The Investor Relations office has also maintained regular contacts with institutional investors through the group website www.prysmiangroup.com, which contains recordings of conference calls and presentations to the financial community, corporate documents, press releases and all other information concerning the Group, in both English and Italian. The Investor Relations section also includes the financial calendar, documents relating to shareholders' meetings, the Code of Ethics, the contact details of analysts who cover the stock as well as specific sections about Corporate Governance, Risk Factors and Share Performance.

GOVERNANCE AND SUSTAINABILITY

In accordance with the principles of the Code of Corporate Governance for Listed Companies and the recommendations of Consob, as well as to align with international best practices, the Board of Directors (BoD) of the Group, from 1 January 2016, entrusted the *Compensation, Appointments and Sustainability Committee* with the task of overseeing the sustainability issues of the Group's operating practices and the dynamics of its interaction with all stakeholders.

The Committee, which will meet at least once a year to address sustainability issues, is responsible for:

- monitoring the company's positioning on the main sustainability indices;
- providing advice on the main sustainability initiatives developed by the Group;
- approving, before the Board of Directors, the Consolidated Disclosure of Non-Financial Information (NFD)/Group Annual Sustainability Report.

To underline Prysmian's commitment and attention to sustainability issues along the entire value chain and within all company processes, a Sustainability Steering Committee has been formed as part of the internal governance system.

Consisting of the top echelons of the organization and chaired by the Chief Operating Officer (COO), the Committee is responsible for:

- promoting a culture of sustainability within all company activities;
- defining and/or evaluating the implementation of projects or programs aimed at improving the sustainability agenda;
- monitoring the objectives of the Group Sustainability Policy, progress with respect to the "Sustainability Scorecard" and the progress of the actions to ensure compliance with the Group's policies, and developing an ever-growing internal responsibility towards results in areas of sustainability;
- supervising all ongoing initiatives that have an impact, current and potential, on the performance of economic, social and environmental sustainability;
- ensuring the effective communication of our commitment and results achieved in the field of sustainability;
- supporting initiatives to protect diversity and inclusion both internally and externally.

Within its mission, the Sustainability Steering Committee meets periodically to discuss strategic sustainability priorities, the progress of the action plan and its implementation. The strategic lines of sustainability are defined and promoted at the corporate level, and then integrated into local policies and all daily activities.

The Corporate and Business Communications department is responsible for coordinating all activities related to the Group's sustainability reporting, both in terms of process and of content, mapping the Group's stakeholders and monitoring their expectations through stakeholder engagement activities, as well as guaranteeing transparent and constant communication both with the external and the internal stakeholders.

The strategic lines of sustainability are defined and promoted at the corporate level, and then integrated into local policies and all daily activities.

SUSTAINABILITY WITHIN PRYSMIAN

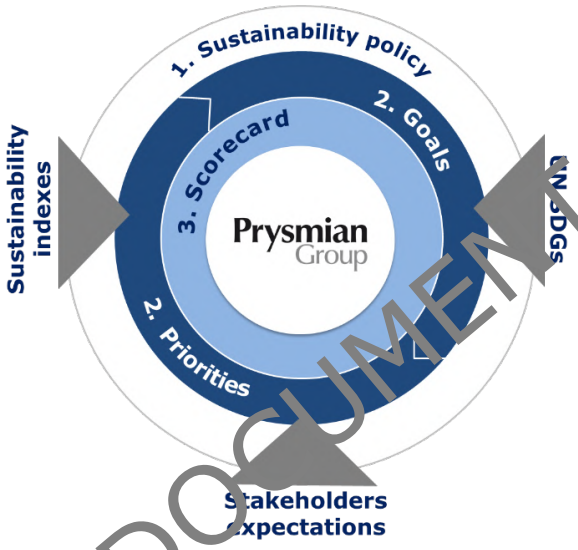
AN INTEGRATED STRATEGY

Sustainability plays a central role for the Prysmian Group, committed to promoting a business model that integrates economic, social and environmental responsibility in all aspects and activities of the Group.
Through a strategic approach that considers as key elements listening to and the active involvement of all the Group's internal and external stakeholders, constant attention to the evolution of the global and industry context, and the ability to think about the future with a view to responsibility towards the environment and society, Prysmian promotes a business model based on the concept of shared value.
The strength of this approach is the constant monitoring of the Group's sustainability performance along the entire value chain, with the aim not only of assessing performance ex post, but also of developing a proactive attitude in decision-making processes, able to anticipate and seize the new opportunities.

In order to guarantee a strong commitment both inside and outside the Group, in 2016 the Group's **sustainability strategy** was defined so as to include:

- Strategic priorities concerning sustainability;
- A set of qualitative-quantitative key performance indicators aimed at constantly monitoring the progress of the Group's sustainability;
- The related medium-long term targets (to 2020);
- A set of actions that are updated annually based on the results achieved.

The sustainability strategy is the result of an analysis that considered the context both externally, through the identification of the main trends in the global and sectoral context, and internally, i.e. the priorities expressed by the Compensation, Appointments and Sustainability Committee of the Board of Directors in line with the Sustainability Policy.



The mapping of Prysmian's sustainability priorities has therefore considered 17 **Sustainable Development Goals** for 2030 (SDGs) defined by the United Nations, requests from major **International Sustainability Indexes** (Dow Jones Sustainability Index, FTSE4GOOD, CDP, Bloomberg ESG, etc.) and the **needs and expectations of the Group's stakeholders**, mapped each year through stakeholder engagement initiatives undertaken by the Group.
The analysis of the above has allowed the Group to establish its strategic priorities, its targets and the actions necessary to achieve its defined sustainability objectives by 2020.

Prysmian has identified five SDGs, among those related to the KPIs underpinning the sustainability objectives, in which it believes it can make a greater contribution and can create a priority with respect to the Group's contribution. With these assumptions, the Group has developed its own "Scorecard" as follows.

Subsequent to the acquisition, the strategy and the identified priorities will also be applied to the General Cable perimeter.

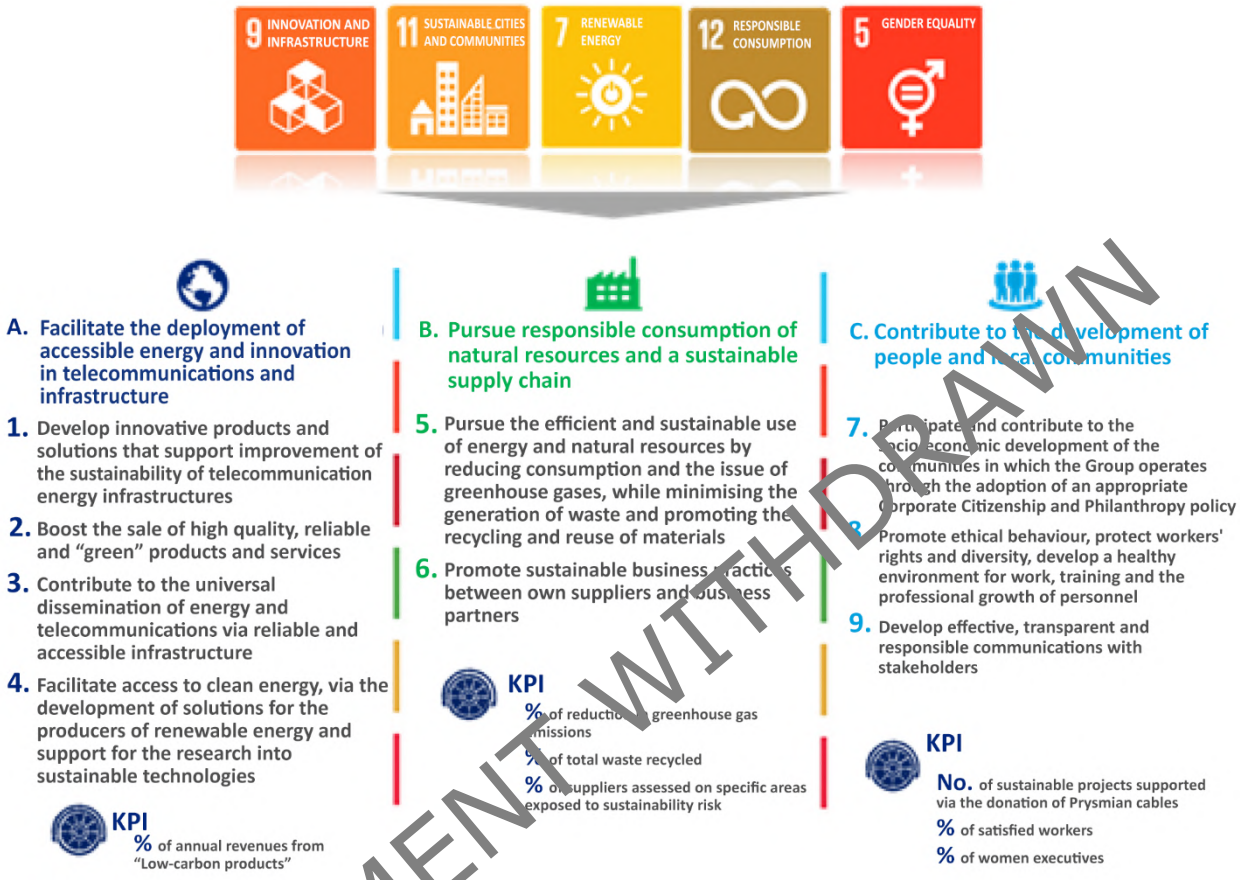
SUSTAINABILITY POLICY

In 2017, Prysmian published its own **Sustainability Policy**, which defines the vision and reference values for the various areas of Business Integrity, Governance, Product, Social and Environmental Responsibility.
The policy aims to provide sustainability guidelines for all Group companies and operations, based on the strategic priorities identified in the business plan to which Prysmian is committed as part of a medium to long-term vision.

The Sustainability Policy contains the main sustainability priorities and guidelines, which articulate the 16 KPIs of the Sustainability Scorecard:

- promote innovation and infrastructures for economically accessible energy and telecommunications;
- pursue the responsible consumption of natural resources and a sustainable supply chain;
- contribute to the development of people and communities.

STRATEGIC APPROACH THROUGH THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)



The Group has adopted a "Sustainability Scorecard" which identifies 16 sustainability targets for 2020, measured by an equal number of quantitative KPIs, committing itself to monitoring them and communicating their progressive achievement on a regular basis, implementing concrete actions to contribute to sustainable development and create shared value.

SUSTAINABILITY SCORECARD

Given the change in the Group perimeter in June 2018, plans are under discussion to update the Sustainability Scorecard to include General Cable, as well as to align and further adapt any relevant sustainability indicators to measure the sustainability performance of the new Group. Therefore, for the sake of continuity with the 2017, the following table shows performance as at 31.12.2018 limited to the former Prysmian Group perimeter.

SDG	Goal	PERFORMANCE INDICATORS	Baseline 2016	2017 Performance	2018 Performance	2020 Target
	A.1	Percentage of product families covered by the carbon footprint measurement	0%	5%[9]	60%	100% (as of 2018)
	A.2	Percentage of recyclable production materials purchased during the year that support the circular economy	80%	85%	86%	Maintain
	A.3	Percentage of annual revenues from low carbon products	38%[10]	37%	37%	40%
	B.1*	Percentage reduction in the emissions of greenhouse gases (Scopes 1 and 2)	683,562 tCO_2eq	-5.6%	-3.7%	-15%
	B.1.1*	Emission intensity index: • Power cables • Telecom Cables • Optical fiber	0.38 0.002 0.0028	0.33 0.002 0.0023	0.34 0.001 0.0022	
	B.2*	Percentage reduction in energy consumption	6,261,714 GJ	+1.1%	+6.6%	-4.5%
	B.2.1*	Energy Intensity Index: • Power cables • Telecom Cables • Optical fiber	3.40 0.021 0.044	3.38 0.020 0.035	3.41 0.018 0.036	
	B.3	Percentage of waste recycled	30%	50%	66%	40%
	B.4	Percentage of drums reused during the year	40%	> 40%	>50%	Maintain

[9] The percentage is calculated on the number of plants that have provided information on the energy required in the production process per km of cable.
[10] The baseline calculation (2016) for this indicator was made according to sales estimates and forecasts. The 2016 value with actual revenues is therefore 38% (differing from the 39% previously published). Furthermore, the calculation of the percentage is influenced by the change in the price of copper, which does not reflect the real trend of the volumes produced.
*2018 perimeter in line with 2017.

SDG	Goal	PERFORMANCE INDICATORS	Baseline 2016	2017 Performance	2018 Performance	2020 Target
	B.5	Percentage of total expenditure covered by the assessment of sustainability practices	50%	55%	55%	60%
	B.6	Percentage of suppliers assessed on specific areas exposed to sustainability risk	0% of mica suppliers	20% of mica suppliers	20% of mica suppliers	100% of mica suppliers
	B.7	Number of sustainability audits carried out based on risks in the supply chain	0	5	7	20
	C.1	Number of working hours donated in 4 year of voluntary activity	0	40	1,16[11]	30.000 hours
	C.2	Number of sustainable projects supported via the donation of cables	1 project in the year	1 project	several projects in 2018	Maintain
	C.3	Percentage of key managerial positions covered during the year by internal promotions	85%	Above 80%	90%	Maintain
	C.4	Percentage of satisfied workers (with Engagement index greater than 5 out of 7)	60%	52%	80%[12]	70%
	C.5	Percentage of women executives	6%	6.4%	10.8%[13]	12%
	C.6	Frequency rate (IF) Lost day rate (IG)	IF: 2.6 IG: 53.6	IF:2.35 IG: 58.4	IF: 2.04 IG: 62.30	IF: 2.2 IG: 45

[11] The data considers the entire perimeter of the Prysmian Group (including the former General Cable), because data cannot be provided only for the legacy Prysmian Group.
[12] Ibid.
[13] Ibid.

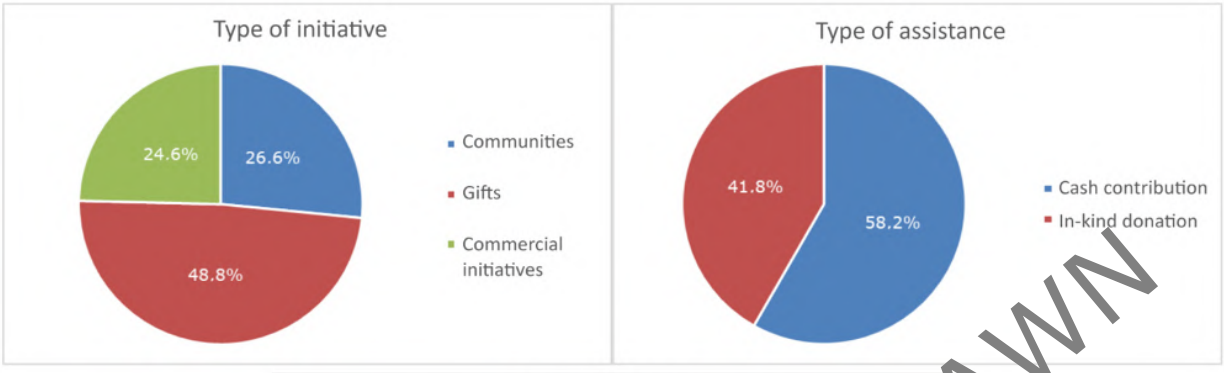
SUSTAINABILITY INDEX

INDEXES	DESCRIPTION	Result
DJSI	The DJSI is based on an analysis of Group economic, environmental and social performance.	**2018** Score: 79/100; Rank: 4th (not included) **2017** Score: 82/100; Rank: 3rd (not included) **2016** Score: 76/100; Rank: 4th (not included)
CDP Climate Change	The CDP is the most recognized NGO in the world for the assessment of transparency in disclosure by companies of climate change information.	**2018** Score: B (World) **2017** Score: B (World) **2016** Score: B (World)
Standard Ethics	The Standard Ethics Italian Index is an open-free stock market index with a focus on governance and sustainability	**2017** Score: EE+ **2016** Score: EE
FTSE4Good	The FTSE4Good Index series are equity indexes launched in 2001 by the FUSE Group to measure the performance of companies that demonstrate strong Environmental, Social and Governance (ESG) practices	**2018 Score: 3.9** **E**: 3.7/5; **S**: 4.6/5; **G**: 3.3/5 **2017** Score: 3.2/5 **E**: 3.2/5; **S**: 3.7/5; **G**: 2.7/5 **2016** Score: 2.8/5 **E**: 2.4/5; **S**: 3.7/5; **G**: 2.3/5
STOXX Global ESG Leaders Index	The Stoxx ESG indexes are a new group of indexes. Their ratings are based on specific environmental, social and governance performance indicators in addition to overall sustainability performance.	**2018** Score: not included **2017** Score: not included **2016** Score: included
Ecovadis	EcoVadis is a platform that allows companies to monitor the sustainability performance of their suppliers through an assessment	**2017** Score: 70/100 **(Gold)** **2016** Score: 58/100
ESG Bloomberg	Bloomberg collects Environmental, Social and Governance data from corporate public communications. Bloomberg ESG Disclosure Scores evaluates companies on the basis of their disclosure of ESG data, in consideration of the relevant industries.	**2018** Score: 40.1/100 **2017** Score: 40.1/100 **2016** Score: 41.32/100

MAJOR SUSTAINABILITY AWARDS RECEIVED IN 2018
On 9 January 2019, Prysmian Central America and Caribbean, with headquarters in Costa Rica, was authorized by Procomer (national body responsible for promoting Costa Rica export products and services) to use the **"Essential COSTA RICA"** mark, synonymous with excellence, innovation, sustainability, social progress and Costa Rica origin.
The Prysmian Group plant in Slatina (Romania) – the largest optical cable manufacturer in Europe – received a special award from the **JAC (Joint Audit Cooperation)** for high sustainability performance. The ceremony, held in Shenzhen during the eighth JAC Forum, honored companies in the field of Information Communication Technology (ICT) that have stood out for their commitment to Corporate Social Responsibility.
The Milan Headquarters has received **LEED (Leadership in Energy and Environmental Design) Platinum** certification – the reference standard that classifies buildings in accordance with their environmental sustainability in every aspect of their construction.

VALUE FOR THE COMMUNITY

With a view to contributing to the socio-economic development of the communities in which it operates, the Group has adopted a Corporate Citizenship and Philanthropy policy to identify all activities that can help satisfy the needs of the community or communities, in line with the vision, mission, values, Code of Ethics and Policies put in place by the Group. This policy, adopted in 2019, defines the main types of deliverable contributions, the guiding principles and operating methods, as well as monitoring and the modes of communication of the activities. In 2018 about EUR 200,000 was donated to local communities in cash and in-kind form.



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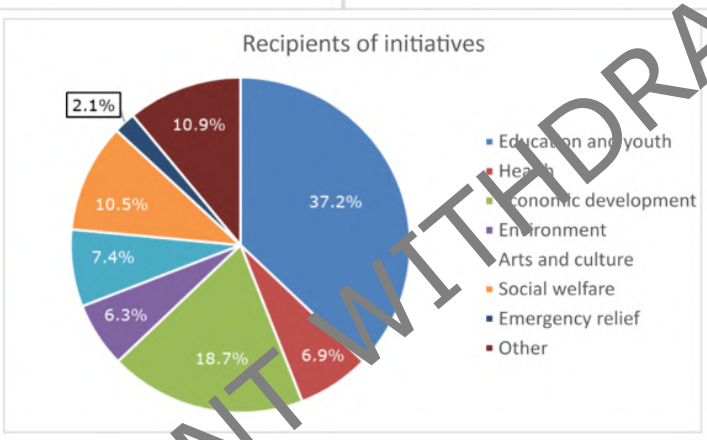


ITALY - MediCinema project in the Niguarda hospital in Milan

In 2018 MediCinema Italy - a non-profit organization that provides cinema experiences and film therapy in hospitals - inaugurated a film therapy room for patients at the Grande Ospedale Metropolitano Niguarda in Milan.

The Prysmian Group contribution to the implementation of the initiative with the donation of **Afumex Plus 1000 (FG16OM16)** low voltage cables in two different sizes, in accordance with the CPR (Construction Products Regulation). This type of multi-core cable to was chosen in order to comply with the building's safety requirements: the cables are suitable for fixed installation on walls and on metal structures in fire-risk environments such as the hospital, where it is essential to guarantee people's safety and limit the production and spread of fire and smoke.

ITALY - Leonardo da Vinci Museum project in Milan

Next year, the National Museum of Science and Technology in Milan will open "Le Nuove Gallerie Leonardo" (the New Leonardo Galleries), a new permanent space dedicated to the military engineering, flight and natural phenomena studies of the artist Leonardo da Vinci. The Prysmian Group supported the project by donating **approximately 20,000 meters** of various types of cable (Afumex low voltage cables in accordance with the CPR; fire-resistant and low smoke and toxic gas emission cables; PVC cables in compliance with the CPR, copper and optical fiber data cables) for the wiring in the construction zone.

[14] Cash contribution: money contributions; In kind donation: in-kind contributions (donated cables).

FRANCE - "Electriciens sans frontières" project
Also in 2018, Prysmian France donated industrial cables to the NGO "Electriciens sans frontières" (ESF). These cables are used for numerous initiatives promoted by the NGO, which, founded in 1986, is involved in many projects including, above all, the transmission and delivery of power to developing countries and communities afflicted by catastrophes. To date, the organization employs over 1,200 volunteers distributed in 136 projects across 35 countries.

NORWAY - "Rett Fram Opplevelser"
Prysmian Norway has chosen to donate to the humanitarian organization "Rett Fram Opplevelser" the contributions intended for the Christmas presents of its customers, which now go to initiatives for children living in poor conditions.

NORTH AMERICA
In North America, there have been numerous Corporate Citizenship initiatives to support local communities. Prysmian has sponsored several non-profit organizations, such as the Lake Russell Tourism Coalition, the Freshwater Coast Foundation and the Irmo Chapin Recreation Commission, which are committed to supporting the most needy. The Company has also supported United Way of America, which operates throughout the territory promoting solidarity activities and support to the community, through partnerships with schools, companies, financial institutions etc. Finally, the Group paid the salaries of those employees who decided to devote their working hours to voluntary activities.

ASSOCIATION MEMBERSHIPS
Prysmian's leadership of the cables sector is strengthened by the inclusion of the Group in the principal and most strategic global trade associations. In fact, participation in technical round-table discussions means that Prysmian can play a prominent role in the definition of guidelines and in debates with partners and competitors.
Through promotion and development activities, Prysmian actively participates in the following major trade associations:

- **Europacable:** founded in 1991, it represents the world's largest cable producers together with small to medium European enterprises specialized in the field. The Group has been a signatory of the Europacable Industry Charter since 2015. This document recognizes and formalizes the collective commitment made by the cables industry to support manufacturing and development objectives and principles founded on ethics, sustainability and high-quality standards.
- **Friends of the Supergrid (FOSG)**: brings together enterprises specialized in the technology of power transmission systems and firms that develop, install, own and manage infrastructure, in order to promote the development of a large-scale, pan-European, offshore electricity grid to harness energy generated by renewable sources.
- **Norstec**: represents the leading global operators in the energy sector, with a view to supporting the production of renewable energy by offshore wind farms in the North Sea.
- **Medgrid:** European project, launched in 2009 to study the feasibility of transmission of electricity derived from sustainable sources across the Mediterranean. Twenty of Europe's leading operators in the energy sector are participating in this project.
- **FTTH Council:** A non-profit organization that works to accelerate the spread of Fibre To The Home (FTTH) technology, interacting with regulatory bodies in order to raise awareness of the regulatory background to the spread of this technology.
- **Wind Europe**: a European organization that actively promotes wind energy around the world. Boasting more than 450 members it represents the biggest players in the wind industry.

ECONOMIC VALUE GENERATED AND DISTRIBUTED
The Prysmian Group makes a constant effort to create and distribute value to its stakeholders. This commitment is monitored every year thanks to the definition of the economic value generated and redistributed (or Economic Value) that allows us to quantify how much wealth has been produced by the Group and how it has been redistributed among all its stakeholders in order to provide a complete picture of the economic impact that the company produces. It represents the economic value generated by the Group in the reference period net of amortization and depreciation, redistributed, in various forms, to the Group's stakeholders. It is therefore the difference between revenues and costs incurred for the purchase of production factors (Operating costs and other costs) and for human capital (Personnel costs), as payment to the Public Administration (Taxes) and to Lenders (Financial expenses), and as contributions to community support (Donations and sponsorships).

The schedule showing how the Economic Value generated by Prysmian is allocated was prepared with reference to the income statement items reported in the consolidated financial statements as at 31 December 2018[15]. The economic value generated by Prysmian in 2018 amounted to EUR 10,293 million, of which EUR 130 million consisted of profits redistributed to Group Members and interest to third parties and represent the value withheld. Much of the value was redistributed in the form of:

- spending on Suppliers (81.8%) - including raw materials and other services;
- payment to Staff (12.2%);
- payment to Lenders (4.0%);
- payment to the Public Administration (0.7%);
- contributions to the Community, around EUR 200 thousand (0.002%).

[15] Reported (PG + 7 MM GC).

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

DIALOGUE WITH STAKEHOLDERS

The sustainability strategy adopted by the Prysmian Group is marked by the importance recognized to the Group's numerous stakeholders. The pursuit of company goals requires the development of forms of dialogue and ongoing interaction with internal and external stakeholders in order to be able to understand their needs, interests and expectations, as well as to be able to anticipate changes and identify emerging trends, thus enabling the Group to generate shared and consistent added value in the long run.

The Group's stakeholders have been identified, divided into broad categories and then categorized by means of:

- documental analysis of the overall context together with a benchmark analysis in relation to industry peers and competitors;
- the direct involvement of the Group's senior management, through special interviews focusing on sustainability reporting.

The approach used by Prysmian to communicate with stakeholders has evolved steadily over time, involving various initiatives intended to make best use of the multiple channels available.
These initiatives are organized in pursuit of the following objectives:

- receive external cues that lead to product and process innovation;
- improvement the management of reputational risk;
- inform, sensitize and engage stakeholders with the aim of developing a virtuous circle that generates positive impact for both the Group and the company;
- identify the needs, problems and expectations of stakeholders in order to integrate them into the Group's strategy and develop a relationship based on trust and transparency.

Stakeholder Engagement initiatives have become an integral part of the Group's growth strategy, as well as an effective communications channel. In fact, over the years, Prysmian has organized several Multi-Stakeholder Engagement events in which stakeholders are invited to actively participate and discuss:

- identification of the main impacts (positive and/or negative) of the Group's activities throughout the Prysmian value chain, including additional new actions that the Group may implement to contribute to sustainable development;
- assessment and prioritization of sustainability issues through a structured survey aimed at bringing the contribution of external stakeholders into the materiality analysis;
- Assessment, via an interactive workshop, of stakeholder perception of the Group's initiatives and activities regarding the targets of the Sustainability Development Goals (SDGs).

To define and implement its stakeholder engagement path, the Prysmian Group follows the guidelines of the 2015 updated version of the **AA1000SES International Standard,** developed by AccountAbility (Institute of Social and Ethical Acountability).

Multi-stakeholder engagement events				
2015	**2016**	**2017**	**2018**	**2019**
Italy	Spain	Finland Netherlands	Group's commitment to the integration of GC within the perimeter. Specific engagement initiatives were therefore were not carried out with the specific purpose of integrating the findings within the Group materiality matrix	Planned multi-stakeholder event for integration of the new perimeter, and any GC side stakeholder requests

GROUP MATERIAL ISSUES

Following the acquisition of General Cable and the actual and potential impacts that it has had in economic, environmental and social terms and also of the reorganization of the entire structure of the Group, Prysmian in 2018 launched a process to update and re-focus the materiality analysis to identify the most significant sustainability issues for its business. In particular, also in consideration of the requirements of Legislative Decree 254 of 2016, the Prysmian Group in 2018 proceeded to review the results of the 2017 materiality analysis, thus obtaining a materiality matrix that was leaner and more focused on those issues and related GRI disclosures, of greater relevance to the Group and its stakeholders.

The process had two main phases:

1. Re-evaluation and rewording of the issue universe (See 2017 NFD for the issue universe considered), through:

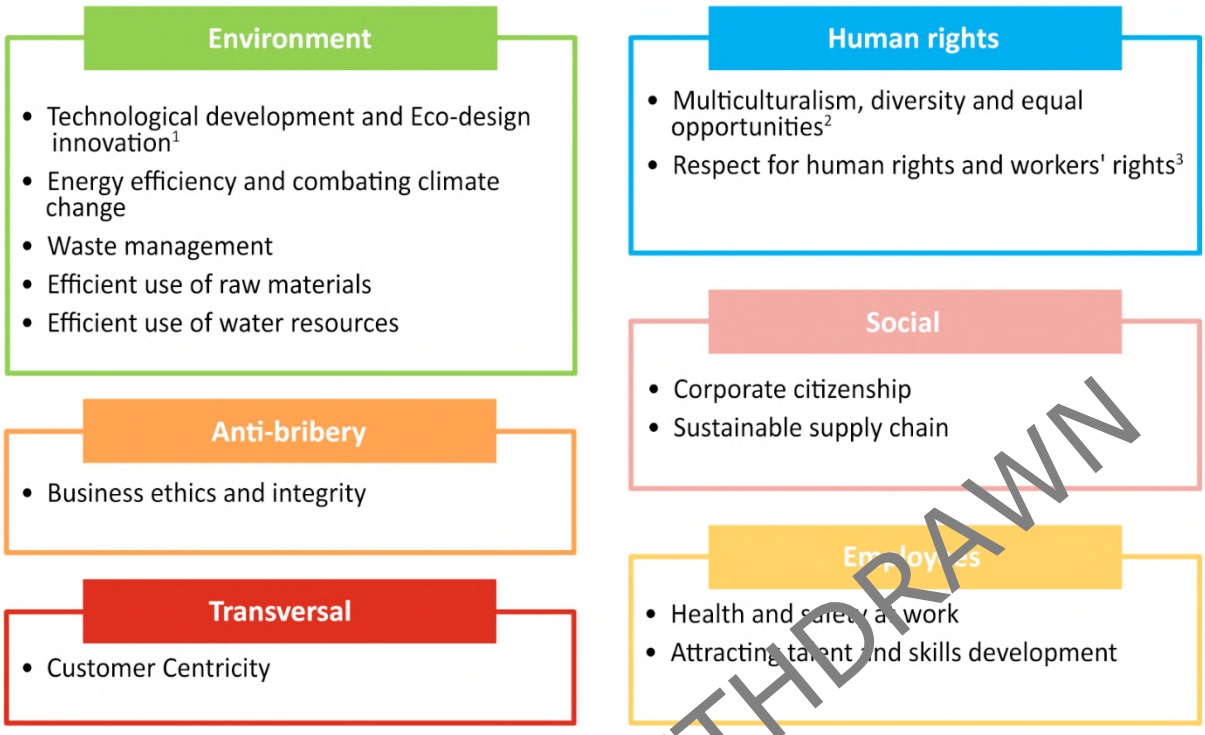
- documental analysis of internal and external sources, such as:
  - sustainability in the global context (OECD, World Economic Forum, etc.);
  - industry trends;
  - sustainability reports/non-financial statements of peers and competitors;
  - international press review;
  - changes in regulations;
  - Group strategy and policy;
- the direct involvement of the Group's senior management through special interviews.

2. Elimination of some issues on the basis of the outcomes of the above phase (for example, regarding issues more closely related to the transversal management of issues already defined as significant and compared to a preliminary assessment of the significance of the issues). The issues excluded from the 2018 materiality analysis are as follows:

- biodiversity;
- ozone-depleting substances;
- economic impacts;
- governance;
- public company status and employee share plan;
- Commitment in public and sector policies;
- risk management;
- environmental management systems;
- environmental impacts of logistics and transport.

Downstream of this process, the issues have been gathered in a special reconciliation table under the areas of the Decree (environmental, human rights, social, anti-bribery, employees and transversal) in order to align the reporting with the express requirements of the Legislative Decree.

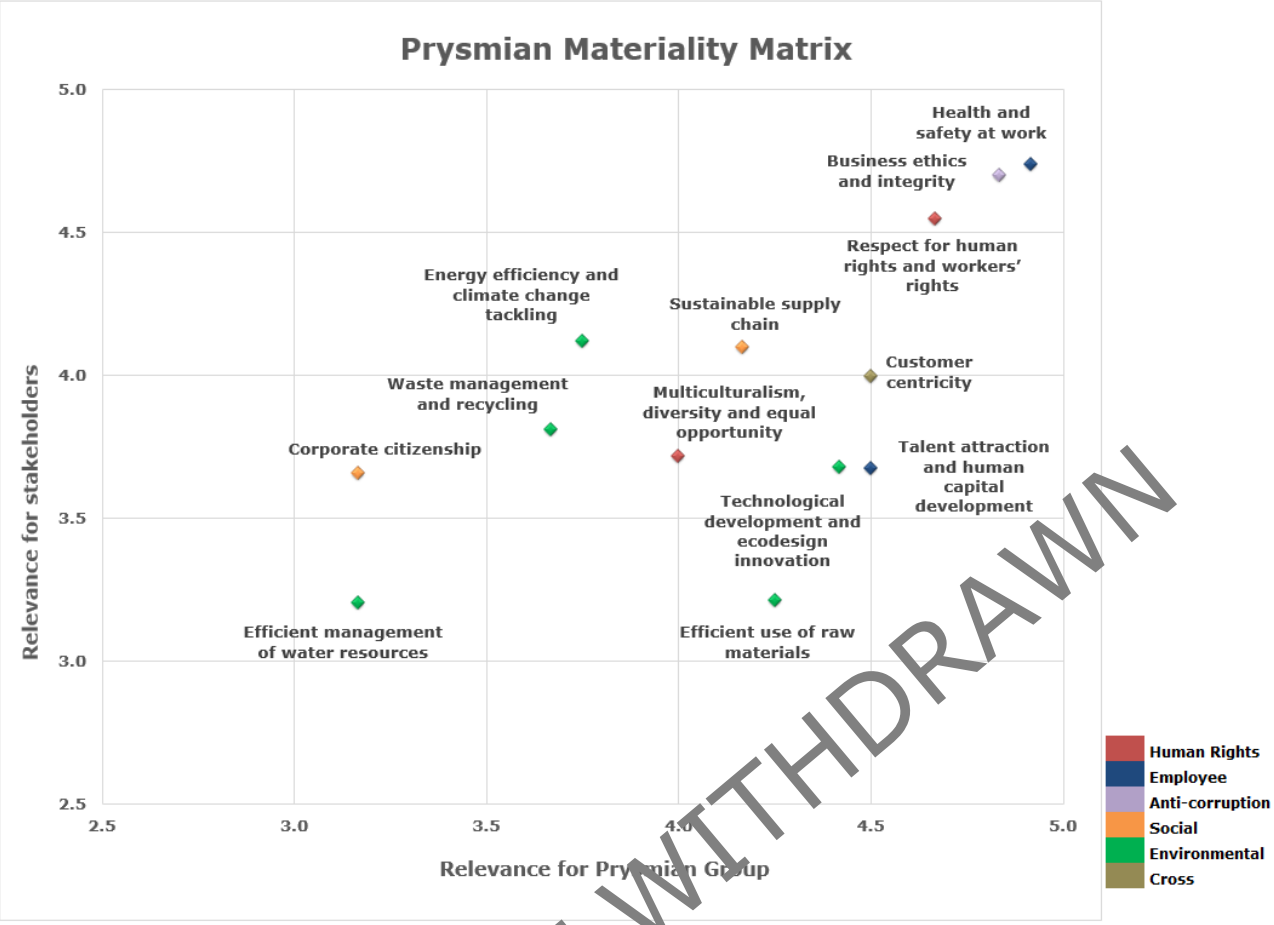
The updated list of significant issues for 2018 was as follows:



1 Includes the 2017 issue Company welfare and employee well-being
2 Includes the 2017 issue Solutions for sustainable applications
3 Includes the 2017 issue Industrial relations

The above issues were subsequently evaluated by senior management and assigned with an order of priority (from 0 to 5) within the materiality matrix. The significance of each of sustainability issue for Prysmian has been defined on the basis of relevance for the Prysmian Group and for the stakeholders significant for the Group (for 2018, carried out through internal analysis). As a result of this assessment it was possible to update the materiality matrix, providing an aggregated view of the relevance of issues both for the Group and its stakeholders, in terms of each issue's actual and potential impact on the Group's capability to create value in the long run.

PRYSMIAN 2018 MATERIALITY MATRIX



The three issues considered to be a priority both by the Group and by Prysmian's stakeholders are therefore:

- **Occupational health and safety**: the Group's intention to invest in workers' health and safety, by introducing occupational health and safety management systems aimed at reducing the number of accidents and occupational diseases, as well as developing training programs on health and safety in accordance with local laws and regulations.
- **Business ethics and integrity**: the theme includes the Group's commitment to a business management model based on the highest standards of ethics and integrity and compliance with laws, regulations, anti-bribery policies and procedures and anti-competitive conduct.
- **Respect for human rights and workers' rights**: The Group's policies and procedures on human rights, abolition of child labor and forced labor, respect for freedom of association and collective bargaining, health and fair wages in the workplace, including the due diligence process being carried out by Prysmian, allow human rights risks to be identified and assessed in order to ensure compliance therewith.

The section "2. Correlation table Legislative Decree 254/2016 and GRI aspects" contains the table of reconciliation between the Prysmian Group's material issues, the corresponding GRI aspects and the areas of Legislative Decree no. 254/2016.

The materiality matrix updated to 2018 has been approved by the Sustainability Steering Committee.

Also in view of greater GC integration, it is expected that in 2019 the Group's external stakeholders will perform an assessment of the material issues, as has already happened in previous years through the multi-stakeholder engagement event.

GROUP RISK MANAGEMENT SYSTEM

INTEGRATED MANAGEMENT OF SUSTAINABILITY RISKS

The Prysmian Group adopts a system of internal control and risk management based on tools and information flows that enable the Board of Directors to take strategic decisions and establish guidelines for the system in an informed manner, considering the context in which the Group operates and the related financial, environmental and social risks.

From 2012, by adopting the provisions introduced by the "Italian Stock Exchange Corporate Governance Code for Listed Companies" in the field of risk management, Prysmian can make use of an **Enterprise Risk Management** (ERM) model, which allows the BoD to consciously assess the risk scenarios that could compromise the achievement of strategic objectives and to adopt additional tools to anticipate, mitigate, and manage significant exposures.

The **Group's Chief Risk Officer** (CRO), appointed to govern the ERM process, is responsible for guaranteeing together with management that the principal risks faced by Prysmian and its subsidiaries are identified, assessed and monitored on a timely basis. In addition, an Internal Risk Management Committee comprising senior managers ensures, via the CRO, that the ERM process remains dynamic to reflect changes in the business, requirements and events affecting the Group over time. The CRO reports periodically (at least twice each year) to top management on these changes.

The ERM model adopted, formalized in the Group ERM Policy that incorporates the guidelines for the Internal Control and Risk Management System approved, in turn, by the Board of Directors back in 2014, follows a top-down approach, i.e. based on direction from senior management and the medium/long-term strategies and objectives of the business. This extends to all types of risk/opportunity that are potentially significant for the Group. These are shown in five families that each include internal and external issues characteristic of Prysmian's business model (so-called Group Risk Model): Strategic Risks, Financial Risks, Operational Risks, Legal and Compliance Risks, and Planning and Reporting Risks.

In compliance with the amendments to the Code of Corporate Governance published in the July 2015 edition and in line with the constant strengthening of its risk management system, the Group has decided to adopt a more holistic approach to **Corporate Social Responsibility**[16], planning to define each area of the Group risk model in a so-called **Sustainability Risk Model** able to direct a more precise identification of the Group's economic, environmental and social sustainability risks that could compromise the value creation of its shareholders/stakeholders over time.

The Sustainability Risk Model, shown in the figure below, therefore contains within the same five risk families the internal and external areas which the Group, in line with its business model, may face during the management of sustainability:

- **Strategic risks**: risks related to external or internal factors such as, but not limited to: changes in the national and international legislative framework for environmental and social sustainability; corporate sustainability strategies that are incorrect and/or implemented in a manner not appropriate to the market context and/or the expectations of stakeholders; failure to react to the development of eco-sustainable innovations that could threaten the competitive position of the Group and the achievement of strategic objectives;
- **Financial Risks**: economic and financial risks deriving from, for example, the management of relations with financial counterparties that meet the sustainability principles of the Group; the management of raw materials and eco-sustainable natural resources, etc.;
- **Operational risks**: risks deriving from events or situations contrary to the principles of social and environmental sustainability such as to limit the effectiveness and efficiency of key processes, affecting the Group's ability to create value;
- **Legal and Compliance Risks**: risks connected with breaches of national, international and sector regulations or professionally improper behavior that does not comply with the Group's Code of Ethics, exposing it to possible penalties;
- **Planning and Reporting Risks**: risks associated with the adverse impact of incomplete, incorrect and/or untimely information in the planning and preparation of the Group's sustainability reporting, with possible effects on strategic, operational and financial decisions in this area.

[16] Risk area already covered by the Group Risk Model within the Strategic Risks family. See the Risk Factors and Uncertainties section of the Annual Report.

The sustainability risk model of the Prysmian Group

As described in the Annual Report in the section Risk Factors and Uncertainties, to which we refer, the Group's main business/function managers are involved in the annual process of identifying and evaluating the most significant risk factors. These include economic sustainability, environmental and social issues. A common and clearly defined methodology is used to measure and evaluate the specific risk events in terms of impact, probability of occurrence and level of adequacy of the control system in place.

In 2018, the above-mentioned process led to the identification of some risks –linked purely to sustainability and others that may have a sustainability impact (and are therefore also contained in the Consolidated Financial Statements in the section "Risk Factors and Uncertainties") – to which the Group is exposed under its business model. Below is some of the main information including key strategies undertaken to mitigate the risks.

Note that, in line with the Group's ERM process, the risks described below were revalued, taking into account the possible effects of the completion of the acquisition of the General Cable company.

STRATEGIC RISKS

Risks related to changes in the legislative environment

The Group's production activity is subject to national and international environmental laws and regulations, including those relating to atmospheric emissions and energy efficiency.
Through the Environmental Management System, the Group's central HSE team is able to constantly monitor any changes and/or developments in energy and HSE legislative provisions, among which are the following:

- periodic monitoring of environmental legislation and related changes, at local and Group level;
- periodic reporting to the Group bodies involved in the management of risks in this area, in order to discuss any actions that must be taken for compliance with the law (the Sustainability Directive Committee and the Internal Risk Management Committee);
- the analysis of identified risk situations, with the aim of estimating their impact, the probability of occurrence and the adequacy of the internal control system to mitigate the risk;
- the definition of improvement actions that may be necessary to reduce exposure to current risk, and related follow up;
- the evaluation of environmental, health and safety or energy performance, downstream of the introduced improvement actions.

OPERATIONAL RISKS

Environmental risks

The Group's manufacturing activities in Italy and abroad are subject to specific environmental regulations. The most significant of these include pollution of the soil and sub-soil and the presence/use of materials and substances considered hazardous to human health. Furthermore, the changes in these regulations tend to impose increasingly stringent requirements on firms, which must therefore incur significant costs associated with the action needed to comply with the various obligations.

Given the high number of Group plants, the probability of an accident with environmental consequences and possible loss of production continuity brings the real possibility of significant economic and reputational impact. For this reason, Prysmian adopts a series of control procedures that keep the risk at an acceptable level. Environmental issues are managed centrally by the Health, Safety & Environment (HSE) function. By coordinating the local HSE functions, this function organizes specific training and adopts systems intended to guarantee strict compliance with the regulations, in accordance with best practices, in addition to monitoring the exposures to risk using specific indicators and by performing internal and external checks.

Lastly, 95% of plants within the perimeter of Prysmian Group w/o General Cable have ISO 14001 (environmental management) certification, while 78% have OHSAS 18001 (safety management) certification. With reference to the former General Cable production units acquired by the Prysmian Group in 2018, currently about a third of the GC plants are certified in most cases by various entities, and only in two instances by the Prysmian reference entity (SGS).

Risks related to climate change

Growing international attention on the consequences of climate change with predicted far-reaching repercussions on ecosystems, economies, human health and well-being, require companies to likewise assess the potential impact on business that may arise in the medium to long term.

In 2017, taking into account the guidelines of the Paris COP21 conference of 2015, the Prysmian Risk Management functions and the Group HSE carried out a climate change risk analysis with the aim of evaluating the potential impact on Prysmian business operations. The analysis, in line with the IPCC AR5 Fifth Assessment Report and the related Annex I, looks at the three main climate change layers:

- the increase in sea level (estimated by 2100);
- the change in temperatures (estimated in a 2016-2035 projection period);
- the change in precipitation in summer and winter (estimated in a projection period 2016-2035).

Through the use of the "CatNet" online platform made available to Prysmian by the Swiss Re insurance company, the Risk Management team and the Group's HSE team jointly analyzed the geographical position and altitude of its plants on the global map, in an effort to identify which of these could be exposed to climate change risk factors.
The results of the analysis show:

- a low overall exposure to the risks deriving from the change in precipitation in summer and winter;

- a low overall exposure to the risks deriving from the increase in temperatures, with the exception of very few cases of plants in areas with a maximum expected increase in temperatures of + 1.5 ° C;
- an exposure to risks related to the potentially significant rise in sea levels (>0.5 meters), affecting about 10% of the Group's plants positioned close to the sea.

This last point was also confirmed by a further analysis, taking into account the flood risk of coasts and rivers, estimated using the same methodology and utilizing the Swiss RE "CatNet" online platform.

The June 2018 acquisition of plants in the perimeter of the former General Cable substantially changed the Group's structure, making it necessary to reapply the above-described analysis to obtain a proper risk assessment of climate change.
Prysmian has meanwhile developed a methodology to check actual risk exposure by examining the physical data and information for each plant in order to quantify the potential impact on business operations.

This methodology will be reviewed in the course of 2019 to take account of any new potential exposure to climate change risks and to plan any risk prevention measures where deemed necessary.

Risks related to the availability of water
In order to carry out its business activities, the Group requires the continuous availability of water, used for the cooling of semi-finished products. The water is recirculated, entirely or partially according to circumstances, to avoid excessive consumption.
The unavailability water could therefore jeopardize the continuity of company processes.
In order to better understand and to attempt to quantify the potential risk exposure, the Prysmian Risk Management functions and Group HSE in 2017 performed an analysis of the water risk for its plants.

The analysis considers water stress (defined as the ratio between water demand and available water) in the year 2030 and changes in water supply and water demand projected for 2030 with reference to all regions of the earth's surface.
Using the "Aqueduct" tool provided by the World Resources Institute (WRI), the Group analyzed the geographical positioning of the Group's plants in order to identify which of them could be exposed to water risk and, therefore, the risk associated with reduced water availability.
The results of the analysis show that about 20% of the Group's plants are located in areas extremely exposed to the risk of water stress, estimated by 2030. For all of the plants in the Prysmian perimeter for which a potential risk has been evidenced, it must also be borne in mind that today's company production processes involve, for most plants, water recycling aimed at reduced fuel consumption.

The June 2018 acquisition of plants in the perimeter of the former General Cable substantially changed the Group's perimeter, necessitating a reassessment of the water stress risk. In the course of 2019 Prysmian will extend the analysis performed with the "Aqueduct" tool also to General Cable plants.

Other HSE risks
With particular reference to the risks of management of water and energy resources, greenhouse gas emissions (GHG) and the management of waste and hazardous substances, the Group has adopted a centralized system based on evaluations of factors considered critical at different levels, i.e. Group, country and operating unit.
This approach allows for a complete picture of the risks associated with individual production activities, both at Group level, in the country and in the operating unit, in order to manage, monitor and, where possible, minimize environmental, health and safety risks.
The adoption and implementation of the approach for each production unit has led to a baseline of the environmental and health and safety aspects and risks periodically updated and revalued, in particular in the case of:

- regulatory and/or operating changes potentially able to introduce new requirements, risks or organizational risks; particularly significant among these is the acquisition of the General Cable sites in 2018, which resulted in the expansion of the reporting perimeter and the adoption, for these sites, of the same approach for the assessment of the critical factors considered at different company levels (Group, country and operating unit);
- significant HSE events such as serious injury, illness or environmental emissions/spills;
- new information indicating an aspect previously not detected;
- recommendations from relevant stakeholders.

Prysmian has defined specific Group standards and operating modes designed to ensure the continuous monitoring of critical issues through: the collection, evaluation, aggregation and reporting of data at central level, as well as the

implementation and verification of corrective and preventive actions; the monitoring of environmental issues; staff training not only for the transfer of technical knowledge, but also to impart understanding of the approach taken and the risks incurred by non-compliance with HSE rules and procedures.

Risks related to the sustainability of the Group supply chain

The Group's business model, with a global presence in over 50 countries and a high diversification of product applications, is based on a complex supply chain that requires a continuous interface with numerous suppliers of different sizes and cultural background. In addition to a commitment to the evaluation of counterparties, the Group has adopted guidelines and policies that suppliers are required to comply with and sign (for example, the Code of Ethics and the Code of Business Conduct). There will be an immediate reaction should it emerge that third parties involved in the supply chain have implemented actions not conforming to the principles of environmental and social sustainability, which would expose the Group potentially significant image and reputational risks. If the issues flagged are not promptly corrected and eliminated, the Group reserves the right to activate a procedure for the resolution of existing business activities and temporary, or in serious cases, definitive exclusion from the Group's supplier list. The assessment of risks related to the sustainability of third parties is a fundamental step of the entire supply chain management process and defines clear rules for i) the introduction of new suppliers, ii) the periodic evaluation of the supply chain, iii) the monitoring and the improvement of the supply chain management strategy.

Cyber security risks

The increasing spread of Internet-based technologies and business models that allow the transfer and sharing of sensitive information through virtual spaces (i.e. social media, cloud computing, etc.) leads to the emergence of vulnerable IT situations that also Prysmian cannot ignore in the conduct of its business.

Exposure to potential cyber-attacks could be due to several factors, such as the necessary global distribution of IT systems, the holding of high value-added information such as patents, technological innovation projects, as well as financial projections and strategic plans not yet disclosed to the market, with consequent economic, patrimonial and image damages. The Group IT Security Department, in collaboration with the Risk Management function, periodically carries out specific assessments aimed at identifying any vulnerability of IT systems at local and central level that could compromise business continuity.

In 2016, Prysmian defined:

- a clear Information Security Strategy that clarifies the related governance structure adopted by the Group and guidelines for cyber risk management in the field of IT architectures and company processes.
- an Information Security Risk Management Manual that, in line with the Group ERM Policy, defines the methodology, roles and responsibilities for the identification, analysis, assessment and treatment of risks that could compromise the achievement of security objectives and therefore the confidentiality, integrity and availability of Group information.
- a special Information Security Committee, comprising the main cyber risk[17] management figures. It was appointed with the task of defining the strategic and operational cyber security objectives, coordinating major initiatives and reviewing and approving policies, procedures and operational instructions. The Committee is convened on a regular basis (twice annually) and in the case of crises or remarkable events.

During 2018, social engineering and phishing campaigns were directed towards the Prysmian Group w/o General Cable, aimed at testing the company personnel's readiness to recognize this specific type of cyber-attack.

With particular reference to the perimeter of the former General Cable, the acquisition of the company was followed by the performance of an assessment of the Information Security Capabilities in order to understand the company's position on the issue and to address any actions that would ensure timely alignment with the Group's standards. The activities of the integration plan will continue in 2019.

LEGAL AND COMPLIANCE RISKS

Compliance risks concerning the Code of Ethics, Policies and Procedures

The risk of compliance generically represents the possibility of incurring legal or administrative sanctions, significant financial losses or reputational damage as a result of breaches of current regulations.

The Prysmian Group puts in place a series of organizational tools aimed at defining the principles of legality, transparency, fairness and loyalty used to operate.

In particular, since its inception, the Group has adopted the Code of Ethics, a document that contains the guidelines and ethical and behavioral principles that all those carrying out activities on behalf of Prysmian or its subsidiaries (including

[17] The permanent members of the Information Security Committee are: the Chief Operating Officer, the Vice-President HR & Organisation, the Chief Security Officer, the Chief Information Officer, the Chief Risk Officer, the Internal Audit & Compliance Director and the IT Security Manager of the Group.

managers, officials, employees, agents, representatives, external collaborators, suppliers and consultants) are required to observe. The Group, through the Internal Audit & Compliance Department, undertakes to constantly monitor compliance and the concrete application of these rules, not tolerating any type of violation.
However, despite the constant commitment, careful supervision and periodic awareness of staff, it is not possible to rule out that in the future there may be episodes of incorrect behavior in violation of policies, procedures and the Code of Ethics and therefore of current regulations, by those that carry out activities on behalf of Prysmian, with consequent possible judicial and pecuniary sanctions, or even significant reputational damages.

Risks of non-compliance with Data Protection legislation (Privacy)
In the current context of continuous globalization of business, proliferation of channels and access to information as well as increased amounts and types of data managed, Prysmian has the possibility to create new opportunities and new services.
But at the same time it faces an increasingly complex scenario regarding the governance of data, compliance with international regulations and the growth of potential threats to the requirements of confidentiality, integrity and availability of information.
It therefore becomes essential to address the issue of management of confidential or sensitive information and data, not only for the purposes of compliance but also as a security issue and a company priority.

The entry into force in May 2018 of the new European Regulation 2016/679 on data protection (General Data Protection Regulation – GDPR) is one of the driving forces for a renewed commitment to data protection, particularly that of personal data. The personal data management model adopted by Prysmian is based on three fundamental elements that have an impact on the entire company structure:

- the development of a "data centric" model mapping significant personal data processed by the corporate functions and establishing a register of processing operations;
- the definition of a new and updated governance model, designed to meet the requirements of the GDPR and based on the following pillars:
    1. a new organizational structure that includes the appointment of a Data Protection Officer who has an advisory and monitoring role. Appropriate duties and responsibilities are delegated to Internal data Supervisors, who are responsible for the more substantial processing of data and supervise the activities carried out by the Data Processors;
    2. a series of new policies and standard appointment documents.
- the implementation of adequate technical and organizational measures to ensure a level of security appropriate to the risk.

The program also includes communication and training materials to raise users' awareness of the GDPR and the measures taken by Prysmian to ensure compliance with the regulation.

Following the acquisition of General Cable in the second half of 2018, the personal data protection program has been integrated and extended to General Cable. During 2018, General Cable implemented the new European GDPR regulations throughout its entire perimeter and also provided training for about 800 employees.

Risks of non-compliance with anti-bribery legislation
In recent years, the legislative and regulatory context has made significant efforts in the fight against bribery and corruption, with a growing tendency to extend responsibility to legal entities as well as to natural persons.
In relation to the growing internationalization, organizations are more and more often operating in a context exposed to the risk of corruption and having to comply with many regulations on the subject, such as Legislative Decree no. 231/2001, the Anti-bribery Law (Law 190/2012), the Foreign Corrupt Practices Act, the UK Bribery Act, etc., all with the same objective: to counteract and suppress corruption.
The business model of the Group requires continuous interaction with numerous third parties (suppliers, intermediaries, agents and customers).In particular, in the Energy (submarine and high voltage) and Oil & Gas businesses, the management of large international projects requires the establishment of commercial relations even in countries with a potential risk of corruption (as per the Corruption Perception Index[18]), often through local and commercial agents and public officials. The Prysmian Group has therefore implemented a series of actions aimed at managing the issues of corruption on a preventive basis; first of these is the adoption of an Anti-Bribery Policy that prohibits both the corruption of public officials and the corruption of private individuals and requires its employees to comply with it, as well as observe and comply with all anti-bribery legislation in force in the countries where they are employed or active, in case those

[18] The Corruption Perception Index (CPI) is an indicator published annually by Transparency International, used to measure the perception of corruption in the public sector in various countries around the world

are more restrictive. Furthermore, specific e-learning activities (training and testing) aimed at all Group personnel are periodically carried out in order to raise awareness of compliance with the regulations in question. Note also that in 2018, the Prysmian Group, in line with the previous year, carried out activities defined under the Anti-Bribery Compliance Program, based on the guidelines laid down by ISO 37001 "Anti-bribery management systems" of 15 October 2016, intended to further strengthen oversight and central focus on compliance issues. This program, in addition to giving greater control over the management of the corruption risks, also aims to minimize the risk of receiving sanctions following the commission of corruptive offences by employees or third parties. The core of the ISO 37001 standard, as is known, is the control of third parties (suppliers, intermediaries, agents and customers) through a due diligence system aimed at bringing out any critical or negative events that undermine the reputation of third parties with whom the Prysmian Group interacts.

Following the acquisition of General Cable in the second half of 2018, the Anti-Bribery Compliance Program implemented by Prysmian Group was integrated and expanded through the inclusion of additional related activities provided by the General Cable Compliance Program.

Risks of non-compliance with Antitrust legislation

Competition law on restrictive practices and the abuse of dominant positions now plays a central role in governing the activities of firms operating in all sectors of economic life. Prysmian's strong international presence subjects the Group to current antitrust regulations in Europe and in all other countries in which it operates. Each of these laws are more or less demanding in terms of the civil-administrative liability and penalties imposed for breach of applicable laws. Over the past decade, the various local anti-trust authorities have dedicated increasing attention to the business activities of market players and, furthermore, have showed a greater propensity for international collaboration amongst themselves. Prysmian intends to operate in the marketplace in compliance with the rules in place to protect competition. Consistent with the priorities defined in the ERM process, the Board of Directors has adopted an Antitrust Code of Conduct that all directors, executives and employees of the Group are expected to know and comply with in the performance of their duties and in relations with third parties. During 2018, the Code of Conduct was updated and the new version of the document, posted on the company intranet and made available to all Group employees, sets out the general principles of antitrust law, which generally are reflected in applicable legislation in the various jurisdictions in which the Group operates. More detailed documents are being prepared, each focusing on the antitrust legislation specifically applicable in the main countries in which the Group operates. The Antitrust Code of Conduct, which is an integral part of this training program, seeks to describe the issues relating to the application of Italian and EU competition policy with regard to cartels and the abuse of dominant positions. The specific situations arising must be assessed against this framework on a case-by-case basis. This action, stimulating knowledge and making individuals more aware of their professional duties and responsibilities, represents a further step in establishing an "anti-trust culture" within the Group. In this context, note that in addition to the classroom courses aimed mainly at the Group's sales force, carried out in 2017 and 2018 in collaboration with tutors and external legal advisors, e-learning sessions were launched on the company intranet in 2018 to give continuous support and increased attention and awareness on the subject. For details of the Antitrust inquiries in progress, see paragraph 14. Provisions for risks and charges in the Explanatory Notes to the Consolidated Financial Statements: it should be noted that the Group set up a provision for risks and expenses on 31 December 2018 for approximately EUR 233 million. Despite the uncertainty of the outcomes of the investigations in progress and the potential disputes formulated by customers as a consequence of the decision adopted by the European Commission in April 2014, as described in the Explanatory Notes (paragraph 14. Provisions for risks and charges); this provision is deemed to represent the best estimate of liabilities based on the information currently available.

Risks of non-compliance with environmental legislation

Prysmian carries out its activities in compliance with the national and international requirements and regulations in force in the environmental field, paying particular attention to the risk of failed or non-timely compliance with regulatory changes that may occur within its business context. In particular, any non-compliance with environmental regulations may cause the Group to incur significant penalties, as well as unplanned costs for the implementation of immediate action plans with subsequent impact on operating and business processes. In this regard, Prysmian analyzed the potential risk of not complying with any changes in local legislation that implements the "Energy Efficiency Directive" 2012/27/EU (EED) on the efficiency of end-use energy. In order to manage such risks, several actions have been taken, including the definition of an Energy Audit Plan at the Group's plants to be completed by 2020, also referring to sites that to date are not required to perform energy diagnoses by law, and the development of energy efficiency projects at local and global level. Any cost additions identified as necessary at Group level are discussed and estimated in agreement with the Group HSE function.

It should also be noted that, in coordination with the local teams, the Group's HSE management makes periodic visits to the plants with the aim of verifying compliance with the rules and standards defined and organizing specific training

sessions for all the Prysmian staff involved in the management of activities having an environmental impact, with the intent to raise awareness of compliance with the Group's regulations and ethics.
Specific indicators are also used at central level by the Group's HSE and Risk Management departments to monitor exposure to environmental risks and promptly implement the actions necessary to reduce the risk within the tolerance thresholds.

Risks related to the social sustainability of the organizational structure and business model
The Prysmian Group faces daily the difficulties arising from the management of relationships related to organizational and business activities between people with different social and cultural backgrounds. Despite the constant commitment, careful supervision and periodic awareness of staff, it is not possible to rule out that in the future there may be episodes of incorrect behavior in violation of policies, procedures and the Code of Ethics and therefore of current regulations concerning human rights, by those that carry out activities on behalf of Prysmian, with consequent possible sanctions, significant reputational damage and impact on business.
To support the mitigation of this risk, in 2018, Prysmian, under the direction of the Group's HR & Organization function, completed a due diligence activity begun in 2017 aimed at identifying the potential and current impact on human rights deriving from its activities and business relationships. During 2018, the due diligence was applied to the Prysmian Group w/o General Cable perimeter and the sites brought to the Group due to the acquisition are being included.
The due diligence process, in accordance with the so-called Ruggie Framework[19], develops in the following stages:

- assessment of current and potential impact on human rights;
- assessment of the results and definition of the necessary actions to prevent and/or mitigate the potential impact identified;
- monitoring of performance;
- resolution of breaches;
- communication of performance.

The Group has also launched an analysis aimed at assessing potential gaps with respect to international human rights principles, Group Human Rights Policy and national legislation in each country in which the Group operates. The ultimate objective of the analysis is to identify the countries most exposed to the risk of violation of human rights.

[19] Ruggie Framework or "United Nations Guiding Principles on Business and Human Rights" (UNGPs) is an international framework that defines 31 principles of respect for human rights in multinationals and other enterprises. Developed by John Ruggie (SRSG), this framework is the first global standard for the prevention and management of the risk of a negative impact on human rights related to economic and business activities.

BUSINESS ETHICS AND INTEGRITY IN THE PRYSMIAN GROUP

CODE OF ETHICS OF THE PRYSMIAN GROUP W/O GENERAL CABLE

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

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 behavior, 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 Code of Ethics lives and evolves with the development of the business in the competitive world and is always open to receive and accept requests for legality and propriety expressed by any 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 Organisation (ILO). The structure of the Prysmian Group's Code of Ethics, in its latest version of 1 March 2017, is founded on three pillars:

- Ethics in business activities
- Ethics in internal relations
- Ethics in environmental and social matters

We recommend referring to the Prysmian Group website for further insights to these three pillars. All companies within the Group strictly comply 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 is available in 26 languages and is also published on the Company's website, www.prysmiangroup.com.

The Code reflects 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.

CODE OF ETHICS GENERAL CABLE

At General Cable, the Code of Ethics & Business Conduct (the "Code") is grounded in and reflects the Company's values. The Code guides the Company's compliance with the rules and regulations that govern its business throughout the world and communicates the Company's standards of business conduct. The Code provides guidance for assisting employees in resolving potential problems and performing their responsibilities with integrity.

The Code applies to all General Cable employees, officers and directors. It is published in all General Cable's languages and is accessible on the Company's public website, www.generalcable.com, and intranet site for employees. All employees are required to complete training regarding the Company's code of ethics. This training is also provided in all of General Cable's languages.

ANTI-BRIBERY POLICY IN PRYSMIAN GROUP W/O GENERAL CABLE

Prysmian Group has implemented a series of actions aimed at managing the issues of corruption on a preventive basis; the first of these is the adoption of an Anti-Bribery Policy that prohibits both the corruption of public officials and the corruption of private individuals and requires Prysmian's employees to abide by it and to observe and comply with all anti-corruption legislation in force in the countries in where they are employed or active, if these are more restrictive.

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. In particular, it should be noted that, during 2018, specific classroom training sessions were held aimed at the Group's sales force, organized in collaboration with external lecturers and legal consultants. At the same time, e-learning sessions are published on the company intranet. In 2018, 725 white collar employees (salesforce) were trained in compliance and anti-bribery through online courses and 400 white collar salaried employees through classroom courses (classroom courses include both Anti-Bribery and Anti-Trust modules).

- Implementation of ACL (a software program that enables the extraction of bulk information from SAP or other information systems), 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.
- In 2017, the Prysmian Group, in line with the objectives set in 2016, decided to further strengthen the monitoring and central focus on compliance issues by launching an Anti-Bribery Compliance Program inspired by the guidelines set by the ISO 37001: 2016 "Anti-bribery management systems". This program, in addition to giving greater control over the management of the risk of corruption, is also aimed at minimizing the risk of being subject to sanctions following the commission of corruptive offences by employees or third parties. The core of the ISO 37001 standard, as is known, is the control of third parties (suppliers, intermediaries, agents and customers) through a due diligence system aimed at bringing out any critical or negative events that undermine the reputation of third parties with whom the Prysmian Group interacts.
- The program introduced in 2017 has remained current throughout 2018.

There have no cases of corruption in the Prysmian Group w/o General Cable perimeter in 2018.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AT GENERAL CABLE

In December 2016, General Cable entered into a 3-year non-prosecution agreement ("NPA") with the U.S. Department of Justice and parallel cease and desist order with the U.S. Securities and Exchange Commission for violations of the U.S. Foreign Corrupt Practices Act ("FCPA").

As part of its commitment under the NPA, General Cable adopted new and modified existing internal controls, compliance policies and procedures in order to ensure that it maintains (a) a system of internal accounting controls designed to ensure that the Company makes and keeps fair and accurate books, records and accounts; and (b) a rigorous anti-corruption compliance program designed to detect and deter violations of applicable anti-corruption laws, including the FCPA.

To this end, the Company has trained all white collar employees, in accordance with function and responsibilities, on the following global policies, published in all General Cable languages, in addition to the Global Code of Ethics and Business Conduct:

- Global Anti-Corruption Policy
- Global Third-Party Approval Policy
- Global Giving and Receiving of Business Courtesies
- Global Conflicts of Interest Policy

The foundation of General Cable's anti-corruption program is based on the following five principles of an effective ethics and compliance program:

1. Assessing Risk – compliance policies, controls, and communications are prioritized based on a continuous assessment of the Company's organizational, operational and regulatory risk environment.
2. Reporting – Maintaining open and anonymous channels of communication available to report concerns and raise questions that help foster a compliant culture and identify and respond to compliance risk
3. Training and Communication – developing practical and timely compliance communications that are driven by specific risks
4. Evaluating – Implementing and maintaining a system of defined metrics and key performance indicators in order to assess the effectiveness of the Company's anti-bribery and corruption ("ABAC") program.
5. Leadership Engagement – leaders at all levels own and drive each program element to ensure proper tone and drive accountability

General Cable has implemented a global cloud-based third-party due diligence and approval system to ensure proper diligence is performed and appropriate approvals are obtained, prior to engaging third parties. Further, once entered into the system, third parties are monitored daily against multiple global sanctioned and denied parties lists, terrorist and money laundering watchlists, and adverse media sources.

There have been no cases of corruption in the former General Cable perimeter in 2018.

ANTITRUST LEGISLATION IN PRYSMIAN GROUP W/O GENERAL CABLE[20]

Competition law on restrictive practices and the abuse of dominant positions now plays a central role in governing the activities of firms operating in all sectors of economic life. Prysmian's strong international presence in more than 50 countries subjects the Group to the competition law in force in all countries in which we operate globally. Prysmian, potentially exposed to the risk of being involved in conduct that could be considered anticompetitive and could consequently result in extremely high economic sanctions with negative repercussions on the reputation and credibility of the Group's governance system operates on the market in compliance with the regulations competition protection.

Consistent with the priorities defined in the ERM process, the Board of Directors has adopted an Anti-trust Code of Conduct that all directors, executives and employees of the Group are expected to know and comply with in the performance of their duties and in relations with third parties.
In 2017, Prysmian introduced an anti-trust training program - Integrity First - designed to increase awareness among those who work in the name and on behalf of the Group, so that during their activities they comply with the rules safeguarding competition. This program continued throughout 2018 (refer to the "ANTI-BRIBERY POLICY" section for training courses provided under the Integrity First program).
The Antitrust Code of Conduct, which is an integral part of this training program, seeks to describe the issues relating to the application of the competition policy with regard to cartels and the abuse of dominant positions.

Antitrust in FORMER GENERAL CABLE

Per the global Anti-Trust / Competition Policy (the "Competition Policy") published in December 2017, General Cable's policy is that all General Cable employees must adhere to all Antitrust and Competition Laws in any country or region where General Cable operates.

These laws and regulations include all US Antitrust Laws, European Union Competition Law, and also any local country antitrust or competition laws, where applicable. The policy was launched globally and multiple teleconference training sessions regarding the policy were led by the General Counsel.

The Competition Policy applies to all employees, officers, and directors of General Cable. When conducting business for General Cable, consultants, contractors, and other business partners are required to observe the same level of integrity, responsible business conduct, and compliance with the laws as General Cable employees.

PRIVACY AND DATA PROTECTION IN THE PRYSMIAN GROUP W/O GENERAL CABLE

In the current context, which sees a continuous globalization of the business, a proliferation of channels and access to information as well as an increase in the volume and types of data managed, Prysmian has the possibility to create new opportunities and new services, but, at the same time, it is experiencing increasing complexity in the governance of data and in compliance with international regulations, as well as in the growth of potential threats to the requirements of confidentiality, integrity and availability of information.

It therefore becomes essential to approach the management of information and data considered confidential or sensitive, not exclusively as a compliance problem - as described in the Group Annual Report, in the section Risk Factors and Uncertainties - but also as a security problem and a business priority.

Furthermore, the European GDPR (General Data Protection Regulation) entered into force in May 2018 and became one of the driving factors for a renewed effort in data protection, with a focus on personal data.

The personal data protection program adopted by Prysmian is based upon three fundamental elements that have an impact on the entire corporate structure:

- Development of a "data centric" model, by mapping relevant personal data processed by business functions and establishing a Record of Processing Activities;
- Definition of an updated Governance model, designed to comply with GDPR requirements, with two main sub-streams:
  - A new organizational structure which includes the newly appointed Data Protection Officer in an advisory and monitoring role, while delegating the appropriate duties and responsibilities to Internal Data Supervisors, who are responsible for the more substantial data processing and supervise activities performed by Persons in charge of processing;
  - A set of policies and standard appointment documents.

[20] Further information is available in the 2018 Annual Report.

- Implementation of adequate technical and organizational measures to ensure a level of security appropriate to the risk.

Furthermore, the program includes communication and training material to increase user awareness about the GDPR and the steps taken by Prysmian to ensure compliance with the regulation.

PRIVACY AT GENERAL CABLE

The Confidentiality and Public Disclosure section of General Cable's Code of Ethics provides, disclosure or use of confidential information obtained about companies that General Cable is or is considering doing business with is prohibited. This information remains confidential until the Company has disclosed it or made it otherwise generally available to the public through the press, periodicals, financial or business publications or similar sources."

During 2018 the General Cable Co implemented the new European regulations tied to GDPR across its entire perimeter and provided web-based training for approximately 800 salaried employees.

THE WHISTLEBLOWING PROGRAM: INTEGRITY FIRST IN THE PRYSMIAN GROUP W/O GENERAL CABLE

As part of its commitment to ethical and legal behavior, Prysmian invites all the Group's stakeholders to report any real or apparent violations of the law, the Code of Ethics, or of ethical standards, so that they can be examined and dealt with appropriately.

In order to meet this requirement and in order to create the necessary conditions of confidentiality, security and ease of reporting, Prysmian has adopted the Whistleblowing policy by offering to all (employees or not) the possibility of reporting to the Company any incorrect behavior and alleged illicit activities that might occur within the organization. This process implements two channels for the anonymous collection of reports, comprising dedicated telephone lines and a web portal, which are both managed by independent operators and available in the 26 languages used by the Group.

An established Whistleblowing Committee evaluates the reports, conducts specific investigations and, if necessary, takes appropriate measures.

2018 – Prysmian Group w/o General Cable	
Total number of claims received through whistleblowing channel	**38**
Confirmed claims received through whistleblowing channel	**11**
of which of anti-corruption	-
of which covering other topics	*11*

GENERAL CABLE HELPLINE

General Cable's HelpLine is an integral part of its global compliance program and helps preserves the Company's culture of integrity. All stakeholders are encouraged to contact the GC HelpLine, not only to report concerns, but also to raise questions. The HelpLine is available 24 hours / 7 days a week, in all of General Cable's languages.

You can raise questions or concerns openly or anonymously, if allowed by local law, via the Internet, by e-mail to TheGCHelpLine@generalcable.com or by phone. Anonymous reporting is available via the internet or telephone only.

In order to foster a "speak up" environment, reporters' confidentiality is respected at all times. Reporters' identities and information provided are only shared on a "need-to-know" basis with those responsible for resolving questions or concerns.

Furthermore, General Cable absolutely prohibits retaliation against anyone who raises or assists in addressing a question or concern in good faith. Retaliation is ground for discipline up to and including dismissal.

This is stated in the Company's Code of Ethics and the message is reinforced by the compliance team.

June to December 2018 – Former General Cable	
Total number of claims received through whistleblowing channel	**19**
Confirmed claims received through whistleblowing channel	**3**
of which of anti-corruption	-
of which covering other topics	*3*

COMMITMENTS FOR THE FUTURE
In the course of 2019, the Prysmian Group will align the procedures and policies for the above-mentioned programs in order to harmonize activities and create a single reference document.

RESPONSIBILITY TOWARDS PEOPLE

Over more than 140 years, the Group has built its history and successes on the abilities of its employees, who have been leading actors in the achievement of these results, thanks to their ability to transmit to younger colleagues, generation after generation, their values, experience and attachment to the firm. The "human capital strategy", launched in 2015 in support of our business strategy, and the growth of the company towards 2020 regarding our sustainability objectives, will guide the development of specific initiatives in this area, based on the following pillars:

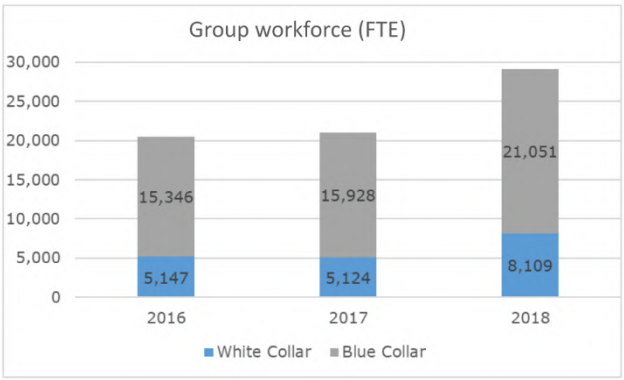
- constant **improvement and development of the organizational model**, consistent with our business strategies and priorities;
- **strategic planning of resources** in order to ensure, over the medium term, the compatibility of our human capital with the needs of the company in terms of capacity and skills;
- **development of employer branding**: increase knowledge and awareness of the Prysmian brand as an employer and develop the positioning of the brand in the international job market, partly via strategic recruitment initiatives;
- creation of a **strong talent pipeline** that ensures the sustainability of the Group's human resources strategy;
- development of technical, professional and managerial skills via the training initiatives of the Prysmian Academy, which has now been active for eight years;
- **meritocracy** as a basic element for the development of resources to ensure long-term sustainability;
- **development of employee engagement** and sense of belonging via a structured approach to measuring the corporate climate, in order to align management and the initiatives with the perceived priorities of employees and, in particular, via a broad share ownership program designed to make most of them shareholders.

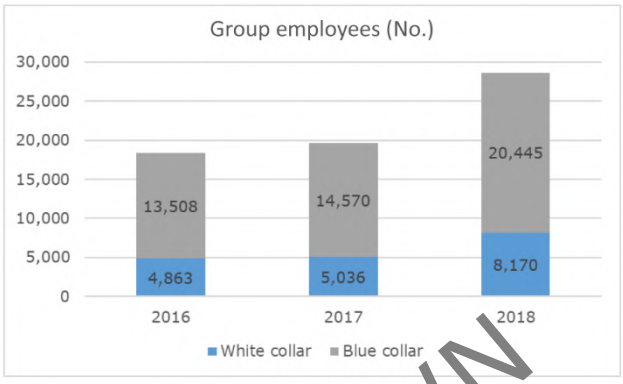
The merger with General Cable in June 2018 had a major impact on human resources of the Group and on the human resource management function. The function was actively involved in the reorganization of the company in all organizational levels and, in order to select the best candidates for the management positions of the new group, over 450 people were assessed with partner Korn Ferry. This evaluation process, using international methodology and consisting of online tests and interviews, was geared towards guaranteeing maximum fairness and objectivity in this delicate integration process. Shortly after, we launched an important process of integration and creation of a common corporate culture with the support of SDA Bocconi. An initial survey was conducted with about 1,500 employees to understand their expectations.

In July, 10 cultural integration workshops were organized around the world, bringing together more than 250 of General Cable and other Prysmian employees of varied origins, roles, ages and skills, to gain better insights into the most important behavior for creating a stronger team and a better culture. The workshop results were then shared with senior management in a dedicated session.
In December a second survey was held with all employees with computer access, with the aim of checking the progress of the post-merger integration process.

OUR HUMAN CAPITAL

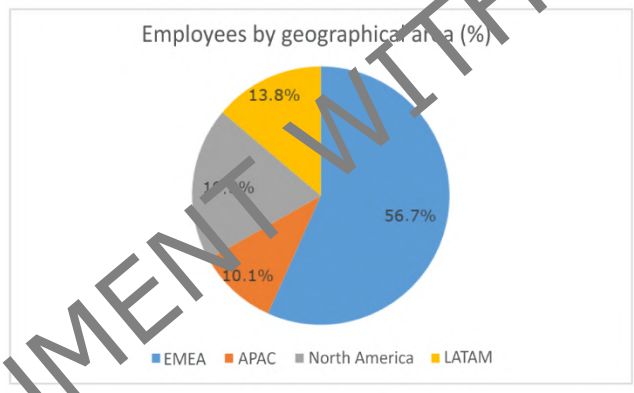
Following the merger with General Cable, as of 31 December 2018, the Prysmian Group workforce totaled[21] 29,160 FTE persons, comprising 8,109 white collar staff including executives and clerical staff, and 21,051 blue collar workers.





The number of employees at 31 December 2018 amounted to 28,615 persons. White collar staff accounted for 28.6%, while workers made up the majority of employees, equal to 71.4%.

With regard to geographical distribution, more than half of employees were located in EMEA (Europe, Middle East and Africa). North America (US and Canada) and LATAM[22] respectively hosted 19.3% and 13.8% of employees, while the remaining 10.1% were in APAC.[23]

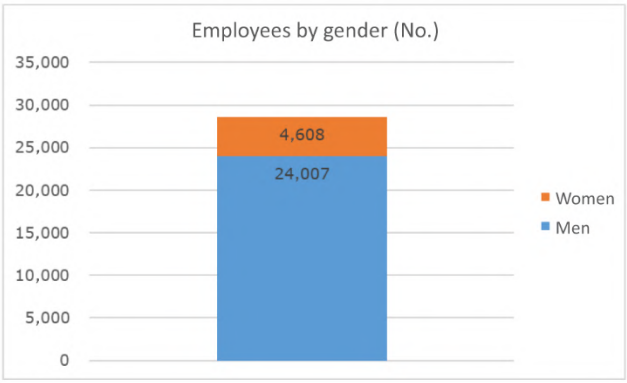


In consideration of the type of business, men made up 83.9% of all employees, and women the remaining 16.1%. The Group continually strives to implement equal opportunities programs. See the following section for more information.

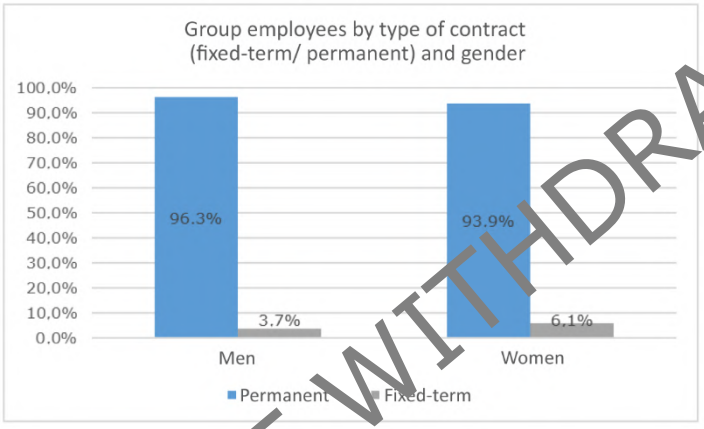
[21] The total represents the total workforce of the Group, calculated in FTE, and represents 100% of the total of Prysmian's employees, i.e., all Group companies controlled or subject to the Management, including estimated figures of Associated Cables Pvt. Ltd.. This calculation also includes the staff of agencies (interns and contractors). Note that in order to guarantee the reliability of this document and its comparability with previous editions, estimates have been made with regard only to the data of Associated Cables Pvt. Ltd., on the basis of the best available methodologies. In fact, due to a lack of data, the number of persons employed by Associated Cables Pvt. Ltd. Prysmian India has not changed for four years, while the qualitative breakdowns have been estimated with reference to Group averages.

[22] For details of the countries included in the geographical regions, please refer to the map of the Group's plants shown in the "The Prysmian Group" section. Note that since 2018, Mexico has been classified in the LATAM region (in line with the General Cable classification), having been categorised in the North and Central America region in previous years.

[23] Note that, compared to the geographical distribution of previous years, the inclusion of General Cable led to a reclassification of countries. Consequently, Mexico in 2018 was placed in the LATAM geographical region and not in North and Central America.



Regarding types of contract, the majority of employees have permanent contracts (95.9%). The preference for permanent employment contracts demonstrates the Group's commitment to creating long-term relationships with its employees, focusing on long-term prospects.



As regards the age distribution, the majority of employees (54.5%) were aged between 31 and 50 years. About 29.0% of employees were above the age of 50. The remaining 16.5% employees were aged under 31. The Group constantly strives to attract young recruits, especially through specific programs such as Make It, Sell it and the Graduate Program.

With regard to new employee hires and employee exits, taking into account the integration of General Cable on 6 June 2018, in order to transparently communicate to stakeholders the results of the integration presented at the beginning of the section, it is relevant to provide the following overview, showing the new hires and turnover with the same scope used for 2017, (Prysmian Group w/o General Cable), and the related turnover rate of new hires and departures in order to ensure comparability with the data provided in the 2017 NFD.

2018	**New hires - Prysmian Group w/o General Cable**														
	EMEA			APAC			North and Central America			South America			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	74	45	119	23	27	50	12	2	14	16	12	28	125	86	211
31-50	80	45	125	49	31	80	7	3	10	19	5	24	155	84	239
>50	13	1	14	3	2	5	6	0	6	0	0	0	22	3	25
Total	**167**	**91**	**258**	**75**	**60**	**135**	**25**	**5**	**30**	**35**	**17**	**52**	**302**	**173**	**475**

2018	Turnover - Prysmian Group w/o General Cable														
	EMEA			APAC			North and Central America			South America			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	37	13	50	9	9	18	6	1	7	8	2	10	60	25	85
31-50	83	32	115	30	26	56	18	6	24	7	8	15	138	72	210
>50	11	2	13	1	2	3	5	2	7	1	0	1	18	6	24
Total	**131**	**47**	**178**	**40**	**37**	**77**	**29**	**9**	**38**	**16**	**10**	**26**	**216**	**103**	**319**

In EMEA the employee turnover rate was 5.5%, in APAC 9.3%, North and Central America 6.9% and in South America 6.3%. With regard to outgoing turnover grouped by age, the most significant changes were found in employees under thirty (11.7%), followed by employees aged between thirty and fifty (7.6%) and finally those over fifty at 1.5%.[24]

The rate for new employee hires is 8.0% in EMEA, 16.2% in APAC, 5.4% in North America and 12.6% in Central and South America. In terms of age groups, there was a new hires turnover rate of 28.9% in the under-thirties, 8.7% between 31 and 50 years and 1.6% over fifty years.

With regard to new employee hires and exits from the Group, considering the full perimeter of the Group (PG w/o GC + former-GC), the Group is able, following a major reorganization of its management systems, to provide the absolute value of new employee hires and exits for the months from September to December 2018. Based on the above time period, the new hires amounted to 169, while there were 465 departures; see details in the tables below. It should be noted that this data is not comparable with that reported in the previous tables, as it pertains to different company and temporal perimeters.

Sept-Dec 2018	New employee hires - Prysmian Group														
	EMEA			APAC			North and Central America			South America			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	19	13	32	6	7	13	2	1	3	5	9	14	32	30	62
31-50	37	21	58	14	10	24	3	0	3	6	2	8	60	33	93
>50	7		7	0	0	0	5	1	6	1		1	13	1	14
Total	**63**	**34**	**97**	**20**	**17**	**37**	**10**	**2**	**12**	**12**	**11**	**23**	**105**	**64**	**169**

Sept-Dec 2018	Employee departures – Prysmian Group[25]														
	EMEA			APAC			North and Central America			South America			Group		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	26	9	35	5	5	10	9	11	20	6	15	21	46	40	86
31-50	74	25	99	17	15	32	42	22	64	23	18	41	156	80	236
>50	26	7	33	4	6	10	51	29	80	16	4	20	97	46	143
Total	**126**	**41**	**167**	**26**	**26**	**52**	**102**	**62**	**164**	**45**	**37**	**82**	**299**	**166**	**465**

[24] In order to ensure comparability with previous years, the turnover calculation refers to the outgoing turnover rates only for voluntary resignations among white collar staff. No index percentage was calculated for new employee hires.
[25] Unlike the data pertaining to the Prysmian Group w/o General Cable perimeter, turnover data of the Prysmian Group perimeter includes all reasons for leaving (e.g. voluntary departures, retirement, redundancies, etc.).

International mobility

As of 31 December 2018, the Prysmian Group's expat population comprises about 250 employees from about 30 different countries (31% are Italians) who are living in 32 different destination countries. Of these, 74% are at a non-executive level and 20% are women. There were 86 new departures during 2018. These statistics evidence the importance of international mobility within the Group. On the one hand, it allows the diffusion of the culture and values of Prysmian in all countries and all affiliates – an essential requirement following the acquisition of General Cable – and on the other hand, international mobility helps us meet local organization requirements, enabling the transfer of managerial and technical know-how from country to country.

In this regard, the mobility policy and processes were extended also to General Cable with a view to alignment with the most advanced market practices, in order to facilitate expatriation also outside of headquarters, to align conditions and to segment the various types of assignment.

DIVERSITY AND EQUAL OPPORTUNITY

Prysmian has identified the promotion of diversity and equal opportunity as a strategic objective for the management of human resources. Given this commitment, the Group has adopted a global **Diversity and Inclusion Policy** and is developing a number of supporting initiatives.

More specifically, the portfolio of activities started in 2017, consolidated in 2018 and continuing in 2019 include:

1. **Global Diversity Recruitment Policy**. On the one hand, this requires all the actors involved in selection processes, whether inside or outside the organization, to follow a recruitment methodology that allows the hire of employees to be aligned with business needs and the leadership style of the Prysmian Group. On the other hand, it is designed also to push selection staff to make recruitment choices as objective as possible and free from stereotypes related to gender and other areas of diversity. In the medium-long term, the Diversity Recruitment Policy is also intended to support the creation of a more balanced pipeline where diversity, in all its forms, is equally represented;
2. **inclusion of the topic of diversity and diversity management in all programs of the School of Management,** i.e. as part of the syllabus of the Prysmian Group Academy, which trains leaders of the Group;
3. **training on Unconscious Bias,** to be delivered through the Digital Academy;
4. **WLP (Women Leadership Program)**, now in its third edition. This training program is aimed at female talent in the company. Through their development, it can nurture the internal pipeline for succession plans;
5. **mentoring program for female talent**, to be delivered through an internal mentor training program;
6. **Gender Pay Gap Analysis**, already started in Germany as a pilot project in partnership with Korn Ferry and to be extended to other countries;
7. **internal and external communication campaigns for the project and success stories based on cases of diversity of all kinds** (age, culture, gender)

The objective of the project is to increase women's presence at different organizational levels by 2020 and to include it as a fundamental characteristic of leadership and a fundamental condition in selection processes. From this point of view, one of the new values of the Prysmian Group – **trust** – also legitimizes the focus on diversity as a key driver of its future growth and business development in the coming years.

THE DEVELOPMENT OF TALENT

For Prysmian, intellectual capital and the development of talent are strategic assets for the achievement of profitability and value creation objectives. During the period 2012-2018, the Group designed and implemented a robust human capital development strategy in order to minimize the errors made when deciding on people and to equip the business with valuable resources capable of contributing to future growth and maintaining our global leadership position in the sector.

The Human Capital Development strategies are based on an integrated management system that can attract, develop, promote and retain talented people. The talent management system is based on four pillars:

1. Recruiting and Talent Acquisition;
2. Performance Management;
3. Talent and Succession Management;
4. Training and Development.

RECRUITING AND TALENT ACQUISITION - EMPLOYER BRANDING

Numerous initiatives during 2018 were designed to position the Group as the *Employer of choice* on a global scale in order to attract the best talent. In particular, promotional and communication actions were taken using both digital and traditional means.

The Group has invested in a solid **positioning strategy on the major digital communication channels**, achieving historical and significant goals:

LinkedIn	Facebook	Glassdoor
• 104 thousand followers • Group named as one of the Linkedin Best Employer Brands	• live streaming feeds made with the targets reached in terms of applicants of the various recruitment programs • 25,000 likes and thousands of comments and visits	• reviews

The Group has continued to invest also in **traditional methods**

University career fairs	Dedicated career corners
• every year in the best engineering and economic universities in Italy, Spain, France, Sweden, Finland, Estonia, Denmark, Russia, UK, Turkey, USA, Argentina, Brazil, China, Indonesia, Malaysia, Singapore, Thailand, Philippines and Australia	• in the most significant global business fairs in which the Group has participated (Middle East Electricity Dubai, OTC Houston USA, Offshore Wind Europe conference London UK, Wind Europe Amsterdam Netherlands and ADIPEC Abu Dhabi)

GROUP SPECIFIC PROGRAMS

Since 2012, Prysmian has implemented several recruitment policies that have encouraged diversification of the offer portfolio, not only with "Spot" job offers but also with programs for attracting and integrating talent.

Build the Future, the Graduate Program

46 young graduates from about 41,000 candidates

"Build the Future, the Graduate Program" is an international program 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 comprises various stages:

- thorough selection process (application, test, group assessment, local and group interview);
- two weeks of induction in Milan in the first year of recruitment, plus three weeks of training in the two subsequent years delivered as part of the Post Graduate Program (PGP) training program;
- job rotation for a year with the assignment of a company mentor;
- international allocation for two years in one of the Group sites;
- assignment of a technical managerial role or at the end of 3 years.

During the first half of 2018, 46 new international staff were taken on, while, in the second half of 2018, 35,000 applications were received. This will lead to the selection and recruitment of another 50 new graduates in 2019.

Make It

22 young engineers from about 7,000 candidates

The "Make It" international recruitment program is aimed at identifying engineers from other sectors to cover highly challenging key roles in the Group's most important factories. The stages of the "Make It" process are:

- a thorough selection process (application, test, group assessment, local and group interview);
- *On-Boarding & Training on the Job* for approximately two months, leading to placement in the specific role in the local unit;
- a period of technical and managerial induction at the manufacturing Academy in Mudanya (Turkey);
- entrustment to a company mentor and continuous technical training with participation in the Lean Six Sigma skills development program;
- the prospect of career development through evaluation of performance and potential.

After its 2015 launch, the program led to the recruitment of around 150 engineers from around the world between 2016 and 2018. In the first half of 2018, around 7,000 applications were received and about 20 engineers hired.

Sell It

9 young salespeople from about 7,000 candidates

The "Sell It" program aims to further the growth and development of the sales force and follows the same steps as the "Make it" program. This year, "Sell It" has attracted about 7,000 applications and led to the recruitment of nine salespeople with 3-5 years of experience due to cover key and highly challenging roles in various areas of Business Energy & Telecom. At a time of growth of the Group and extended professional opportunities thanks to the acquisition of GC, and despite recruitment numbers dropping especially in North America, "Sell It" is proving to be an important program for attracting for young people of quality.

Finally, it should be noted that also for 2019, the program will restart a renewed search campaign with the support of a new global recruitment partner.

PERFORMANCE MANAGEMENT - P3 PRYSMIAN PEOPLE PERFORMANCE

About 4,600 personnel involved in 2018 (Prysmian Group w/o General Cable)

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 their own manager and the provision of constant feedback about the work performed and results obtained. For this, the performance of Group employees is monitored through the program known as "Prysmian People Performance (P3)". P3, supported by an online platform, has the following aims:

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

Currently, P3 involves only white collar staff, Prysmian Group w/o General Cable perimeter, and in 2018 involved about **4,600**[26] people, equal to 94% of the women and 96% of the men.

By the second half of 2018, the P3 evaluation process had already been extended to managerial staff of the former General Cable.

In 2018, in the spirit of continuous improvement of business and company processes and in order to ensure increased meritocracy and employee engagement, participants had the opportunity to perform their own self-assessment for quantitative targets.

[26] The data reported includes only permanent employees, with the exclusion of the companies OAPIL (Oman Aluminium Processing Industries LLC), Associated Cables Pvt. Ltd., Nantong Haixun Draka Elevator Products Co. Ltd. and Nantong Zhongyao Draka Elevator Products Co. Ltd.

TALENT AND SUCCESSION MANAGEMENT - P4 PRYSMIAN PEOPLE PERFORMANCE POTENTIAL

The merger with General Cable has had an important impact on the organization of the group. For this reason, it was necessary to suspend the P4 process for one year, as one of its main objectives – the creation of succession plans – is not applicable in the extraordinary circumstances of post-merger structural change.

The Group has decided to priorities the implementation of the new organizational structure, the definition of new values and a new model of common leadership. To this end, "Out in front together" was organized in June. This was an event of extraordinary importance that saw 480 colleagues from all over the world coming together to define the vision and the path of the new Group.

The challenges for the 2019 include the integration of employees from General Cable and of new features to evaluate potential – features aligned with the new values of the Group. This phase will be supported by numerous training courses throughout the world with our partner Mercer.

TRAINING AND DEVELOPMENT

In order to develop and consolidate the leadership and the technical skills of its management, Prysmian makes use of the **Prysmian Group Academy**, organized in three distinct but synergistic schools: The School of Management, the Professional School and the Digital School.

School of Management	***Professional School***	***Digital School***
The School of Management, directly connected to systems of measuring and developing Potential (P4 program), is established by Prysmian in partnership with SDA Bocconi and a network of 10 major international Business Schools (ESADE, FUDAN, SMU, STENBEIS, CORVINUS, SSE, FGV, ESSEC, USC, UFS). The school has welcomed 710 participants over six years and has issued 439 diplomas, with continuous ambition for growth in 2019, in support of the success of the merger with General Cable. Particularly noteworthy are the **Induction Program**, which involved 31 participants from 13 countries in 2018, and the **Women Leadership Program**, a training scheme for the development of female leaders For details on dedicated programs, please refer to the 2017 NFD or to the Group's website.	The Professional School, directly linked with the systems of measurement and performance development (P3 program), is organized into function academies and centers of expertise, and has trained over 1,500 employees in six years, with the involvement of more than 200 experts and plans to involve the same number in 2019. Particularly noteworthy are the **R&D Academy**, site of the February 2018 launch of the first courses of the expertise center, dedicated to R&D training in the USA (Lexington), and **Human Resources**, courses for the consolidation of skills to manage the essential processes of recruitment, training and development. In 2019, an international mobility management program will be also be developed. For details on dedicated programs, please refer to the 2017 NFD or to the Group's website.	The digital school is considered one of the main projects of the Academy. In 2018, the Group launched a new technological platform to support the Digital Academy; the platform comprises a social networking tool called "JAM", intended to help create a community among the school participants. The community allows participants to stay in touch and share documents. Always in step with the development of training offerings, the Group has developed several digital initiatives, with the creation of ad-hoc e-learning modules aimed at specific training needs. One example of an e-learning module involves training on the subject of compliance with law 231. Involving about 3,000 employees, the goal was to raise awareness of the importance of adopting managerial practices based on ethics and integrity.

Below are the hours of training provided in 2018 by the School of Management and the Professional School programs. Both programs together provided a total of almost 38,000 hours (net of the Digital Academy e-learning courses).

	Average hours of Prysmian Academy training by gender - Prysmian Group		
	Men	Women	**Total**
School of Management	3.3	2.9	**3.2**
Professional School	1.6	1.1	**1.5**

There was also significant training carried out at local level in the individual countries of the Group.

	Average hours of (local) training by professional category - Prysmian Group w/o General Cable		
	Men	Women	**Total**
Blue Collar	14.3	17.2	**14.6**
White Collar	11.8	14.0	**12.4**
Total	13.7	15.5	**13.9**

	Average hours of (local) training by professional category - Former General Cable		
	Men	Women	**Total**
Blue Collar	11.7	7.0	**11.3**
White Collar	8.3	8.8	**8.5**
Total	10.9	8.1	**10.4**

FOCUS: PURCHASING ACADEMY
Also during 2018, the Professional School of the Prysmian Group Academy delivered courses focusing on the supply chain involving more than 40% of Prysmian purchasing personnel worldwide. The annual edition of the Prysmian Purchasing Academy was not carried out, owing to the integration activities that have exceptionally occupied the entire organization. In 2019 the courses centering on the growth and training of purchasing personnel of the Group will be reprised, also including General Cable.

FOCUS: SUPPLY CHAIN ACADEMY
During the year, in the context of the Prysmian Academy, the Supply Chain function continued the process of training the logistics-manufacturing personnel who work for the Group's affiliates around the world. Implemented over a period of several days and using internal lecturers, the objective of the course was to facilitate networking, enhance the professional standing of the individuals concerned and share ways to improve the Group's logistics and make them more efficient. In particular, a section dedicated to the importance of sustainability throughout the supply chain was provided in the advanced annual session of the Professional Supply Chain course. Support in this area was provided by the Bocconi University in conjunction with some of the most advanced and innovative companies in terms of distribution chain sustainability, such as Enel and IKEA.

In line with the strategy of Human Capital Development, the commitments of 2019 will be oriented towards the major initiatives in the areas of Recruitment and Talent Acquisition, Performance Management, Talent and Succession Management and Training and Development.

Recruitment and Talent Acquisition
In 2019, the Group will continue its commitment to attracting the best talents in the market with the programs "Build the Future, the Graduate Program", "Make It, Manufacturing Career at Prysmian Group" and "Sell It; a growing path at the Prysmian Group".

Performance Management and Talent and Succession Management
The systems of performance management (P3) and potential scouting (P4) will be continuously improved from a technological point of view (implementing the latest releases available on the market), from a cultural point of view (experimenting with the most advanced processes of personnel management, such as self-evaluation) and, finally, from the point of view of rewarding policies (outlining in a structured and transparent manner significant initiatives to enhance merit such as Talent Membership).

Training and Development
Prysmian Group Academy will continue to expand its managerial, professional and digital portfolio with the development of important initiatives in the field of managerial training (program for all new recruits), technical training (increase of the R&D Academy portfolio in Lexington to develop the skills and excellence for innovation and development of our products) and digital training (induction welcome kit for new employees).

International mobility during 2019 will again focus on guaranteeing the success of the international assignments, 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 and strengthening 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 Group.

WELFARE OF EMPLOYEES

REMUNERATION POLICIES[27]

The Compensation & Benefit policies adopted by the Prysmian Group are designed to attract and retain highly professional personnel, especially for key positions, with particular regard for the complexity and specialized nature of the business. Growing internationalization requires constant focus on the different geographical realities in order to ensure assignment of the right talents in the context of a competitive marketplace. These policies are defined in a way that aligns the interests of management with those of shareholders, pursuing the priority objective of creating sustainable value over the medium-long-term by building a real, verifiable link between pay and performance both individually and at Group level.

Compensation & Benefits policies are defined and implemented at central level with regard to the executive population and expatriates, while for the rest of the population these activities are delegated to local levels, net of centrally-issued guidelines.

2018 was a year of change and new activities:

- share purchase plan on favorable terms (named YES), extended until 2020 and including General Cable from 2019;
- 2018-2020 LTI plan, launched to include the management of the two firms;
- integration of General Cable personnel into Prysmian policies, with a review of incentives and benefits policies. This activity will be in progress also in 2019.

The remuneration policy for executive directors and executives with strategic responsibilities is determined as the result of an agreed and transparent process, during which the Compensation, Appointments and Sustainability Committee and the Board of Directors of the Group both play a central role. Every year the Committee submits the remuneration policy to the Board of Directors for approval and checks on its application during the year.
The pay structure for executive directors and managers with strategic responsibilities and executives comprises a fixed component, a short-term variable component and a medium-long-term variable component.

The remuneration policy and long-term incentive plans were well received by the stakeholders (votes in favor exceeded 98%), whose opinions and feedback are considered when preparing the annual policy. In fact, the human resources department analyses the reports and opinions obtained from the principal proxy advisors about the compensation report and the incentive plans, and recommends amendments and changes in practices in response to this input.

In the context of transparency on compensation matters, the Group has issued guidelines in accordance with local laws to link pay measures to all levels of the organization, while variable pay schemes will be linked to individual performance appraisal. The fixed element of remuneration is reviewed annually and, if necessary, updated to remain competitive with market conditions, while also considering internal equity, personal performance and the requirements of local regulations. This meritocratic approach is based on a global system of performance assessment (P3) that is applied on a consistent basis throughout the entire Group.

Yes: Your Employee Shares

Towards the end of 2013, the Prysmian Group launched the YES (Your Employee Shares) Plan, which is a share ownership scheme open to all employees. Currently active in 28 countries, it allows employees to purchase shares on favorable terms. The goal is to encourage employees to become stable shareholders, thus making them owners of a small part of the business in which they work. The target audience is around 1%.

In 2018, there were three purchase windows. Over the years, the YES program has proved to be a real success, chosen by more than **9,200 employees**: approximately **53%** of the entitled[28] company population became shareholders, with 1.6 million shares owned by employees.

The Shareholders Meeting of April 2018 approved an extension of the plan until 2021, with the inclusion of General Cable from 2019.

[27] Further information is available in the 2018 Remuneration Report.
[28] The data refers to Prysmian w/o GC since the extension of the programme to the General Cable perimeter is currently under way and will not conclude until June 2019.

GROUP WELFARE SYSTEM

With regard to the pre-acquisition Prysmian Group perimeter, the monetary-equity offer is amplified by additional benefits such as supplementary welfare, additional medical care, personal accident policies, a company car for staff who are entitled to one, and company canteen or restaurant vouchers. These benefits are adapted to local conditions, having regard for market characteristics and relevant regulations. This focus on individuals is confirmed by the Prysmian Group's commitment to investing in the development of employee-company relations, via numerous initiatives designed to encourage involvement. The Group also signs agreements with external partners for the supply of products and services on attractive terms to employees, such as discounts on theatre tickets, gym subscriptions, magazines and products purchased in shops. These benefits are equally valid for full-time and part-time employees.

Following the recent merger of the Prysmian Group with the General Cable Group, the existing welfare systems present in the countries subject to integration of organizational structures will be thoroughly analyzed with a view to harmonizing them. This task will be carried out in 2019.

In addition to what was presented last year, Prysmian Group w/o General Cable perimeter, there were further initiatives to support employee welfare in the context of employment flexibility. In the Central and Eastern Europe region, smart working has been introduced, allowing people to work remotely for up to two days per month. Also in Prysmian HQ, where smart working had already been in place in 2017, the remote working days were raised from two to four in 2018.

DIALOGUE WITH SOCIAL PARTNERS

The Group maintains constant, profitable relations with workers' representatives and trade unions.
These are founded on mutual understanding and fair discussion, in the conviction that, while respecting the reciprocal roles of each party - there are common interests to be pursued via constructive dialogue.
The workers' representative and trade unions are therefore free to operate in compliance with local legislation and practices.
In the wake of the reorganization of the Group, 2018 was also marked by the signing of agreements with workers' representatives and trade unions in many of the countries where the Group operates.
These agreements covered the normal renewal of the economic and regulatory terms of current payroll contracts, as well as new work hours and shift work where required by market conditions.
One particularly important agreement was signed in July with trade union representatives, allowing the launch of an investment plan for the strengthening of production capacity in the plants that produce optical fiber (Battipaglia - Italy, Douvrin - France).
The percentage of Group employees covered by collective bargaining agreements is 62%[29].
Furthermore, at the European level, Prysmian Group qualifies as a group of companies on a community scale and is therefore subject to EU Directives and national transposition laws aimed at improving workers' rights to information and consultation through the European Works Council (EWC).
In particular, the second half of 2018 saw an intense series of negotiations with the European Works Councils of Prysmian and of General Cable, aimed at defining the constitutive agreement of the new joint works council.
The European Works Council is made up of 29 trade union representatives from all European countries where Prysmian is present and meets at least twice a year with the option of further meetings where extraordinary operations are required.

At both European and national level, the communication and consultation process must be initiated in a coordinated way.
In October 2018, the European organizations representing workers and local trade union organizations were informed of the intention to proceed with the closing of the offices of the General Cable Group European headquarters in Barcelona.
On 16 November, an agreement was reached with the trade unions of the site, providing incentives for people to leave the company; in order to reduce the social impact a proportion of the dismissed workers were given the option of relocation in other sites in the province.
This operation, involving about 75 employees and implemented in conjunction with a social plan started in the same period in Montereau-France for about 70 people, falls within the framework of the rationalization of the Group, following the merger with General Cable.
In this sense, the process (begun in 2018 and due to be concluded in 2019) aims to rationalize resources through the exploitation of potential synergies deriving from the integration of the two perimeters.

[29] The figure does not include the following Legal Entities, equal to about 4% of the Group workforce: Auto Cable Tunisie; EURELECTRIC TUNISIE S.A.; Socit Ivoirienne De Cables S.A.; OAPIL; Oman Cables Industry SAOG; Associated Cables Pvt. Ltd.; Jaguar Communication Consultancy Services Private Ltd

There has been virtually no collective conflict in 2018 within the Group at global level thanks to the pursuit of an industrial relations policy aimed at preventing, through constant and constructive dialogue and effective union consultation, any source of controversy that could potentially generate conflict at different levels. An exception to this general picture has been the Netherlands plants, where, albeit with varying degrees of intensity, there has been conflict in the collective wage bargaining procedure between the national trade unions and the companies association.
These negotiations are still in progress. Also at the Bishopstoke-GB factory, strikes lasting some hours took place in the October over difficulties in the annual wage negotiations between the company and the site unions; it should be added that in the last week of November the parties came to an agreement that also put an end to the unrest.

Finally, it should be pointed out that the industrial action associated with the information and consultation procedure concerning the closure of the site in Casanova (Barcelona) was halted after the signing of an agreement.

We emphasize that, with reference to organizational changes and the relative minimum notice period, each country of the Group shall comply with the relevant local regulations in this context.

HEALTH AND SAFETY AT WORK

The Prysmian Group has always been committed to ensuring that the of the integrity, health and welfare of workers are safeguarded in their workplaces. The Group has a **"Health, safety and environment policy"** that guarantees a commitment to compliance with good management practices to ensure a safe workplace.

To ensure a systematic and concrete approach to the safety issue, the Group, adopts the **OHSAS 18001** health and safety management system for a part of the company assets, but it is followed by all the productive entities.[30]

In the firm belief that rules, training and information play a key role in risk management and the prevention of accidents, the Group directs its activities and regulates key work phases with **Work Instructions**, which set out the rules and precautions to be observed, and ensures that they are implemented. For each key work phase, taking into account the existing controls and the protection devices to be used, the residual risk is then calculated and the necessary measures are defined in order to minimize it.

In order to distribute this culture extensively, Prysmian provides its operatives with **training courses** on equipment safety, proper waste management, and on the safety of machines and installations both during construction and in the maintenance phase. A spotlight is placed on the personal protective equipment allocated to each worker in order to mitigate the residual risks associated with the work performed. Additionally, although not required by local regulations, training programs have been provided on such topics as safety at work, first aid, fire prevention regulations, the consequence of alcohol and drug abuse, and environmental matters.

Partly to ensure compliance with current regulations, the HR functions at country level prepare training plans for their personnel and determine specific training paths for the various categories of worker, depending on their roles, duties, levels of responsibility and working environment.

In 2018, the commitment to health and safety was assured via the coordination of central and local activities under the guidance of the HSE function.
At the start of the year, the HSE function gathered, analyzed and shared with senior management the results achieved and the performance of the Group and each Country/Geographical Area, determined with reference to relevant indicators (e.g. total number of events involving the loss of work and related 'Frequency Indicator') and the appropriate action plans for the year were defined.
In 2018, some of the objectives set for the year were achieved, with a series of initiatives to support and involve the various company levels:

- the process of accident analysis and definition of corrective and preventive actions has been made more effective, standardized and shared: this method (automated through the *"HSE Blumatica Events"* platform) is applied to each single production unit and has also been extended to the Near Miss and non-conformity analyses with the aim of better understanding and prevent the recurrence of these events;
- for more representative accidents, the Corporate function has specified "Safety Tips" to communicate to the Group how to evaluate and prevent the causes of such accidents;
- the corporate function has promoted specific schemes to develop proactive safety behavior (Behavior Based Safety – BBS) training aimed at specific entities, and in some cases at the production units of an entire country;
- the promotion of training events and meetings has continued at all levels in order to analyze the results obtained and the difficulties encountered by the various geographical areas and business units; a further goal is to share the experience and present the initiatives and tools promoted by the central HSE function;
- support for the HSE functions at country/geographical area and unit level in implementing their health and safety management systems and assessing the safety aspects of new investment has continued.
- particular emphasis was placed on the safety of machinery through the definition of a minimum level of security, expressed through procedures and safety sheets and by performing risk assessments targeted at the potentially more critical entities;
- close attention was paid toward the integration of safety culture heritage of General Cable and the full enhancement of its best practices;
- since August 2018, all GC plants have been equipped with the "HSE Events Blumatica" platform and, supported by a training program, have been integrated into the Group system of monitoring and analysis of events related to safety.

[30] See paragraph "Environmental protection" for details of the OHSAS 18001 and ISO14001 certified sites.

The Group's efforts in matters of security are illustrated in the *reduction of accidents,* through the IR index (calculated in accordance with the provisions of the OHSA LTA methodology). At the end of 2018, this index was about 1.7 with an objective of around 2.3. Accidents were monitored also with reference to other parameters such as:

- their severity assessed in relation to days of absence from work;
- the numbers of Near Misses, which are unfortunately still below expectations (subject of future investigation and corrective action).

The Bluematica platform, used for the management and sharing of topics related to Health, Safety and Environment is now fully operational at all plants worldwide for the management of events, accidents, non-conformities, near misses and reporting.
The platform can be used to manage (both locally and centrally) various elements comprising the safety and environment management system, such as: training forms, risk assessment documents, identification of the PPE to be used for the various job descriptions, health monitoring, and the management of data and content concerning accidents has been reinforced worldwide.

With regard to the **number of accidents**, in 2018 there were (Prysmian Group w/o General Cable) a total of 368 injuries[31], 335 involving men and 33 involving women[32].
In terms of geographical area, 303 accidents occurred in EMEA, 33 in LATAM, 25 in APAC and the remaining seven in North America.

With regard to the former General Cable perimeter, from June to December 2018 there were 21 accidents (20 of which involved men). In terms of geographical distribution, 13 accidents occurred in EMEA, 4 in North America and 4 in LATAM.

Looking at the **number of occupational diseases,** the reporting system has been further refined, allowing greater efficiency in the determination of preventive action and monitoring. Attention is being given to the implementation of this platform, also in similar and/or particularly complex situations.
The HSE function has the task of drawing up the guidelines and intervention procedures.
During 2018 there were a total of 12 cases (involving only men) related to the Prysmian Group w/o General Cable, with 9 cases in LATAM, and one each in EMEA, North America and LATAM.
From June to December 2018, the former General Cable perimeter recorded a total of 2 occupational diseases (men) – one in the LATAM region and one in North America.

The following are the health and safety data monitored by the Group by geographical region and gender for 2018.

Prysmian Group w/o General Cable (2018) – Employees	EMEA	APAC	North America	LATAM	**Group**
Lost day rate (IG)	81.4	30.7	16.8	105.5	65.5
Frequency rate (IF)	3.0	0.8	0.3	2.0	2.1
Occupational disease rate	0.0	0.2	0.2	2.7	0.3
Absentee rate[33]	7.3%	3.0%	4.3%	6.0%	**6.1%**

Former General Cable (June - December 2018) - Employees	EMEA	APAC	North America	LATAM	**Group**
Lost day rate (IG)	28.5	0.0	6.2	14.8	13.9
Frequency rate (IF)	1.3	0.0	0.2	0.3	0.5
Occupational disease rate	0.0	0.0	0.2	0.3	0.2
Absentee rate	N/A	N/A	N/A	N/A	**N/A**

[31] The figures consider only accidents occurring in the workplace.
[32] In view of the current privacy protection regulations in some countries regarding injury reporting by gender, it was possible to divide 368 injuries by gender. The remainder were reproportioned in order to state the division for the total accidents.
[33] Absenteeism data considers only the category of blue collar workers, but excludes the following sites: Arco Felice, Chiplun, Fujairah, OCI (Muscat), OAPIL (Sohar), Bridgewater, Kuala Lumpur, Pune, Chiplun, Haixun, Shanghai, YOFC, Zhongyao, Yixing and plants closed during the reporting year (Santo Andrè).

Prysmian Group w/o General Cable (2018) – Employees	Men	Women	**Group**
Lost day rate (IG)	71.4	34.3	65.5
Frequency rate (IF)	2.3	1.2	2.1
Occupational disease rate	0.4	0.0	**0.3**

Former General Cable (June - December 2018) - Employees	Men	Women	**Group**
Lost day rate (IG)	15.1	7.7	13.9
Frequency rate (IF)	0.5	0.1	0.5
Occupational disease rate	0.3	0.0	0.2

As for the data on accidents related to external personnel in EMEA, in 2018 there were 13 accidents (Prysmian Group w/o General Cable perimeter) that involved only men, with a total of 259 days lost. The Lost day rate is 25.2, while the frequency rate emerges as 1.3.

DESIGNING THE FUTURE RESPONSIBLY

The merger of General Cable with the Prysmian Group has created an R&D Powerhouse. As a market leader, we have the responsibility to shape the wire and cable industry with innovations that will deliver on the future energy and communication needs of our communities.

We seek to generate an efficient innovation ecosystem in close collaboration with our customers and suppliers and with top universities across the globe. Our goal is to develop differentiated products and solutions that add value to our customers and are sustainable to the environment.

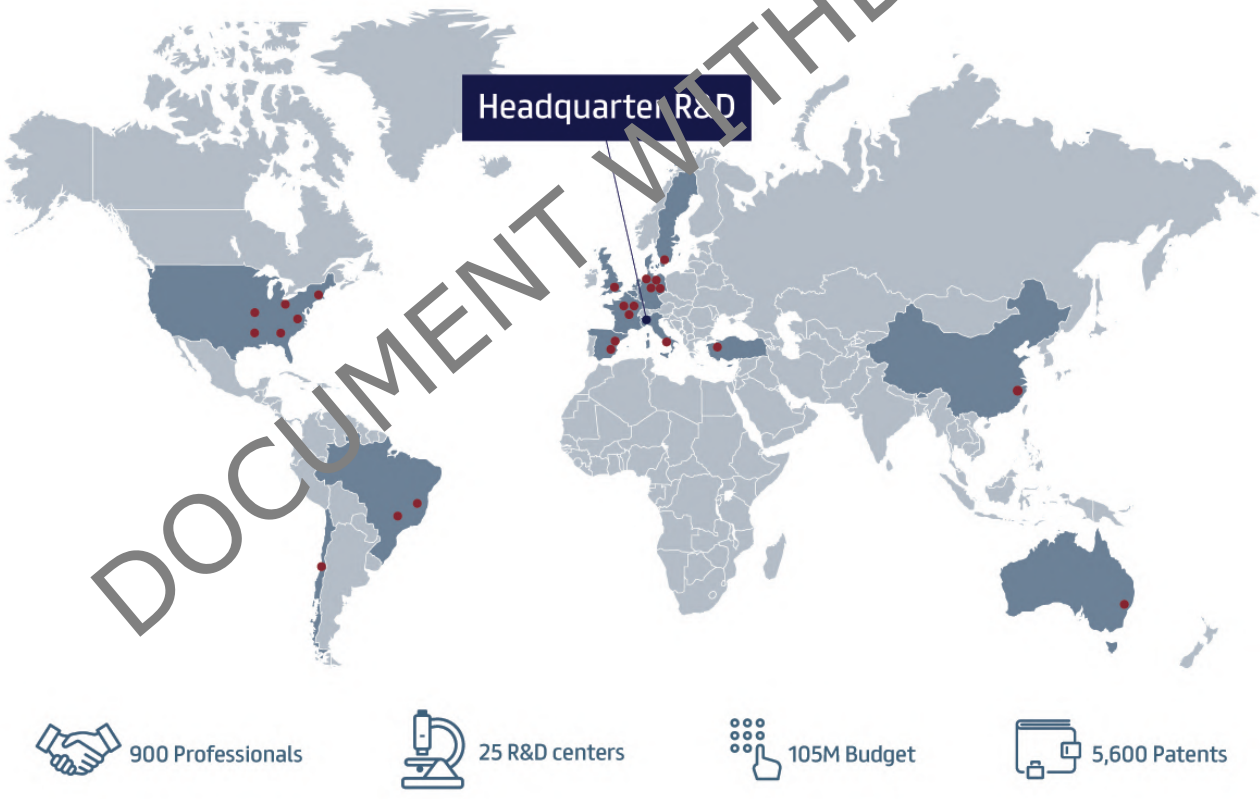
Our commitment to innovation and development of environmentally friendly new products stems from the conviction that it is the only way to guarantee economic sustainability over the long term. We maintain a focus on new product ideas that increase the efficiency and reliability of transmission of power and information while lowering the total cost of ownership of solutions for our customers. We are equally focused on process technology innovations that lower energy and water consumption and reduced greenhouse gases in our manufacturing facilities.

Sustainability is a pervading thought for the Prysmian Group not only for product and process innovation but also for our continuous cost reduction programs also called Design to Cost.

Engineers on our research and development team apply sustainable principles across every aspect of the R&D function from cable design, manufacturing, technical support to cutting-edge innovation.

We continue to invest in digital tools that enable efficient collaboration across our worldwide R&D community that focuses on ready electronic access to critical know how be it on our materials, designs or technical experts all with the singular focus to be the most efficient we can be in 'connecting the dots' to serve our customers and the environment.

Investments across Prysmian Group on Research, Development and Innovation during 2018 totaled about EUR 105[34] million, confirming our strong commitment and focus on sustainable growth over the long term.



Prysmian group's focus on innovation is supported by over 900 professionals in 25 R&D Centers across the entire globe close to our customers and our manufacturing facilities. Our flagship research center is in Milan next to our corporate

[34] EUR 98 million of operating expenses and EUR 7 million of investment expenditure.

headquarters where we have committed to world class investment to maintain our market leadership in the wire and cable industry.

PRODUCT INNOVATIONS

Prysmian and General Cable both have a very rich history of successful development and commercialization of flagship products and well recognized brands in the wire and cable industry. The combined company now has the broadest product portfolio in this space to service customers in any part of the world. We worked on several ground-breaking product innovations in 2018. This section highlights those that are most significant from the point of view of sustainability.

We have continued to focus on new solutions to optimize costs via the **Design to Cost** (DTC) program, using better materials, efficient processes and innovative designs. This program achieved cost savings totaling more than EUR 18 million in 2018 through more than 1,000 projects in our manufacturing plants. These projects deliver improve productivity and lower materials consumption resulting in a lower environmental impact from our products.

PROJECTS

Submarine cables

During 2018, activities related to 3-core cables with aluminum conductors have been accomplished with the completion of RTE 220 kV AC Type Tests. Moreover, we have also successfully completed the RTE 220 kV AC Type Test of 3-core cables with bi-metallic joints (aluminum and copper conductor joined together), which allows cost effective optimization of the entire link using only the most expensive conductors close to the shore and in the landfall cross section, while also optimizing the conductor choice for the rest of the subsea link portion, ensuring greater sustainability for the connection itself. The bi-metallic joint has been qualified in a cable designed and tested for high mechanical performance, thus allowing its future use in a wider range of cable solutions.

In order to optimize the submarine link in terms of thermal efficiency (and thus in terms of transmittable energy), it also includes solutions with asymmetric joints on copper conductors. The work focused on thermal and mechanical assessment has been completed in and internally qualified.

Studies and activities related to the welding of conductors, specifically for AC systems, with different designs started during 2018 and will be finalized in 2019: the use of the Milliken conductor is indicated for land and landfall applications due to its low losses properties, welded with standard Class 2 conductors typically used for submarine links.

Within MI (mass impregnated) paper technology, the qualification of the system at a higher temperature (60°C instead of the current 55°) has been planned, allowing transmission of more power with the same conductor cross section. Prototype with MI PPL (paper polypropylene laminated) technology has been produced during 2018 and will be tested up to 800 kV DC within 2019.

Within the year, the development of an innovative, lighter 3-core cable has been successfully completed and will allow installation at greater water depths – not technologically achievable in past years (the backup would have been the installation of three stand-alone cables that would make the link not economically feasible). Interconnections between island and mainland will guarantee a more balanced grid and less dependency form electricity production with Diesel generator and a better, case by case, management on natural reserves.
These innovative cable designs in addition to allowing installation at greater depths, reduce the armor losses typical of AC systems, thus improving energy transmission efficiency.

During the year, development projects up to 600 kV DC extruded technology proceeded as per planning, with the use of XLPE and P-Laser as insulation materials.

In the case of the extra high voltage cable version with P-Laser insulation, the advanced development of the P-Laser flexible joint continued with the so-called intrusion technology, by means of which the insulation is reinstated by extruding the material within the joint area. This technology has been patented and the first internal tests have been carried out on a full-size prototype, with decidedly encouraging results. Cables with P-Laser technology are made of recyclable and eco-sustainable materials and make it possible to lower the environmental impact of links while also raising their efficiency and power transportation capacity.

In the case of extra high voltage cable with XLPE technology, the intrusion joint technology has been recently introduced and first development activities started during 2018 and will be completed within 2019 with the final stability test and pre-qualification tests, introducing on the market innovative solution for submarine interconnections at higher voltages.

Cables for submarine applications have to be waterproof and the technology so far is based on use of watertight lead sheaths: during 2018, solutions have been introduced on the market with reduced lead screen thickness for stand-alone XLPE extruded 220 kV AC cable and for 3-core XLPE extruded 220 kV AC cable with reduction of losses (thus improving efficiency of the system) and a positive impact on the environment.

The path towards a totally lead-free world in the cable submarine market is proceeding fast with the positive completion of the development activities related to leadless technology, based on a longitudinally welded copper sheath. A first prototype has been manufactured during 2018 and the full qualification will be completed in the first months of 2019. Furthermore, this technology will also allow the development of dynamic connections for offshore platforms, thus expanding the development of wind systems to even the deepest seas.

Finally, the feasibility study of the monitoring system for submarine systems in EHV, AC or DC over long distances, using Pry-cam Gate technology, has been further developed.
The full purpose of the project is to implement and integrate within the cable a smart diagnostic system able to prevent possible issues during operational service of the system, allowing preventive maintenance and minimizing the repair time, but also allowing a quick detection of fault position in this way reducing the repairmen time and the link out of service.

Terrestrial cables
In the field of development of very high voltage cable systems, significant progress was made simultaneously in qualification of both XLPE and proprietary P-Laser systems for 525kV HVDC applications.
Suitable technological parameters have been defined and multiple prototypes produced for extensive internal evaluations.
Thanks to P-Laser technology, the system can operate at a higher conductor temperature of 90°C. Prequalification of both insulation systems are scheduled to be completed in 2019 to provide maximum choices for our customers.

Development of UHV AC cable systems development (up to 800 kV) has been pursued and two innovative XLPE candidates have been downselected (after a screening of 8 potential candidates).
Lab scale prototypes have been produced with these 2 XLPE candidates and internal evaluations have commenced.

New Technological advancements have been reached in China with the production in the Yixing plant of the prototypes to qualify a XLPE 500 kV AC cable system.
An important production has been commenced for Singapore Power of 220 kV cables having innovative conductors with reduced skin effect and, consequently, better performance in AC resistance.

In technological transfer activities, the start-up of the new HV Plant in La Rosa (Argentina) is worthy of mention.

Welding Aluminum Sheath (WAS) technology was introduced by commissioning and producing prototypes with the newly installed welding line. Technological transfer, including personnel training, has been completed.

In the field of accessories for HV systems, two projects were completed.
The first is aimed at improving the reliability of 300 kV class accessories, with improvement of injection conditions and mechanical performances. A mathematical analysis was done after a whole rheological characterization of the insulating EPR compound.
Full-size prototypes were produced in order to evaluate the solutions introduced.
The second project allows the production of elastic cross-linked jackets for "Speed Series" accessories without the use of a metallic support, with resulting cost reduction, process simplification and increased reliability of the final product.

ENERGY

T&I (Trade and Installers)
CPR regulation has been actively introduced in some EU countries, where more severe requirements in terms of flame propagation, smoke productions, acidity of gas developed during fire and droplets have been applied for the products to be installed in places with a certain level of risk of fire. In these countries (mainly Italy, Spain and The Netherlands), High Performance CPR Euroclasses, typically DCA, CCA and B2CA, are mandatory for application in those (see above) environments and sanctions are applied for non-compliant players.
In this sense Prysmian is actively leading the process of development and standardization of the new products, and additionally is moving with the other players in the sector (like distributors, fire brigades, specifiers) in order to fix any concern or procedural issue related to the application of CPR.

In other EU countries the CPR regulation has entered into force but the definition of the Euroclass levels to be applied for the different environments has not been finalized yet; extensive work on this subject is therefore expected to take place in the next 2-3 years.

In addition to the T&I market, other segments of the cable industry are being positively influenced by the CPR legislation, like Power Distribution and Transmission cables, Railway cables and TLC cables, and important new qualifications have been achieved also in these areas.

Oil & Gas
The O&G market crisis, in its first and still partial recovery trend, is still strongly focused on design to cost, optimization and new products development.
A deep product range optimization for the offshore applications has been successfully introduced in 2018, including new materials concepts and process improvements: the results are ready to be applied at Operational level and are being extended to all the focused production units of the Group in a structured activity which will continue in 2019.
In the field of cables for submersible pumps (ESP) a comprehensive cost optimization program has been defined and successfully completed on the most business relevant product segments.
On the other side, the trend of simplifying the extraction system considered as a whole, including the installation and maintenance phases, accelerates the development of innovative solutions and requires a broader, application-based approach with a co-design of new combined systems in partnership with key System Integrators.

A new range of Genfire® JF30+ products hase been developed ensuring the greatest safety of people and facilities in extreme fire scenarios. It is an innovative solution able to pass the Jet Fire test in accordance to ISO 22899-1 standard with an enhance heat flux (350kW/m2, 1300ºC).
With this Technology development, a wide range of products has been approved for the Jet Fire test in accordance to ISO-22899-1 and defined in NEK-TS606:2016 for offshore and onshore applications.
We offer a full solution which withstands the most severe fire scenario in the oil industry, with the presence of hydrocarbons and erosion due to direct impact on the cable system including accessories.
The tests qualifications were witnessed and approved by a third party notify body DNV.

Overhead Lines
E3X Technology is the utility industry's first heat dissipating overhead conductor innovation. E3X Technology features a thin, durable coating applied to the surface of any overhead conductor. This heat-dissipating coating increases emissivity and reduces absorptivity, improving energy effectiveness and efficiency by allowing for a higher ampacity rating, reduced operating temperature and lower losses for a given conductor size, or reduced conductor size for a given ampacity rating – thus improving power grid sustainability, reliability, resilience and cost of ownership. E3X Technology continues to get increased adoption with over 10 Utilities deployment worldwide by end of 2018. The prestigious Edison Awards voted E3X Technology a Gold Innovation winner in the Energy and Sustainability Category.

OEMs
In 2018, the intense activity of development and improvement of products for the industrial market continued, including a vast and varied number of applications, with a structured focus on the developing markets and on the Customer applications needs. For the renewables field, a complete Solar product range optimization and harmonization at global level has been finalized. Wind tower cable systems have been developed and successfully launched to reduce the amount of manpower needed by the OEMs and Contractors in the field during installations in harsh, remote or simply expensive environments.
For Crane, Mining, Wind and Rolling Stock all the proprietary Compounds formulations for MV insulations have been successfully switched to new lead-free variants, with much reduced environmental impacts and improved recyclability and end-of-life-cycle disposability – in compliance with EU directives REACH and RoHS.
The introduction of the highest CPR class requirements as an EU law in the Signaling and Tunnels application has required the definition of new materials concepts and certified cable solutions with successful synergies sharing and effective coordination across the different R&D Departments worldwide. For the Marine application in cruise and cargo segments, a new global product range as optimized compromise between lightweight, cost, capacity and full range service has been developed to respond to the needs of not yet fully served markets, where price and essential designs are key. Moreover, a technical activity to support the development of the applications for electric vehicles (EV) up to the most demanding needs in terms of temperatures and charging speeds is ongoing, including not only cables but also systems and sensoring capabilities.

Automotive
An important trend in the automotive industry is communication inside and between cars as well as networking of vehicles with the Internet. Connectivity is a necessary base for intelligent cars, which will be driving autonomous in the future. In combination with a widely integration of additional driver assistance systems (ADAS) a significant increase of the amount of data will appear and because of this development an increasing demand for bandwidth and higher data transmission rates in automotive vehicles pushing the need to a faster and reliable transmission systems.
The implementation of the Automotive Ethernet has already started by using twisted pair cables of 100Mbit/s. Preparations for the next step up to 1Gbit/s are under way. Different projects are started to propose cables designs for screened sheathed cables and with the respect also to smaller dimension.

Elevators
Data traffic between integral components of the elevator are constantly increasing also driving by Industry 4.0 efforts. Hybrid travelling cables (energy and data) are hence increasingly important for the Elevators market. In 2018, we successfully developed the first copper-based solution for Cat5e complaint ethernet inside travelling cables, which will be launched in 2019. This product is compliant with both the US national electric code and the Underwriters Laboratories standard. We have received positive feedback from the National Association of Elevator Contractors for the product and we will continue to build on the momentum in 2019 to extend to existing cable designs in this space.

Prysmian Electronics
In 2018 PE has been involved in the developments of two important products. The first is designed to implement the "Pry-Cam Gate" concept, (detection of partial discharges based on the "time to flag" principle) on a monitoring system for DC cable systems. In particular this device is especially designed to check the presence of PD in joints giving as result a simple traffic light. The device has been installed in the "Laguna" project for Terna and will be install in the Eleclink project starting in the latter part of the year.
The second product completed in 2018 is the new GUI for the monitoring system. In particular a new software has been developed with the aim to manage all the information acquired by Pry-Cam products (Grids for PD, DLOG for analogue parameter as voltage current pression, etc., DTS, DAS) in a unique software platform.
The integration of all this information in a unique software guarantees the possibility to have in real time a clear picture of the state of a complex HV network. The application is able to generate SCADA alarms and, in some case, switching off the circuits. This application is able to generate diagnostic suggestion based on many artificial intelligence algorithms, internally developed, and based on the historical experience in PD measurements obtained with Pry-Cam technology

and in system design knowledge. This product is the third release of an idea that is the core of the DNA of PE. This latest version is accepted in the industry as the state of the art for Asset management monitoring systems.

TELECOM

Optical Cables
2018 saw the launch of new FlexRibbon™ products reaching up to 6912 optical fibers to offer increased functionality to data centers. Designed to maximize fiber density and duct space utilization, Prysmian's MassLink™ with FlexRibbon™ technology products compact the maximum fiber count into the smallest cable possible, by using extremely flexible fiber ribbons that can either be rolled up for high packing densities or laid flat for ribbon splicing. The significantly smaller diameter and lighter weight cables have superior kink resistance and increased flexibility, which allows for easier installation and the use of smaller ducts. In the case of the 1728 fiber design, there is a 21 percent smaller diameter (38 percent volume reduction) over traditional flat ribbon designs. And while the new FlexRibbon™ products provide high packing density, they also feature 200 and 250-micron fiber ribbons that still provide the advantages of mass fusion splicing. With this latest product enhancement, Prysmian Group is reaffirming its commitment to investing in its optical fiber and cable capacities to respond to the evolving needs of the market and support its customers in developing new, reliable and efficient broadband networks.

Connectivity
Prysmian has continued to expand its product range for use in ultra-broadband access networks. In 2018, strong focus was given to products that enable full fiber to premises connections, in multi-dwelling unit applications (MDU). This included, for example, a range of termination boxes for use with pre-connectorized drop cables, such as the PBI-8SC and MTWB. A number of additional customer termination boxes such as the CTB Lite, 4f Hybrid CTB and the unroller termination box were also launched. In addition to the range of MDU boxes launched, Prysmian continued its focus on expanding its outside plant closure range, with a range of addition items to provide further functionality such as splitter trays and ribbon trays.

Optical fibers
To increase the capacity of data communications (local-area and intra-data-center networks), the use of multiple high-bandwidth OM4 MMFs in parallel has been the preferred solution. For speeds higher than 400Gbps, however, this can make cabling management too complex. Wide-Band MMFs, compatible with wavelength division multiplexing, offer a simple path to reduce fiber counts. After pioneer work started in 2014, we are now producing and selling this new type of MMF, standardized as OM5, which allows for migration to future bit rates while maintaining compatibility with current OM4 systems. We have also been working on new types of fibers that allow for Spatial Division Multiplexing (SDM), a unique multiplexing technology able to cope with capacity demand that is growing at an exponential rate. These SDM fibers (few-mode fibers that multiply the capacity by the number of modes, and multi-core fibers that multiply the capacity by the number of cores) could find applications in short-reach green-field applications such as data center interconnects.

OPGW and Specials
In the OPGW & Specials BU the Technology of stainless steel with aluminum coating has been consolidated up to 96 fibers while the monotube aluminum extruded Technology has been further reinforced. With these technologies different projects have been awarded such as the OPGW supply contract with EVN (Vietnam) and ESKOM (South Africa).
The Specials family of high mechanical strength and chemical for applications such as sensing, OGP and sub-aqua have been further developed. With these technologies different projects have been awarded such as the Shell's sub aqua connection (Nigeria) or fiber network at Petrobel project (Egypt).

Multimedia solutions (MMS)
Originally developed for application in the Automotive environment, Single-Pair-Ethernet (SPE) is now deployed in structured cabling. Especially in areas with limited demand for bandwidth (e.g. industrial application) SPE will be able to contribute additional benefit of Ethernet interoperability using resource and space saving cable solution compared to traditional bus-system. Standardization projects for cabling, connecting hardware and cables are on-going. Maximum bandwidth currently specified is 1 Gb/s. All channels under development are based on screened cables and connectors. First samples are run in order to have a suitable design ready and adjusted to connector system once standards are finalized.

Data Communication Cables
A new generation of small diameter 10Gig Category 6A cables was introduced in 2018 for our North America customers. With a revolutionary design developed to find the perfect blend of product performance and product size, the new

GenSPEED® 10 Category 6A Cable is the industry's first Category 6A Cable to feature a 0.250'' overall diameter with enhanced performance and maneuverability. Its innovative technology and reduced size are perfect for migrating to a Cat 6A infrastructure, allowing for improved cable management, installation and handling. It is a win for all partners in the value chain and the environment alike. The smaller size allows for packaging up to 3X number of reels per pallet and improves transportation efficiency. Lighter cable is easier to manage when loading trucks or moving around a jobsite and can help reduce the risk of worksite injuries.

INNOVATIVE MATERIALS

Prysmian is investing in leading research to push the boundaries of innovation in materials and surface science for cables and accessories. The main results achieved during 2018 include:

- Industrialization of the full MV disconnectable joint completed to the full satisfaction of the plant in France; the new materials show better performance in the molding process than the previous ones, leading also to a significant reduction in the scrap generated.
- Development of materials for MV and HV accessories that could be extruded without the central support of an aluminum tube.
- Development of insulating compounds for HV accessories **without lead**; materials developed and now ready to be tested on model cables in the laboratory.
- Development of a new sheathing material for the oil and gas market, able to reduce costs and reach the target performance.
- Development of a patented masterbatch to be used with the LV XLPE, able to significantly reduce **dripping** of the material during the burning of the cable.
- Studies with the University of Salerno on polypropylene materials ongoing; the scope of the work is to find a material that can better withstand the heavy thermal conditions applied to the **EHV** cables during long-term electrical tests.
- Development of a method to study the decomposition of **mica glass** tapes at high temperatures (up to 1500° C) to evaluate the performance of products in current use.
- In the field of low-weight submarine reinforcements, a collaboration with a **UHMW-based polyethylene** fiber producer led to a product that we can now use to make cable prototypes with innovative designs.
- Research into a new optical fiber coating formulation based on a sustainable green raw material that can reduce energy consumption during the optical fiber drawing process.
- Studies and evaluations done on polyamides to understand possibilities for the use of **bio-based** polymers.
- Evaluation of nanocarbon forms, including **carbon nanotubes (CNTs)** and **graphene,** to replace metal as lightweight high-performance conductor elements.
- Development of **ice phobic coatings** that can delay ice accretion and reduce ice adhesion on both polymeric and metal substrates.
- Development of **antimicrobial coatings** for flexible rubber cords aimed at industries requiring high sanitation requirements such as food processing and hospitals.

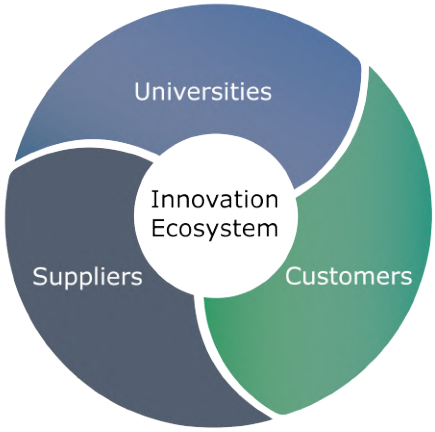
RATIONALIZATION AND MANAGEMENT OF MATERIALS

Work on the approval of alternative materials, especially those of major technical or commercial importance, is continuing throughout the Group to reduce the use of monopoly suppliers. The new method for the **preparation of supply specifications** (Pr)Spec) is now operational in all countries where the Group operates.

Additionally, the **compounds database** (CompounDS) has been integrated, with the insertion of all the compounds the Group intends to purchase.

THE ECODESIGN PROCESS IN PRYSMIAN GROUP

The innovation Eco system of Prysmian Group is made of different stakeholders, acting together and providing a constantly increasing effort in view of the reduction of the environmental impact for cables and services provided to the market:



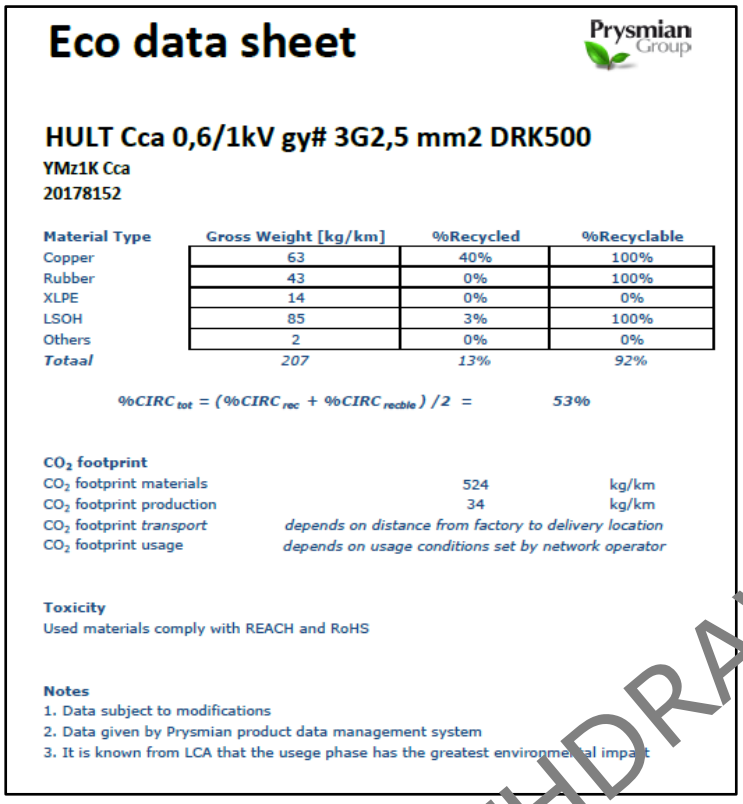
An effective network among Universities / Research Centers, Suppliers and final Customers provide to the Company a complete set of information through which the self-awareness in terms of social responsibility is growing continuously and significantly.

CARBON FOOTPRINT (CFP)

Especially in the area of Life Cycle Assessment for the existing product portfolio, the additional functionality for calculation of CFP and recyclability index in CA has been activated in two steps (Europe and Argentina in July; ROW in October) within all the perimeter of PG factories. The information about the kg level of CFP associated with the standard length (1 km) of cable is now potentially calculated for the vast majority of the PG cables and includes the material plus process contribution. Also the potential recyclability of the Raw Materials used for the production of the cable is calculated, taking in consideration what is theoretically recoverable after the end-of-life phase and what can only be wasted or incinerated. As far as the process contribution is concerned, it has been approached for most of the factories with a simplified approach, considering an average power consumption for hour of production, and applying this number to the produced hours of each product.

In addition, an off-line option to optimize the cable design in terms of environmental parameters has been developed. This will permit the cable designer to consider some pre-defined options as possible alternatives to the materials used and to understand the impact of the different design versions as far as CFP contribution and potential recyclability are concerned.

In this scenario, the cables' Eco-datasheet have started to be produced and delivered to customers especially sensitive to sustainability issues:



Eco data sheet

Prysmian Group

HULT Cca 0,6/1kV gy# 3G2,5 mm2 DRK500

YMz1K Cca
20178152

Material Type	Gross Weight [kg/km]	%Recycled	%Recyclable
Copper	63	40%	100%
Rubber	43	0%	100%
XLPE	14	0%	0%
LSOH	85	3%	100%
Others	2	0%	0%
Totaal	*207*	*13%*	*92%*

$$\%CIRC_{tot} = (\%CIRC_{rec} + \%CIRC_{recble}) / 2 = \quad 53\%$$

CO_2 footprint

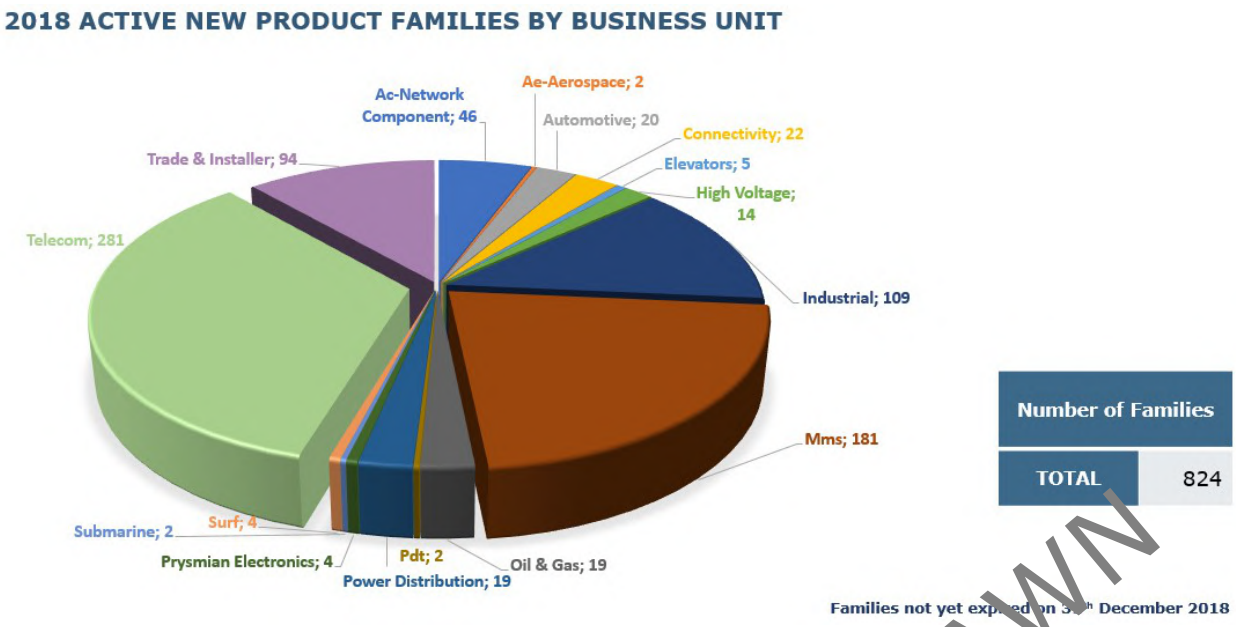
CO_2 footprint materials	524	kg/km
CO_2 footprint production	34	kg/km
CO_2 footprint *transport*	*depends on distance from factory to delivery location*	
CO_2 footprint usage	*depends on usage conditions set by network operator*	

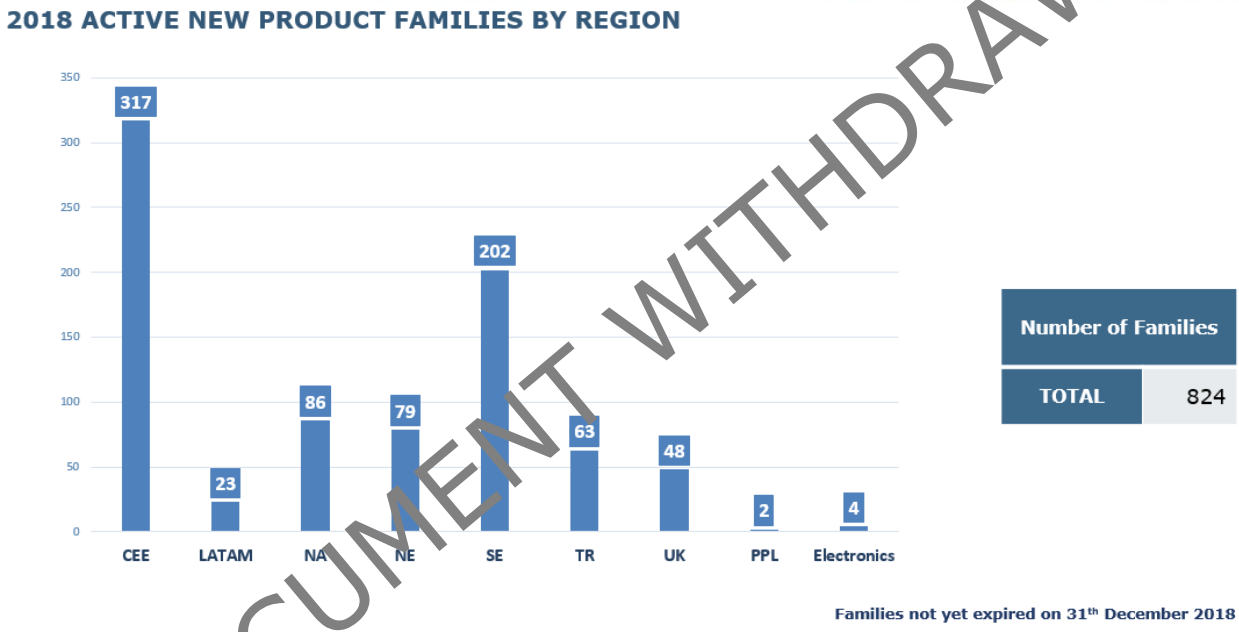
Toxicity
Used materials comply with REACH and RoHS

Notes
1. Data subject to modifications
2. Data given by Prysmian product data management system
3. It is known from LCA that the usege phase has the greatest environmental impact

NEW PRODUCTS INTRODUCTION (NPI)

New products introduction is tracked through an NPI vitality tool that measures the revenues generated from new products introduced in the last 3 years as a portion of total revenues of all products for the Group. The NPI tool has been extended to the legacy Prysmian units, where the SAP1C system was implemented in 2018 (Argentina, China and the ASEAN area). General Cable has an established NPI vitality tool for the past 10 years based on Sopheon's Accolade system. At the end of 2018, our NPI vitality improved to 11.1% for the combined perimeter, compared to just 8.9% for legacy Prysmian in 2017. This improved NPI vitality comes from the strong contribution of 824 new product families active at the end of 2018. For 2019, we will focus on merging our new product innovation process by picking best practices across the new perimeter with key enhancement of customer collaboration at every stage of our innovation process. We are committed to identifying key opportunities and creating innovative solutions that are most relevant to adding value to our global customer base.





Afumex Line and CPR

Growing volumes and sales have been gained in this segment of the T&I European market, where the safety and environmental issues are the main drivers for innovation. Interest for CPR extension outside the T&I market are clear and probably irreversible, due the growing attitude to increase the value proposition of the products in view of enhanced safety and sustainability. In this scenario, the capacity of the Company to provide innovative solutions in cable design, system design and materials development is fundamental in order to play a leadership role in the market; note that integration with GCC facilities in Europe is increasing the strength of the Company, due to the technical expertise in materials development and the availability of additional production capacity for LSOH materials in GCC factories (Spain and France).

Lead-Free EAM Insulation

The Company was active in the development of an innovative and eco-sustainable insulation system for MV cable, able to provide similar or better performances with respect to actual state of the art filled insulation materials for flexible MV cables (EPR insulation). The developed solution is lead-free EAM insulation, formulated with an alternative elastomer. This results in an insulation that retains the inherent features and benefits of an EPR compound, but improves flexibility,

reduces spring-back and thus provides ease of installation. The newly developed insulation is lead free and this represents an important advantage with respect to the traditional EPR materials, where the lead stabilizers was added in the formulation in order to provide electrical stability in wet conditions. Several years of comprehensive testing has proven that this new, lead-free technology, in combination with EAM, will offer trouble-free service life, while providing complete compatibility with existing infrastructures. Important projects have been awarded in 2018 in NA thanks to this breakthrough technology, especially in the area of T&I and Renewables Power systems, enabling a reduction of the environmental footprint in the manufacture and supply of cable and assemblies and of hazardous materials in MV power supply systems.

E3X Technology

With the merger of General Cable, Prysmian Group has the most comprehensive product offering for the area of Power Distribution and Power Transmission systems. Especially for Power Transmission using overhead lines (OHL), a breakthrough solution has been developed and actively introduced in the market, based on an innovative coating applied on the surface of the standard OHL, able to increase the heat dissipation and the efficiency of the Transmission line. At the same conditions, the E3X coated conductor provides up to 25% higher ampacity than the uncoated OHL line of same size. Or, in other words, at same ampacity the conductor can run up to 30% cooler than the uncoated version, that means lower Joule losses and finally less heat dissipation to the environment. Other important advantages that are allowed by this solution are up to 25% lower line losses and up to 20% lower project costs enabling a sustainable approach to the future of our power grid. Multiple projects with E3X have been awarded in 2018 across the USA and in 2019 we will look at expanding this technology to other regions in the Group perimeter.

17 FREE halogen-free cables

Important development was completed in North America as far as cables for Communication with Low Smoke and Zero Halogen materials are concerned. As generally these cables are produced with halogenated materials, that are effective in view of retarding the fire propagation but emit dangerous gases and heavy smokes, the development of an LSOH Communication cables range significantly allows to improve the safety aspects still maintaining affordable costs. The 17 FREE line of Riser communication cables, including Cat 5e, Cat 6 and Cat 6A, does not contain halogens, which significantly reduces the density of the smoke. Additionally, the smoke produced has a significantly reduced halogen acid content which may prevent costly damage to expensive and sensitive electronics equipment used in healthcare facilities. The 17 FREE Riser product line provides increased safety for occupants and may prevent damage to electronics equipment in the event of a fire, while still being a cost-effective solution and still meeting industry standards.

Fibre densification in Optical cable

Increase in fiber densification for Optical Cables has reached the outstanding result of 6912 fibers in the single cable, thanks to the innovative Flexribbon technology developed by the Company in recent years and now successfully proposed in the market. FO cables with reduced dimensions and lower weight produce undisputable advantages for the customers (TLC operators) but also for the environment, due to the intrinsically reduced CFP content in terms of materials usage and the simplified installation works affordable for the complete telecommunication system. Indeed, the achievement of record compactness in cables is the viable solution to leverage all access rights for fiber connections, without construction work costs and without disruptions.

COMMITMENTS FOR THE FUTURE

In 2019, the Prysmian Group has an excellent opportunity to pick the best ideas from our merger to create more efficient and reliable products for our customers. We will strengthen our commitment to innovative solutions for more sustainable energy, more effective digital communications and more efficient infrastructure. In our increasing connected world, we take pride in our technology leadership and sustainable approach to have more responsible transmission of power and information across our global community.

THE PROTECTION OF OUR INTELLECTUAL PROPERTY

Protecting the portfolio of patents and trademarks is a key part of the Group's business, particularly in relation to its strategy of growth in high-tech market segments. During the year, the Group continued to increase its patent assets, especially in segments with higher added value and in support of the significant investments made in recent years. As of 31 December 2018, the Prysmian Group holds 5,627 patents and patent applications worldwide undergoing evaluation covering 854 inventions (4,845 patents and patent applications cover 741 inventions under the legacy Prysmian Group perimeter, while the remaining 782 applications for 113 inventions relate to the legacy General Cable perimeter). Out of 854 inventions, 294 are related to the Energy Projects and Energy Products segments (229 legacy Prysmian Group and 65 legacy General Cable); 560 inventions are related to the Telecom sector (512 legacy Prysmian Group and 48 legacy General Cable). A total of 61 patent applications were filed during 2018 (41 legacy Prysmian Group and 20 legacy

General Cable), of which 29 were in the Projects and Energy sectors (17 legacy Prysmian Group and 12 legacy General Cable); 27 in the Telecom sector (24 legacy Prysmian Group and 3 legacy General Cable). Following examination, 200 patents were granted during the year (141 legacy Prysmian Group and 59 legacy General Cable), 54 by the European Patent Office (EPO) (50 legacy Prysmian Group and 4 legacy General Cable) and 31 in the United States (24 legacy Prysmian Group and 7 legacy General Cable).
The most important products, typically involving specific characteristics or a specific production process, are protected by trademarks that allow them to be identified and guarantee their uniqueness. As of 31 December 2018, the Prysmian Group owns 1105 trademarks, with 5,167 registrations in the various countries in which we operate, covering the names and logos of our companies, activities, products and product lines. Out of the 1105 trademarks 556 are relative to legacy Prysmian Group and 549 are relative to General Cable while out of 5,167 registrations 2,565 are relative to legacy Prysmian Group and 2,602 are relative to General Cable.

THE MAIN INDUSTRIAL INVESTMENTS
During the year, Prysmian has continued to invest to increase its production capacity in optical fibers and cables for Telecom applications, further strengthening its presence in this high-value segment, along with the classic submarine cables market. Also, from 2018 Group capital expenditure began to consolidate investments in the plants of the old General Cable perimeter.

The Prysmian Group's manufacturing operations are highly decentralized, with 112 factories in more than 50 countries (post-integration with General Cable). This enables the company to react in good time to the various requests received from world markets. The acquisition of General Cable, thanks to the geographical distribution and capabilities of the various plants, allows the Prysmian Group to continue on from 2018 in the implementation of its industrial strategy based on the following factors: (i) the development of products of higher added value and technological content in a limited number of plants destined to become centers of excellence with high technology skills. Economies of scale will be possible in these sites, resulting in improved production efficiency and reduced invested capital; (ii) a continuous search for higher production efficiency in the commodity sector, maintaining an extensive geographical presence to minimize distribution costs.
Gross investments amounted to Euro 285 million in 2018, following an increase with respect to the prior year (Euro 257 million). This increase was mainly due to the consolidation of investments made in 2018 in the plants of the old General Cable perimeter; as regards the old Prysmian Group perimeter, a distinctive item is the start of works for the construction of a new state-of-the-art cable-laying ship, as well as further acceleration of the investments for the Telecom part (fiber and optical/data cables).

Capacity/product mix. Investment to increase production capacity and take account of changes in mix accounted for 57% of the total.

Energy Projects. During the year, the most significant investment was for the start of works on a new state-of-the-art cable-laying ship, calling for a total investment in excess of EUR 170 million. This strategic asset will consolidate Prysmian's "turnkey" approach that allows for the provision of EPCI (Engineering, Procurement, Construction & Installation) with "end-to-end" solutions that include engineering, manufacturing, installation, monitoring and troubleshooting of submarine cable systems for power transmission. The investment in the new ship is specifically designed to support the Group's long-term growth prospects in the submarine cable systems market, strengthening its capacity for the installation and execution of projects centering on the interconnection and wiring of offshore wind farms.

The new cable-laying ship will be designed to be the highest performing vessel available on the market and will provide greater capacity and versatility in the implementation of projects due to advanced features such as: installation capacity in waters deeper than 2,000 meters, higher cable load capacity thanks to large rotating drums, ability to undertake complex installation operations supporting diverse equipment for cable burial, including "submarine ploughs", cutting-edge systems for positioning and seaworthiness, and reduced environmental impact. The new cable-laying vessel is scheduled to be in operation in 2021.
The current Prysmian fleet, comprising three cable ships, the Giulio Verne, Cable Enterprise and Ulisse, combined with a wide range of high technology equipment for cable installation and burial, such as the Hydroplow, PLB Sea Otter and Mole machines, and HD3 submarine ploughing technology, makes it already one of the most technologically advanced in the world. This new strategic asset will strengthen the Group's technological and market leadership in the cable and submarine systems industry, allowing it to further internalize installation operations and to ensure greater precision in the delivery and execution of projects.
Turning to the high voltage business, 2018 saw the completion of the process of bringing the assets of the Yixing plant (previously belonging to ShenHuan Cable Technologies) into line with the best practices of the Group. The goal is to offer the Group's customers all the high-voltage cable technologies available in the Group, thus creating a center of

excellence in China to service the entire Far East area. The site can count on production and logistics facilities located in an area of over 190,000 m² and has 5 insulation lines inside it, including 2 vertical extrusion lines for the production of Extra High Voltage cables up to 500kV.
Also within the high voltage business, at the former General Cable plant in Montereau in France, there was an increase in the production capacity of cables up to 2 km to meet the ever-increasing demand for direct current connections over long distances.

Energy Products. This business segment has been invested in globally to meet growing demand in some value-added sectors. Investment in Suzhou, China, now fully implemented, has increased the production capacity of trade & installer, rolling stock and automotive cables. Great impetus has been given generally to the entire Far East area where, to cite another example, from Indonesia, the installation of an additional line for the catenary extrusion of medium voltage cables has been completed and has already started to produce for the local and export market. The goal of these operations is to be ready to take advantage of the growth opportunities that this region presents in all the business sectors in which the Group operates. Finally, it was decided to make the most of the opportunities arising from the purchase of General Cable, by investing in medium voltage plants in America (mainly in Marshall, Texas) to increase production capacity in line with business that is showing strong growth, reflecting the general good health of the US economy. Like last year, the Prysmian Group also consolidated its investments in the subsidiary Oman Cables Industry, after acquiring an absolute majority of its capital in 2016. These investments principally focus on low and medium voltage cables, which are used by local utilities as well as by major EPC (Engineering Procurement and Construction) companies active in the Arabian Peninsula.

Telecom. In the Telecom business area, in the optical fiber plant of Claremont (North Carolina), the Group has almost completed the investments begun in 2017 to create a verticalized production structure, increasing spinning capacity to meet the demand for fibers destined for the production of optical cables. In this regard, the Group is also increasing its production capacity of ribbon cables in the Lexington plant (South Carolina), also following an important supply agreement signed with the American Verizon Communications to support the expansion of the telephone operator's optical network to develop 5G services and at the same time increase the 4G LTE capacity of the broadband network.
Lexington, confirming its role as a center of excellence in the US for the production of optical telecom cables, is benefiting from a new series of investments aimed at the production of cables using a new cutting-edge technology called FlexRibbon. It allows for the compacting of the maximum number of fibers inside the cable, using extremely flexible fiber ribbons that can be compacted to achieve a very high-density fiber, or can be left flat for splicing. The significantly reduced-diameter cables and reduced weight have greater resistance to bending and greater flexibility, which makes installation simpler and allows for the use of ducts that are smaller in comparison to the traditional flat ribbon design.
As well as in the US, further investments have been made but also in Europe at plants in Douvrin and Battipaglia. The goal is increased production of single-mode fiber, to serve the continental market in optical cables for telecommunications. Both development projects are planned for completion in 2020.
Also in Europe, optical fiber production is being paralleled by growth in the optical cables business, and in particular in the Slatina plant, which is witnessing the completion of the second step of increased production capacity of optical cables for telecommunications.

Efficiency and industrial footprint. About 19% of total investment was allocated to achieving efficiency improvements and reductions in fixed and variable costs (mainly product design and material usage). The Group is continuing to perform an important cost optimization activity for the entire production chain of the Telecom business segment. In the European optical fiber plants of Battipaglia (Italy) and Douvrin (France), efficiency investments have continued, with a significant reduction in the cost of fiber manufacturing and particular emphasis on increasing the size of preforms, the lengths of production lots and the speed of spinning.
As for the energy business, works are concluding for the establishment of a new center of excellence for Brazil in South America, as part of the company’s production system in Sorocaba (Sao Paulo). This center will embrace the entire building of the unit located in Santo André (São Paulo) and will be one of the most modern Prysmian Group plant and office complexes in the world. With this project Prysmian reaffirms its confidence in the potential of the country, where it has been present for nearly 100 years, and is preparing for the recovery of the energy and telecommunications markets in Brazil and South America. Once fully operational it will be a competitive hub serving the local power and telecom cables market and will boost exports from Brazil.

IT, R&D. Around 9% of investment has been dedicated to the constant development of IT systems and to R&D. A significant part of investment has been allocated to the development of Group information systems and Digital Transformation initiatives.

In 2018, activities continued for the completion of the "SAP Consolidation (1C)" program, based on the innovative SAP HANA technological infrastructure and aimed at the harmonization of back-office processes, with the geographical extension of the Group platform in Argentina and partially in the United States.
In the Operations area, a pilot project called "Fast Track" was launched in Calais. The Group's first "Global Manufacturing Execution System", it aims to increase the efficiency and effectiveness of industrial processes and improve customer service, ensuring the complete traceability of components used in the production cycles and greater efficiency in the management of the factory information flow, from executive management to the production departments.
The pilot project in Calais has been successfully completed and Prysmian now is now preparing for further implementations in other plants. For the company, this system is a first step in the path towards the digitalization of manufacturing processes under "Industry 4.0."
During the year, an audit of the Group wide area network (WAN) was begun. Due to conclude in 2019, it will provide significant capacity building and improvement of the performance of infrastructure for communication between the various bases.

Base-load. Capital investment to maintain capacity amounted to about 15% of the total, in line with prior years. A significant part of this amount is related to the start of work to remove all asbestos present at every Group plant around the world.

RESEARCH AND DEVELOPMENT: PARTNERSHIPS

Prysmian and General Cable combined have established consolidated collaborative relations with over 50 major universities and research centers around the world. These collaborations, strategic for the Prysmian Group, support cutting-edge technological research and allow the adoption of state-of-the-art innovations in all areas relevant to the wire and cable industry.

Among the numerous collaborations, those with the following bodies are particularly worthy of mention:

- Politecnico di Milano (Italy)
- Università degli Studi di Milano, Genova, Salerno, Palermo and Padova (Italy)
- National Electrical Energy Research & Application Center (USA)
- National Science Foundation High Voltage and Temperature IUCRC (USA)
- Northwestern University (USA)
- Rice University (USA)
- Purdue University (USA)
- University of Cincinnati (USA)
- University of Illinois at Urbana Champaign (USA)
- Ohio University (USA)
- Georgia Institute of Technology (USA)
- University of South Carolina (USA)
- University of Central Florida (USA)
- Electric Power Research Institute (USA)
- Oak Ridge National Laboratory (USA)
- Argonne National Laboratory (USA)
- University of Quebec at Chicoutmi (Canada)
- Centro di Pesquisa e Desenvolvimento em Telecomunicacoes (Brazil)
- Universidade de São Paulo (Brazil)
- Universitat Politecnica de Catalunya (Spain)
- Shanghai TICW (China)
- National Chemical Laboratory (India)
- Infosys Advanced Engineering Laboratory (India)
- University of Applied Science Südwestfalen (Germany)
- University of Lille 1 (France)
- Nokia Bell Labs USA and (France)
- Technical University of Eindhoven (Holland)
- CaiLabs (France)
- PA Consulting (UK)
- CEA (France)
- Norner (Norway)

ENVIRONMENTAL RESPONSIBILITY

ENVIRONMENTAL PROTECTION

The Group strives actively to safeguard and protect the environment and conserve natural resources, in order to create sustainable value for the benefit of both the organization and our stakeholders.

The Group's commitment to safeguarding the environment and conserving natural resources is expressed not only by the intrinsic characteristics of our products, but also by how our production systems are managed. In particular, the prevention and reduction of their environmental impact is achieved, for example, by the efficient use of natural resources, the optimization of logistics flows and the responsible management of waste. Prysmian worked hard during the year to enhance our performance on environmental matters. Additionally, on
the basis of the aspects considered significant at Group level and the environment and health and safety targets set for 2020, the HSE function has planned and coordinated actions to gradually achieve these objectives.

Application of the Health, Safety and Environment policy, the Operating Procedures and the Group's Technical Standards was maintained and extended to additional operating units. The effectiveness and proper application at local level of the health, safety and environment rules were also checked periodically, with support from the Group-level audit team. Furthermore, significant variables and indicators were again monitored regularly to check the effectiveness of health, safety and environment activities, including compliance with health and safety at work standards, energy consumption, waste management, water usage and greenhouse gas emissions.

The issue of energy consumption has always been a monitoring and leverage area for the development of activities aimed at reducing them, also as linked to emissions.

In particular, the sustainability objectives set for 2020 include the reduction of energy consumption and the reduction of greenhouse gas (GHG) emissions at Group level. The emissions reduction targets refer to all the "direct" Scope 1 emissions (i.e. those resulting from the production processes) and "indirect" Scope 2 emissions (deriving from electricity purchased). The data relating to these two types of emissions is collected, verified and aggregated at Group level through the data collection process long used by Prysmian both for internal and external reporting.

In 2018 the Prysmian Group also participated in the CDP – Climate Change section, in which the greenhouse gas emissions (GHG) for the year 2017 were declared.
In addition to Scope 1 and Scope 2 emissions, Prysmian has for the first time also considered Scope 3 "other indirect emissions" (generated by other organizations as a consequence of the Group's activities), limited to those categories deemed relevant for the Group.

In 2019 on the occasion of the disclosure to the CDP, Prysmian will commit to a more comprehensive quantification of GHG emissions and will include, in the reporting perimeter of Scope 1 and 2 emissions, also the General Cable sites acquired in 2018. It will also try to more precisely quantify some of the Scope 3 emissions.

In 2018, 11 new energy diagnoses were carried out in European and non-European operating units, in accordance with local legislative requirements and the criteria defined at Group level, aimed at having an ever more complete, reliable and updated data base on energy consumption and its distribution, with the aim of extending energy efficiency initiatives to an ever larger number of units. The Energy Audit Plan was upgraded by the HSE function at the end of 2018, including for the 2019-2020 period the European operations of the recently acquired General Cable.

In addition, the Mudanya (Turkey) plant and the General Cable Nordenham (Germany) plant have consolidated energy management and consumption monitoring through the implementation, certification and maintenance of an Energy Management System (SGE) compliant with the ISO 50001:2011 international standard. Similarly, periodic energy audits have been conducted in the Group's five other German plants, where the SGE has long been ISO50001 certified.

The continuous improvement of energy performance necessarily requires the involvement and commitment of all levels of the organization and all employees and contractors. Therefore, also at the Milan Headquarters, responsibilities, procedures, processes and resources have been identified to ensure effective management of energy consumption and related performance. This has been reflected in the implementation of an SGE compliant with ISO 50001:2011 International Standard for the management of energy use in the Milan offices.
Significant events during 2018 included the investment of about EUR 13 million[35] in health, safety and environmental activities, including energy efficiency.

[35] Data referring to Prysmian w/o General Cable.

During 2018, the HSE function continued with the coordination of the operational phase of the two projects, "Relamping with LED" and "Smart Metering", respectively related to the replacement of conventional lighting fixtures with LED lamps and the introduction of systems to measure consumption at the production units; this, in line with a consistent approach at Group level, which has led to the following concrete results and future developments:

- Installation and testing, in five Italian production units, of the consumption monitoring systems, both as a means of management and optimization of energy consumption and to ensure compliance with Italian regulations for the conduct of the upcoming energy audits.
- Gradual extension of the monitoring systems of Group level consumption, based on experience already gained in the Italian units. For this, at the beginning of 2019 we will identify the next sites where start the "Smart Metering" project will be launched.
- Completion of the supply, installation and testing of LED lighting in three Italian operating units, adding to the two already completed in Italy in 2017.
- Evaluation of energy and economic savings achievable through the "Relamping with LED" project in Asian and British production units.
- The carrying out of targeted inspections in the four British production units and the preparation of technical and commercial requirements to be adopted for the design and installation of new lighting systems.
- Collaboration with the Purchasing function in the selection of a general contractor to design and install LED lighting systems in two Asian units and four British operating units, to be completed in 2019.

Using the Smart Metering system installed in the Italian production units, Prysmian will analyze power consumption and performance in relation to production, highlighting both the savings obtained from the adjustments already made, e.g. in lighting systems, and the areas of improvement where future actions can be planned and implemented to improve efficiency.

In 2018 the representative operating units were identified, and in 2019 there will see the launch of some energy projects, coordinated by the HSE function and supported by other central functions.
In particular, a few pilot projects have already been selected, based on criteria such as:

- The payback time of the investment
- The extent of the energy savings achieved
- The potential for repeating the project in other Group sites
- The presence of incentive schemes nationally

The ultimate goal is to assess the energy savings and gradually extend the identified solutions to other Group plants.

Prysmian has continued to manage various activities including active participation in various working parties and on association committees, such as Europacable's ECOE Committee, Orgalime's "Substances Task Force", ANIE's Environment Committee and AICE's environment working party, and the IEC Maintenance Team that is drafting the standard environmental declaration for power cables. The approach to integration adopted represents an opportunity to improve and, in this light, operational policies and practices for the management of the environment, health and safety by all operating units will be further developed and agreed. In this regard, the Prysmian Group uses quali-quantitative parameters to monitor environmental performance and health and safety in the workplace.
In this context an assessment will be made on whether to further strengthen the standardization activities and coordination functions performed by the central HSE functions, through the transition to a "multi-site" arrangement for the management of HSE certified systems.

MANAGEMENT SYSTEMS

Those Environment Management Systems not updated in 2017 were duly updated in 2018, so as to maintain the certifications in all organizations, in accordance with the latest version of the ISO 14001 standard.

In parallel, to facilitate local implementation of the new ISO 14001 requirements, there were revisions of Group procedures relating to the Environment Management Systems (formerly ISO 14001:2015) and Safety (formerly OHSAS 18001:2007). These are procedures that serve as base references and which local organizations are required to implement and integrate into their systems, taking into account their own specificities. The revisions were performed with the aim of improving their usability as guidelines for local implementation of the systems and their maintenance.

Through this effort, the updating of the procedures to the 2015 version of ISO 14001 was completed in all the certified plants.

The percentages of certified Prysmian plants have remained relatively stable (with only limited variations), amounting to 95% for ISO 14001 and 78% for OHSAS 18001 (Prysmian Group w/o General Cable).
The above percentages relate only to the production sites (plants). Within the Group, some Organizations are also certified (R&D, installation activities, "kit-preparation" centers and distribution centers, etc.); their total figures are:

- 4, in accordance with OHSAS 18001:2007;
- 2, in accordance with ISO 14001:2015.

The overall situation, however, was changed by the acquisition of General Cable, whereby about one-third of plants (not counted in the percentages stated above) are currently certified under these standards (ISO 14001 and OHSAS 18001).
Therefore, following the acquisition, it became necessary to review the Group level certifications program (understood both as new certifications and transfers to the reference entity used by Prysmian), with the intention to eventually certify all of the production units (setting aside precise cases). In some cases, a program has already been defined and agreed with local management, while another part of the program is still being finalized.

LIFE CYCLE ASSESSMENT
In the course of 2018 the "Common Analysis" program was further refined and extended to all countries. This is a platform in use at the R&D function, which allows the calculation of the carbon footprint of individual cables. More specifically:

- work has been completed on the definition, revision and systematization of the factors in greenhouse gas emissions arising from the production chain of materials that are assembled to form the cables;
- information on consumption in cable manufacturing processes has been collected and systematized; the processes will, however, will be further improved since for the time being average values are used, entered at the processing machinery hours, with the exception of four pilot plants whose energy consumption has already been measured carefully for individual processes and machines.

To this end, the HSE function has provided targeted emission values and related impact (in terms of Global Warming) coefficients of materials and processes.
For more information on the project, refer to the paragraph on the Carbon Footprint (CFP) in the chapter "Planning the future responsibly".

With reference to the Group commitment expressed with the HSE policy and use of the HSE management system, Prysmian will continue its involvement in various initiatives intended to use resources efficiently and reduce the environmental impact of production processes at a number of plants (e.g. replacement of lighting systems, recycling of SF6, optimizing the use of energy resources, and awareness campaigns concerning the consumption of energy). These initiatives have led, over the years, to many environmental benefits in terms of cost reductions, so the Group will continue its efforts towards continuous improvement of HSE performance.
In particular, the HSE function, with the cooperation of other central functions and the operating units, will endeavor to ensure:

- the increasingly precise and reliable Group-level reporting of data and information on consumption and greenhouse gas emissions (GHG), taking into account the new perimeter that includes the GC units;
- the monitoring of improvement objectives for the future and their eventual updating, with the involvement of all levels of the organization in the planning of the initiatives and activities necessary for the achievement of the stated commitments;
- ongoing implementation of energy efficiency initiatives in compliance with regulations (e.g. Directive 2012/27/EU on Energy Efficiency), the specific campaigns promoted nationally and, more generally, the commitments undertaken at the Paris COP 21 Conference on Climate Change;
- the selection and coordination of specific projects to be implemented in the Group's operating units, with their efforts carefully calibrated towards local operating requirements.

ENVIRONMENTAL PERFORMANCE

In terms of environmental impacts, the Group reports in this document those that are most significant in terms of responsibility towards employees, local communities and as a competitiveness and value factor for the Group. These aspects are:

- energy consumption, obtained as the sum of all energy sources used in manufacturing and service activities;
- water consumption, which is significant due to the large volumes needed for cooling in the various production cycles;
- hazardous and non-hazardous waste, with a potential impact on various environmental factors and very considerable importance in the assessment of process efficiency;
- recycled waste - hazardous and non-hazardous (part of those referred to in the previous point);
- greenhouse gas emissions (GHG), primarily linked to the use of sources of energy and, to a very limited extent, to the use of greenhouse gases at certain stages of production;

Based on assessments and past experience, the Group does not report on the following aspects, which are considered to be less significant:

- waste water originating from cooling systems, if not contained within a closed-circuit system and if not requiring special treatment;
- atmospheric emissions generated by production processes, which are not especially significant in most cases.
- Further details on performance indicators, perimeter and reporting methods are available in the "Notes on the data and information".

During 2018, the Group did not receive significant sanctions (monetary[36] or other) in cases of regulatory non-compliance in the environmental field.

Instances of non conformities within environmental and safety management systems, whether detected internally or as a result of inspections and specific requests of the institutions responsible for environmental management, were traced and managed under each individual Management System, to ensure the definition and monitoring of the necessary corrective actions and adequate communication with relevant authorities.

ENERGY CONSUMPTION

With reference to the Group's energy consumption (Prysmian w/o General Cable), the total energy consumption in 2018 shows an increase of 17.2% compared to 2017, in line with the combined effect of enlargement of the number of plants reported within this scope[37] and the increase in production in the plants already present in 2017.

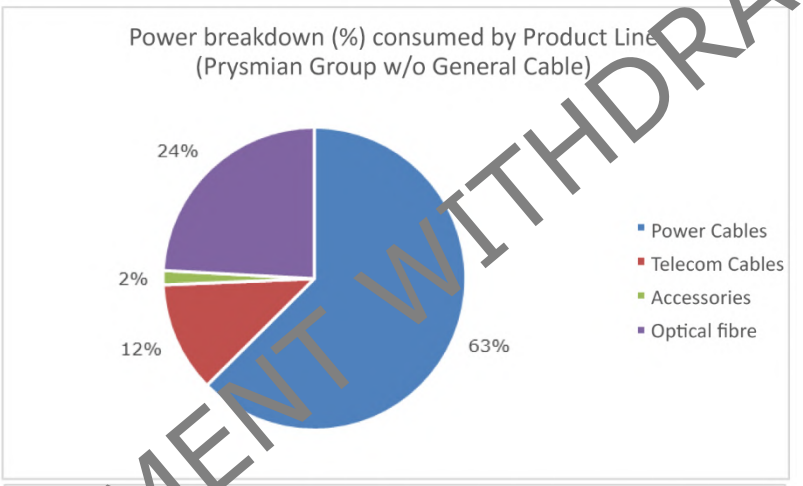
Prysmian Group w/o General Cable 2018			
Energy consumed (GJ)	**Total 2018**	**Total 2017**	**Total 2016**
Electricity	3,612,696	2,803,119	2,890,939
Electricity from renewable sources	1,399,006	1,402,128	1,253,393
Natural gas	2,045,370	1,824,271	1,793,114
LPG	64,536	67,216	83,133
Petrol	8,547	2,183	4,433
Diesel	102,382	101,386	88,816
Fuel oil	47,966	20,931	20,663
Steam (purchased, not produced internally)	17,396	23,642	32,255
Heat (purchased from distribution networks)	116,710	76,027	90,192
Chilled water	169	6,982	0
Total	**7,414,778**	**6,327,885**	**6,261,714**

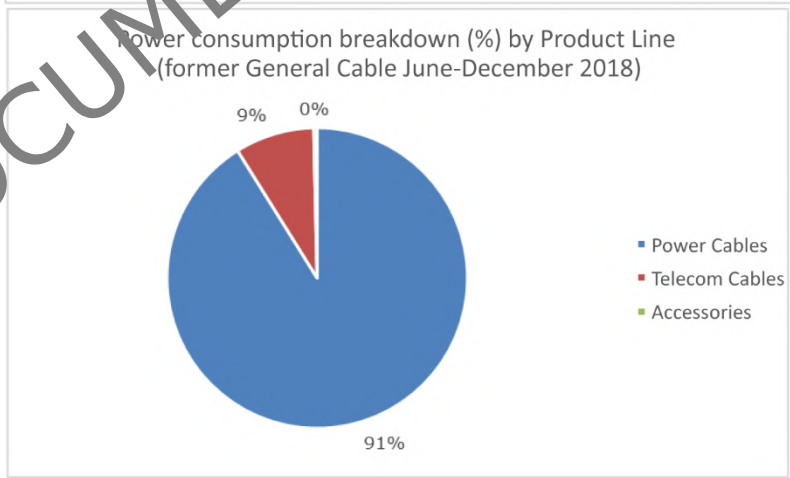
[36] For non-monetary sanctions, significant mean amounts above EUR 10,000.
[37] Please refer to information in the methodological note.

With regard to General Cable consumption for the months when the plants were under the control of the Prysmian Group, more than 1,390,000 GJ were consumed.

Former General Cable (June-December 2018)	
Energy consumed (GJ)	**June-Dec 2018**
Electricity	871,888
Electricity from renewable sources	0
Natural gas	481,569
LPG	23,764
Petrol	613
Diesel	12,894
Fuel oil	2,818
Steam (purchased, not produced internally)	0
Heat (purchased from distribution networks)	0
Chilled water	995
Total	**1,394,541**

As can be seen from the graphics below, power cable production is the most energy-consuming Product Line both for the Prysmian Group w/o General Cable perimeter and for General Cable, the respective totals coming to 63% and 91% of the total energy consumed.





With regard to energy intensity in comparison to 2018 production volumes, the following table shows the values for individual Product Lines:

Energy consumed per Km/Ton of product	**Prysmian Group w/o General Cable (2018)**			**Former General Cable (June-December 2018)**	
	Power cables GJ/Ton	*Telecom cables GJ/Km*	*Optical fiber GJ/Km*	*Power cables GJ/Ton*	*Telecom cables GJ/Km*
	3.41	0.02	0.04	3.75	0.08

The rising trend in the **Power Cables** operating units was driven by fuel consumption for the heating of external winding platforms and cable loading at a Scandinavian plant. The latter has increased the number and frequency of these operations compared to the past, thanks also to the commissioning of new platforms that have been added to those already in operation. Moreover, there has been a greater need for said winding and loading operations in 2018 than in the past, right in the very cold times of the year.
The increase for **Telecom Cables** is attributable to the increase in total output (note that the intensity decreases in further decimals).
Regarding **Accessories**, a previously unreported OU was reported from scratch: specifically an accessory production line started at the Souzhou plant in 2018 (PST).
The upward trend in **Optic fiber** was prompted both by the 2018 increase in production over the previous year, and the increasing need to control humidity levels in the process phase at one of the plants, resulting in increased natural gas consumption to the extent that it impacted the Product Line total
A further significant increase in the **Group Total** was determined by the inclusion, with estimated data, of plants outside the perimeter; the estimate is reckoned to be +11.1%. Had there not been an additional estimated 11.1%, the Group total energy consumption would have amounted to 6,673,964 GJ instead of 7,414,778 GJ (as in the first table in the paragraph on ENERGY CONSUMPTION).

GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions, measured in tons of CO2 equivalent, were calculated using the methodologies indicated in "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition, 2004)" considering, for the Scope 1 GHG emissions (direct greenhouse gas emissions), the consumption of fuels, the release of overflow gas refrigerants and the release of SF6 and, for the Scope 2 GHG emissions (indirect emissions of greenhouse gases), the consumption of purchased energy (mainly electricity).

The Prysmian Group is a multinational and diversified concern; for this reason, two main methods for accounting for emissions in Scope 2 are used: the Location-based method and the Market-based method. Both methods, described below, are recognized and required by the GHG Protocol and are necessary for the reporting of Scope 2 emissions in the "CDP's Climate Change program" starting in 2016.

Location-based	Market-based
This is a method for quantifying Scope 2 CO2 emissions based on average emission factors for energy generation by well-defined geographical boundaries, including local, sub-national or national boundaries.	It is a method to quantify the CO_2 emissions of Scope 2 based on the CO_2 emissions emitted by the energy suppliers from which the reporter (company that compiles the report) purchases, through a contract, an electricity package. Markets differ on the contracts available for the purchase of energy or on the claim of specific attributes, but may include: guarantee certificates of energy origin and direct contracts with suppliers (RECs, GOs, I-REC, etc.); supplier-specific emission factors; default emission factors that represent uncontrolled or unclaimed energy and emissions (defined as "residual mix"); regional or sub-national medium or national emission factors.

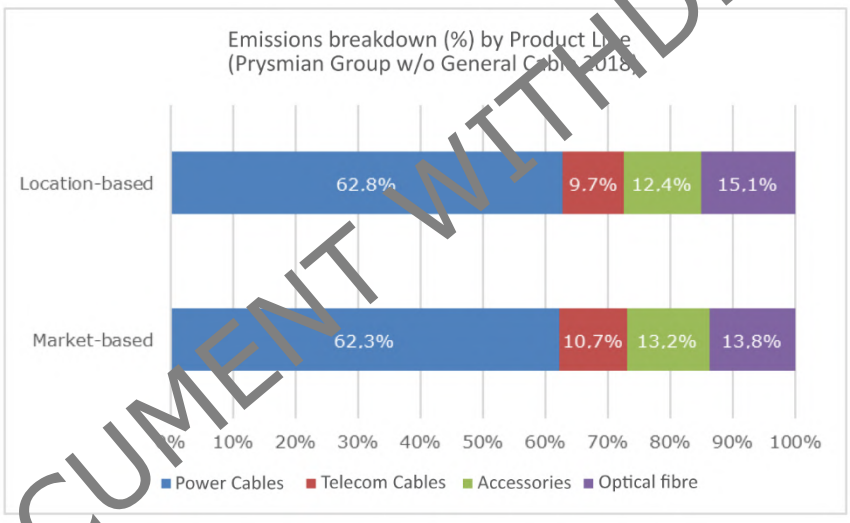
In 2018, the total emissions (location-based) for the Prysmian Group w/o General Cable perimeter were 756,781 t CO2, an increase of 16.6% compared to 2017. This is in line with the combined enlargement effect of the number of plants reported in this perimeter[38] and with the increase in production in plants already present in 2017. Former General Cable recorded a total of 139,526 t CO2 (location-based).

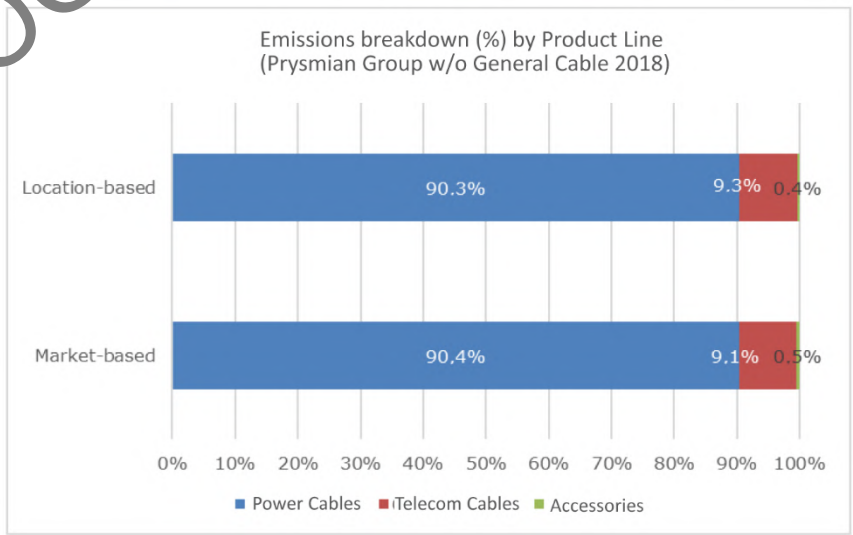
Also in 2018, the Prysmian Group purchased Guarantee of Origin certificates from some European suppliers, with the aim of reducing the corresponding CO_2 emissions in accordance with the Market-based calculation method.

[38] Please refer to information in the methodological note.

Prysmian Group w/o General Cable (2018)				
Emissions in tCO2		**Total 2018**	**Total 2017**	**Total 2016**
Scope I	Direct emissions from combustion	138,033	113,973	112,539
	Emissions from refrigerant gas leaks	7,077	5,887	3,308
	Emissions from SF6 gas leaks	128,427	108,997	124,768
	Total Scope I	**273,538**	**228,857**	**240,615**
Scope II	Location-based	483,243	420,443	442,947
	Market-based	441,548	320,422	351,278
Total	**Scope I and Scope II (Location-Based)**	**756,781**	**649,299**	**683,562**
	Scope I and Scope II (Market-Based)	**715,086**	**549,279**	**591,893**

Former General Cable (June-December 2018)		
Emissions in tCO2		**Total (June-Dec 2018)**
Scope I	Direct emissions from combustion	31,444
	Emissions from refrigerant gas leaks	2,085
	Emissions from SF6 gas leaks	23,028
	Total Scope 1	**56,557**
Scope II	Location-based	82,969
	Market-based	87,779
Total	**Scope I and Scope II (Location-Based)**	**139,526**
	Scope I and Scope II (Market-Based)	**144,336**





With regard to the emission intensity, the table below shows the values for individual product lines compared to 2018 production volumes; in the case of Prysmian Group w/o General Cable the figures are substantially in line with those of past years, even considering a partial change in product mix:

Emissions per Km/Ton of product		Prysmian Group w/o General Cable (2018)			Former General Cable (June-December 2018)	
		Power Cables (t CO2-eq/Ton)	*Telecom Cables (t CO2-eq/Km)*	*Optical fiber (t CO2-eq/Km)*	*Power Cables (t CO2-eq/Ton)*	*Telecom Cables (t CO2-eq/Km)*
Scope I		0.09408	0.00035	0.00091	0.16332	0.00078
Scope II	**Location-based**	0.24294	0.00115	0.00133	0.20823	0.00803
	Market-based	0.21948	0.00118	0.00100	0.22129	0.00816
Total	**Scope I and Scope II (Location-Based)**	0.33701	0.00149	0.00224	0.37155	0.00881
	Scope I and Scope II (Market-Based)	0.31356	0.00153	0.00191	0.38462	0.00895

The reasons for the increases in 2018 over 2017 are outlined in the previous section "ENERGY CONSUMPTION". Also, with regard to Scope 1 emissions, it should be noted that refrigerant gas refills, which are considered in order to quantify the relative fugitive emissions, do not occur consistently every year but are instead carried out intermittently (according to need) even at long-term intervals, resulting in a minimally linear trend, with possible jumps up and down. Added to this are the amounts of SF6 released; the increase recorded here for power cables and accessories is due to higher demands in testing.

WASTE

The principal types of waste generated by productive activities have been split into specific categories, classifying their level of danger (hazardous waste and non-hazardous waste) according to the related classification system, regardless of the waste's country of origin and disposal. An exception is made for certain types of waste (such as laboratory chemicals), whose allocation among the categories depends on local regulatory requirements.

Overall, the amount of waste produced by Prysmian Group w/o General Cable in 2018 amounted to 123,398 tons, signaling an increase of 27.3% also taking into account the combined effect of enlargement of the number of plants reported within this perimeter[39] and an increase in production in plants already present in 2017. The hazardous waste percentage amounted to 9.5% of the total of waste produced.

Prysmian Group w/o General Cable			
Waste produced by type [kg]	**Total 2018**	**Total 2017**	**Total 2016**
Hazardous	11,720,722	9,820,557	9,945,714
Non-hazardous	111,677,586	87,147,815	81,507,533
Total	**123,398,308**	**96,968,372**	**91,453,246**

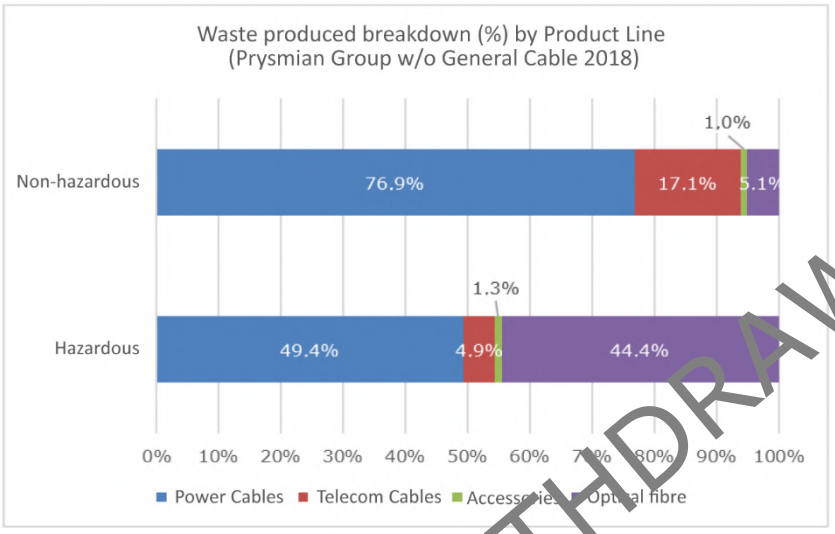
The former General Cable produced about 24,014 tons from June to December 2018. In line with the Prysmian Group w/o General Cable perimeter, hazardous waste accounts for 9% of the total waste.

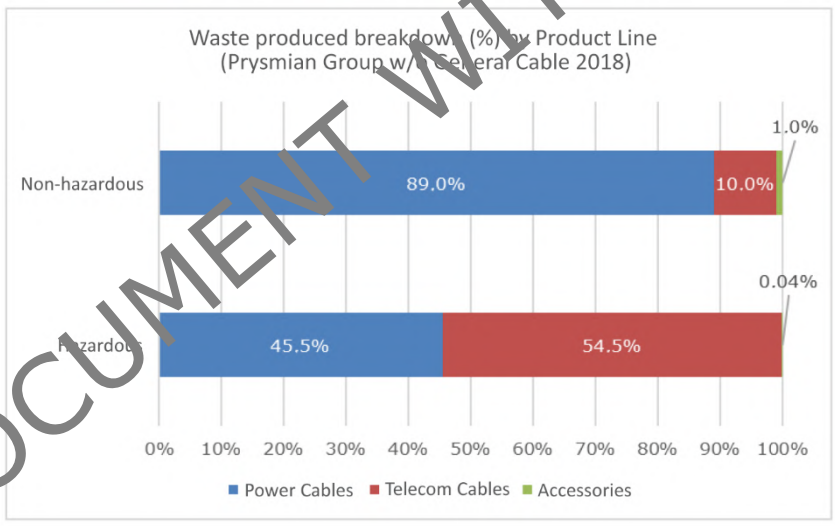
Former General Cable (June-December 2018)	
Waste produced by type [kg]	**June-Dec 2018**
Hazardous	2,153,895
Non-hazardous	21,860,439
Total	**24,014,334**

As can be seen from the following graphics, the production of power cables and Optical fiber cables generate the most hazardous waste, respectively 49.4% and 44.4% for the data relating to Prysmian Group w/o General Cable. In particular, the production of **hazardous waste** disposed of by the Power Cables product line has increased in view of some activities carried out during the year, such as: cleaning the collection wells, which resulted in an increase in copper sludge; specific cleaning tasks that resulted in an increase in used oil, and more marking activities which resulted in the increase of solvents disposed of.
However, the increase in Telecom Cables is due both to the increase in total production and to the 2018 reporting of the Slovak plant, which was missing in 2017, as well as the production mix that differed from the previous year; in 2018 it resulted in more waste classified as "hazardous" for disposal.
A further significant increase in the Group Total was determined by the inclusion, with estimated data, of plants outside the perimeter; the estimate is reckoned to be +11.1%.

[39] Please refer to information in the methodological note.

With regard to **non-hazardous waste** in the Power Cables category, the increase is due to the full implementation in 2018 of the Yixing plant in China and the disposal of huge quantities of scrap submarine cables accumulated in a Scandinavian plant; the increase recorded in Telecom Cables is due to increased production in 2018 and the production mix (as regards intensity compared to unit of output) differing from the previous year. The year 2018 saw greater production of higher volume cables per km fiber unit (the unit of product used to quantify the total product with which intensity is calculated).
A further significant increase in the Group Total was determined by the inclusion, with estimated data, of plants outside the perimeter; the estimate is reckoned to be +11.1%.





Hazardous waste per Km/Ton of product	**Prysmian Group w/o General Cable (2018)**			**Former General Cable (June-December 2018)**	
	Power cables Kg/Ton	*Telecom cables Kg/Km*	*Optical fiber Kg/Km*	*Power cables Kg/Ton*	*Telecom cables Kg/Km*
	4.24	0.01	0.11	2.89	0.80

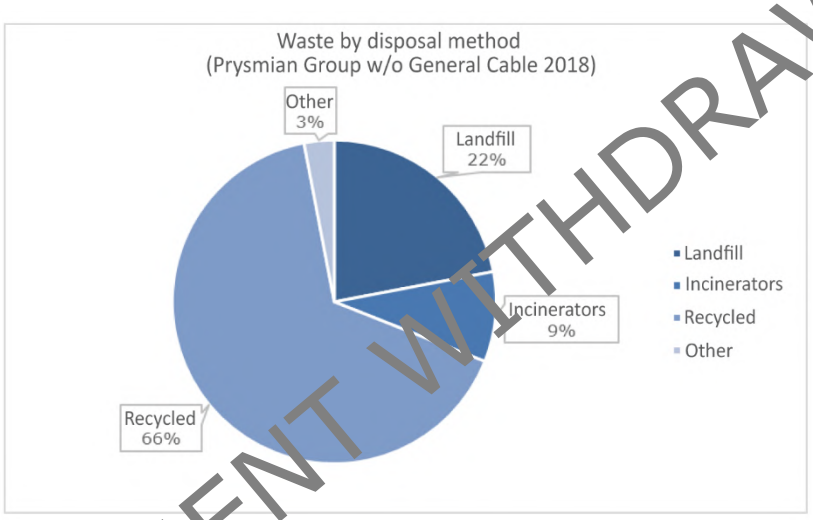
Non-hazardous waste per Km/Ton of product	**Prysmian Group w/o General Cable (2018)**			**Former General Cable (June-December 2018)**	
	Power cables Kg/Ton	*Telecom cables Kg/Km*	*Optical fiber Kg/Km*	*Power cables Kg/Ton*	*Telecom cables Kg/Km*
	62.76	0.41	0.12	57.37	1.49

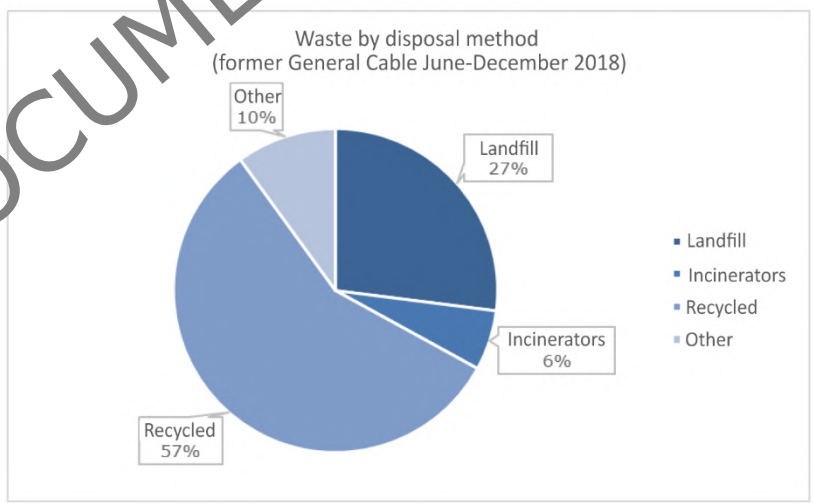
As mentioned in the 2017 consolidated disclosure of non-financial information, Prysmian has carried out a more in-depth analysis of the disposal method used, for different categories of waste produced. Downstream of the analysis, it emerges that 65.9% of the waste is recycled, while 21.8% is disposed of in landfills.

Prysmian Group w/o General Cable (2018)			
Waste by disposal method (kg)	**Hazardous**	**Non-hazardous**	**Total 2018**
Landfill	1,234,617	25,660,711	26,895,328
Incinerator	3,980,549	7,851,260	11,831,809
Recycled	6,146,248	75,199,367	81,345,616
Other	359,310	2,966,244	3,325,554
Total	**11,720,722**	**111,677,583**	**123,398,307**

Regarding the former General Cable perimeter, the percentage of recycled waste stands at around 57.1%.

Former General Cable (June-December 2018)			
Waste by disposal method [kg]	**Hazardous**	**Non-hazardous**	**June-Dec 2018**
Landfill	130,180	6,283,118	6,413,298
Incinerator	136,715	1,393,592	1,530,307
Recycled	1,695,607	12,011,915	13,707,522
Other	191,393	2,171,814	2,363,207
Total	**2,153,895**	**21,860,439**	**24,014,334**





In 2018, initiatives aimed at reducing hazardous and non-hazardous waste nevertheless continued:

- Balassagyarmat (Hungary): the amount of non-hazardous waste was reduced thanks to the greater reuse of waste from the production of PVC compounds;
- Charvieu (France): as above, actions were put in place to reduce waste through the increased recycling of PVC waste;

- Rocky Mountains (USA): the rate of reuse of stems increased to 40%, reducing the amount to be allocated for disposal;
- Durango (Mexico): staff was made more aware of a better culture in the use of materials and separation of residues in order to reduce the generation of waste;
- North Dighton (USA): the volume of used oil to be disposed of was reduced through better maintenance of equipment and the consequent minimizing of losses. Also, oil analyses are currently under way to assess when changes actually need to take place, instead of sticking a rigid program;
- Claremont (USA): a reduction in the quantities of waste solvents destined for disposal was made possible due to better operator training, aimed at more efficient use of the solvents.
- Schuylkill Haven (USA): the use of solvents was partially replaced with water-based detergent baths.

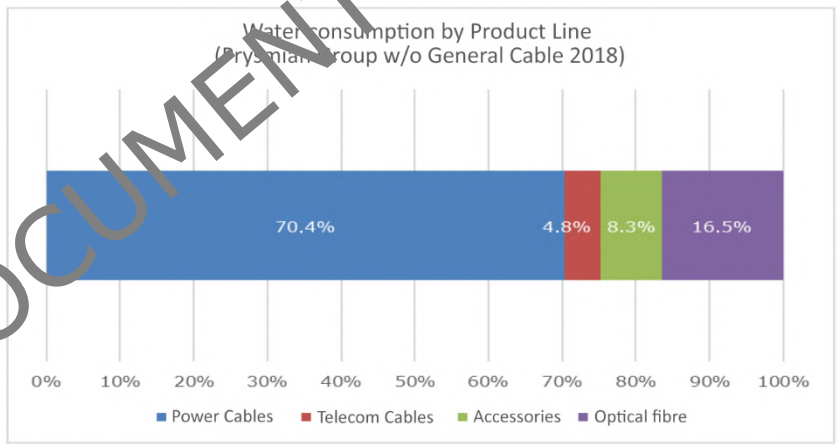
CONSUMPTION OF WATER RESOURCES

Overall, the amount of waste produced by Prysmian Group w/o General Cable perimeter in 2018 increased by 22.7% compared to 2017, also taking into account the combined effect of enlargement of the number of plants reported within this perimeter[40] and an increase in production in plants already present in 2017.

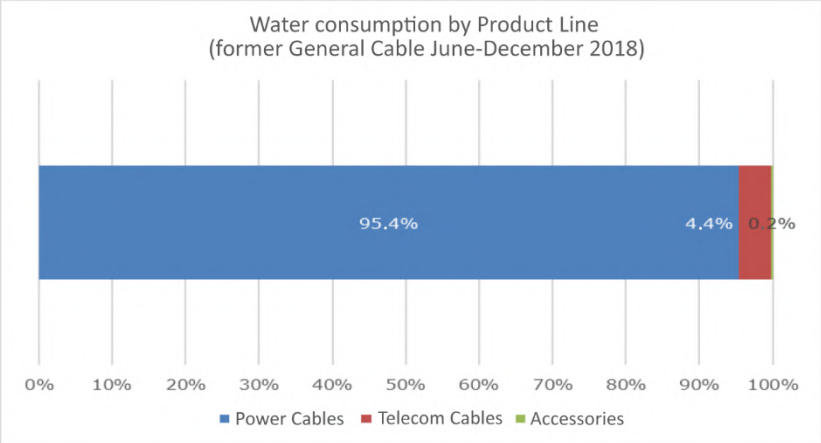
Prysmian Group w/o General Cable (2018)			
Water drawn (m3) by source	**Total 2018**	**Total 2017**	**Total 2016**
Water from wells	5,148,616	4,643,203	4,472,846
Water from other sources	1,435,070	713,627	720,526
Water from public water main	2,069,013	1,697,720	1,562,800
Total	**8,652,699**	**7,054,550**	**6,756,172**

The former General Cable perimeter from June to December recorded water consumption of about 986,000 m3.

Former General Cable (June-December 2018)	
Water drawn (m3) by source	**June-Dec 2018**
Water from wells	482,398
Water from other sources	69,946
Water from public water main	433,827
Total	**986,171**



[40] Please refer to information in the methodological note.



With regard to water consumption per ton or km of product in comparison to 2018 production volumes, the following table shows the values for individual Product Lines:

Water consumption per Km/Ton of product	**Prysmian Group w/o General Cable (2018)**			**Former General Cable (June-December 2018)**	
	Power cables m3/Ton	*Telecom Cables m3/Km*	*Optical fiber m3/Km*	*Power cables m3/Ton*	*Telecom Cables m3/Km*
	4.45	0.01	0.03	2.77	0.03

The increased water consumption recorded by **Power Cables** is attributable to losses from pipes (later repaired during the year), combined with higher maintenance requirements that entailed the emptying of some plants, as well as more frequent topping up caused by increased evaporation in higher summer temperatures (this happened in a German plant). In the **Accessories** product line, production activities at Cornimont have now been brought into full operation. A further significant increase in the **Group Total** was determined by the inclusion, with estimated data, of plants outside the perimeter (estimate +11.1%).
In 2018, initiatives aimed at reducing water resources nevertheless continued:

- Gron (France): through better daily monitoring and renewal of certain equipment items on the cable insulation line, a significant decrease in water consumption has been obtained;
- Paron (France): reduced water consumption after the replacement of the cooling equipment in the process water line;
- Quattordio (Italy): reduced consumption of well water after improvements to the pipe network;
- La Rosa (Argentina): a new water treatment plant was installed, leading to reduced water consumption.

PERCENTAGE OF PROCESS WATER RECIRCULATED

Process water - e.g. that used to cool semi-finished products - is recirculated at numerous factories, in whole or in part depending on the situation, in order to avoid excessive consumption. In order to better understand the degree of efficiency achieved in the use of water, the application of the methodology, devised in collaboration with the Merlino factory to determine the "percentage of water recirculated" with respect to total water consumption has been extended. The concept is based on how much is saved (compared with not having a recirculation plant) in relation to the total quantity of water consumed for processing reasons (due to evaporation, occasional emptying of the circuit, or the lack or only partial installation of a recirculation plant).
With regard to the Prysmian Group w/o General Cable perimeter, it was possible to acquire information on 80% of plants, with results showing that almost all of the production units possess recovery systems; with water recirculation percentages of up to 99% in 45% of cases, between 90% and 99% in 45% of cases, and between 70% and 80% in 10% of cases.
From this edition we can report also the situation for production units of the former General Cable, roughly replicating a similar situation to the consolidated Prysmian sites, with approximately 80% of the sites that have provided this kind of information; from this the emerging figures are 40% of sites with water recirculation figures at around 50% and 50% of them between 90% and 99%.[41] About 10% of sites still show greater margins for improvement. The percentages stated above may of course change as application of the formula is extended to other factories, in order to obtain full coverage of the Group.

[41] The countries that have provided these results are Argentina, China, Chile, Colombia, Estonia, the Philippines, Germany, Indonesia, Italy, Malaysia, Norway, Portugal, Sweden, Czech Republic, Romania, Russia, Thailand, Turkey, UK, Hungary, USA , and partially Brazil, Mexico, Netherlands and France.

CUSTOMER CENTRICITY

Over the years, the Prysmian Group has perfected its approach to the market by always placing the customer at the center of every strategic, organizational and business decision.
The efforts made to analyze the expectations of customers, and how these change over time, allow the Group to develop organizational and operational models that translate into rapid, efficient and targeted responses to the markets concerned.
Pivotal to this approach is our "Customer Centricity", which is the ability to understand early and satisfy the needs of the customer. This requires constant attention at all stages of the value chain, from product design to delivery, with performance measured against predetermined and agreed parameters. The Prysmian Group develops solutions that meet specific standards and satisfy the precise requirements of an individual customer.
In particular, the Group is able to serve very different segments and markets thanks to a matrix organizational structure: from highly specific local markets with the business and development structures of individual countries, to markets with products and global customers with integrated business units and segments in which both local presence and cooperation between countries is necessary.

CUSTOMER SATISFACTION

Within the scope of Customer Satisfaction, Prysmian has the objective and ambition to act as a reference partner for its customers, leveraging tools such as specific surveys and one-on-one interviews.

WEB SURVEYS

For many years, the Group has performed specific surveys to measure the level of customer satisfaction.
Since 2016, Prysmian has introduced a new Customer Satisfaction survey system, which is directly managed by the central office of the Customer Centricity area and allows the company to manage data and information collected via a dedicated web portal, improve the quality of the interviews and the moments of contact with its customers and enhance the problem-solving ability of the Group.
At full speed, the process of digitalization will allow all Group divisions already in possession of a CRM tool to manage the feedback from the interviews directly, monitoring any critical situations and guaranteeing an ever-increasing quality in the relationship with customers.

The new web interviews were implemented during 2017 through a platform connected with the Prysmian Customer Relationship Management (CRM) Sales Force, thus allowing countries that already use CRM to obtain the Survey results in their portals, facilitating the activation of specific actions. The Department of Customer Centricity of Prysmian HQ guarantees quantitative and qualitative Reporting of the Survey, even for those countries that have not yet activated such a structured CRM system.
Particular attention has been directed to the Privacy Policy, thanks to the direct contribution of the Compliance & Internal Audit Function as to obtain the necessary authorizations from the customers and response traceability. In this way, each country is able to implement targeted action plans not only at the country level, but also at specific level of customer segments. The Privacy Policy was updated in 2018 in line with GDPR requirements.

The project mainly involved the customers of the Trade & Installer segment, with the possibility to extend to other business segments in the future. The respondents have to give a 1 (minimum) to 5 (maximum) score to each question in the following areas of investigation:

- business conditions,
- products and services offered,
- customer support,
- brand awareness,
- range of products.

The Net Promoter Score (NPS) and Customer Effort Score (CES) are also calculated in the survey.
The average response rate to Web Surveys - reported by the partner with whom Prysmian cooperates - is between 5% and 7%.

The Web Survey system led to significant efficiency in terms of response time to the questionnaire, bringing time spent answering the survey below 10 minutes (compared to the 40 -45 minutes required with the telephone interview method (CATI). The pilot projects planned for 2017 have been successfully conducted in Spain, Portugal, Brazil and Argentina.

Regarding the former GC Legacy, the Surveys were managed at Country Level without a structured centralized approach and mainly via Web. Part of the integration process consists of the GC onboarding to the Prysmian Group approach towards more structured Customer Surveys.

The main results of Web Survey
Within the former Prysmian Group perimeter: in 2018 the Web Surveys were run in the Central European Region (CEE), Germany, Slovakia, Austria, Hungary, Poland, Romania and Southern Europe (France).

The CEE regions average score has been 3.87. The Accounts response rate scores varied from Country to Country - between 9 % in Poland up to 60% in Hungary.
France reached an average score of 3.40 with 11.1% of Accounts response rate.

Regarding General Cable, right after the acquisition a Survey has been conducted in Spain, whose NPS score reached 56% as Promoters. Moreover, the 100% Accounts response rate was achieved via a Phone Call Approach with the involvement of a third-party company.

WEB SURVEY APPROACH FOR 2019
The primary goal to reach in Web Surveys for the year 2019 is to extend to General Cable legacy the approach already in place within Prysmian Group starting from Europe and North America, where the acquisition has had the highest impact for T&I business. Another priority is to run the HQ Web Survey in the North European Regions. From 2019, any HQ Web Survey will cover the 3 major Product Brands of the Group: Prysmian - Draka and General Cable.

ONE-ON-ONE INTERVIEWS
Along with the Web Surveys, in order to strengthen its relationship with key Customers, Prysmian Group started to carry out specific one-on-one interviews since 2015.
One-on-one interviews, managed directly by the Group's Customer Centricity E&I manager in close collaboration with the sales functions of the countries/regions, have obtained very positive results, as the subjects involved have shown their likelihood to share their ideas and feedback directly with headquarters.
The interviews, carried out on an annual basis, cover various thematic areas as sale conditions, product offer, service/ delivery, documentation, customer support, brand / relationship, Net Promoter Score, Effort Score. The KPIs are aligned with the Web Surveys ones but with a deeper Business/ Market oriented approach, benchmarking our position in the Markets.
The selected target customers are of strategic importance for the Country and for the Prysmian Group, in the context of Business & Installer, Power Distribution, Industrial / Special Cables, Accessories and O&G (since 2018).

The main results of one-on-one interviews
During 2018, 17 Major Key Customers have been interviewed in ASEAN: Malaysia, Singapore, Thailand, Indonesia. The overall response reached 100% on the selected Key Customers. The average score of satisfaction resulted in:

- Malaysia 3.41
- Singapore 3.52
- Thailand 2.39
- Indonesia 3.29

Specific actions were identified for implementation in 2019 to manage important priorities expressed by customers in different geographical regions.

ONE-ON-ONE APPROACH FOR 2019
During 2019, the Group aims to implement one to one Web Surveys in North Europe. Moreover, any one-on-one interviews will cover the Group's three major Product Brands: Prysmian - Draka and General Cable. Other regions and areas will be identified in accordance with business priorities.

Customer complaints
In 2018, the Group received a total of 1,864 complaints from customers (of which 566 in the period from June to December in the General Cable perimeter).

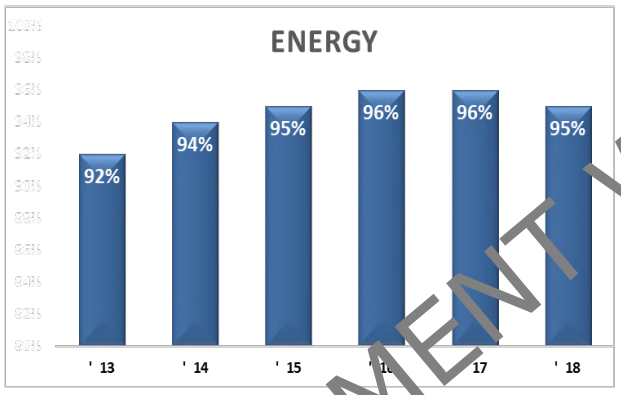
SERVICE TIMELINESS AND EFFICIENCY

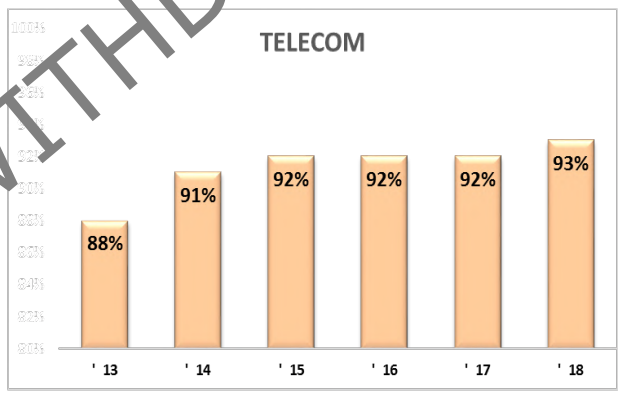
Prysmian has confirmed our strong orientation to continuous improvement in the **punctuality and reliability** of our processes. The measure of On Time Delivery (OTD), or the ability to serve the customer respecting the promised delivery date upon confirmation of the order received, saw in 2018 a maintenance of the high levels achieved in the previous year, as highlighted in the graph below, both in the Energy Products and in the Telecom area, with the latter experiencing a strong increase in volumes.

In order to **accelerate customer response times**, Prysmian in 2018 continued its efforts to reduce entry and management times for sales orders. This effort resulted in a 90% reduction in the time it takes to enter, process and save a customer order in the SAP system. This has positively influenced the waiting times of the customers on the phone and has increased the 'qualitative' time dedicated to the management of the orders.

Since the **immediate availability** of goods has become increasingly important to meet the needs of distribution customers, in 2018 the Group further expanded its performance indicator to monitor the quality of available stocks in order to improve speed on the market: for each Make to Stock product category (high, medium, and low rotation) the weekly stock availability is monitored by material code with respect to the minimum stocks required on the basis of annual sales (Stock Fill Rate). An interactive stocks control system has been made available, filtered by product category and plant, where a minimum stock level is calculated for each product code and the possible stock out is highlighted.
To limit any possible delays and improve the reliability of the business also for the 'Make-To-Order' products, the weekly visibility of the CLIP index was made available on the SAP 1 Client platform, in addition to the traditional service indicators; the former measures the reliability of production compared to planned targets

ON TIME DELIVERY – Prysmian Group w/o General Cable





SALES & OPERATIONS PLAN

The Supply Chain function manages short and medium-term production allocations and planning through the Sales & Operations Planning (S&OP) process, which links the demand cycle (sales) with the supply cycle (manufacturing and procurement).

The planning activity cannot be separated from the maintenance of high customer satisfaction and from another rotation of the Inventories to support cash generation.

"Enhanced supply chain" means providing excellent service to our customers while maintaining the connotations of flexibility, agility and adaptation to market changes, guiding the supply and production network through an increasingly optimized production allocation able to leverage the industrial Footprint of the Group.

In this context, in 2018 the supply chain function integrated into the Global Sales & Operations planning process all plants and distribution centers of the former General Cables perimeter. In this way, it further improved the availability of products for the Group's various businesses, fueling more specific production allocations at the level of individual business applications, with intercompany flows supporting growth and production cost optimization.

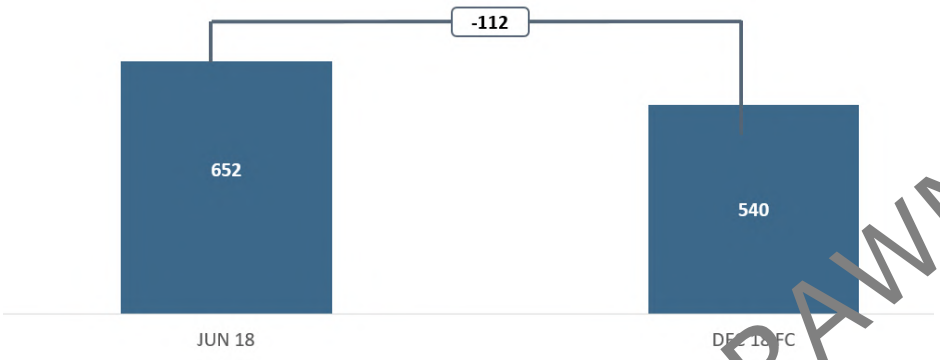
The global environment in optical fiber is characterized by a lack of availability for the third consecutive year. In the Telecom Optical business intercompany flows reached levels of 38% worldwide and 60% in Europe, and the Supply Chain drove supply allocations, maximizing the availability of optical fiber for the Group.
Also in the Energy Business in 2018, intercompany flows have been a differentiating element, and organization by Regions has supported the Supply Chain in increasing production allocations within the Regions and the related 20% intercompany flows.

The Prysmian Group continued its strategic focus on Customer Centricity during 2018, stabilizing the high level of service achieved in terms of delivery reliability while, at the same time, starting work to reduce the lead-time between the receipt of an order to delivery of the product to the customer.

INVENTORY OPTIMIZATION

In the second half of 2018, the Supply Chain concentrated mainly on bringing the former General Cable perimeter to the same level of inventories optimization as the former Prysmian perimeter. This resulted in a reduction of inventories by more than EUR 112 million in the former General Cable perimeter.

The affiliates in North America, Latin America and Southern Europe have been advocates of such savings, with a subsequent effect of reduced working capital and thus the generation of cash



A SUSTAINABLE SUPPLY CHAIN

The Group constantly strengthens relations with strategic suppliers, seeking to build together a common organizational process focused on sustainability throughout the entire production chain.
Group suppliers source the principal raw materials used by Prysmian in the production processes: copper, aluminum, lead, various petroleum derivatives (such as PVC and polyethylene) and components for Power and Telecom cable accessories, as well as special types of glass and sheathing for optical fiber.
After the acquisition of General Cable, there were new opportunities to implement synergies and align strategies within the new Prysmian Group. In this regard, the process of alignment to the Prysmian model was initiated in all areas of integration with General Cable in terms of structure, working methods, KPIs and indicators, as well as sustainability practices adopted by the Group. This process helps to ensure that, in the selection and management of its supply chain, the Group implements the five priorities that integrate environmental and social objectives:

- only use qualified suppliers;
- only use materials whose technical characteristics have been authorized;
- develop strategies for commodities that guarantee continuity of supply and availability of the required volume. In particular, the financial health of the supplier is important, as is only modest dependency on specific suppliers by Prysmian;
- guarantee on-time delivery and a high level of quality over time;
- ensure competitive prices;

The strategic management of the Prysmian Group supply chain is based on the following principles, taking into account ESG factors:

- risk assessment;
- identification of critical suppliers;
- supplier management and performance evaluation;
- search and selection of the supplier according to standardized processes.

In relation to these, Prysmian identified and developed 3 main macro-activities in the enhancement of sustainability aspects:

1. subscription to ethical standards in the introduction of new suppliers: Code of Ethics and Code of Business Conduct, definition of Conflict Minerals Policy and Human Rights Policy. These documents are effective also on the new perimeter.
2. sustainability assessment of the current supply chain: Sustainability Desk Analysis, Risk Analysis and self-assessment questionnaires on sustainability issues.
3. management and improvement of sustainability aspects: implementation of actions with a view to achieving the objectives included in the Sustainability Scorecard.

As for the activities of Assessment, Management and Improvement of sustainability issues within the Group supply chain, actions were planned for implementation over the course of 2019 in order to include the General Cable perimeter both in the Sustainability Desk Analysis and in the Risk analysis, with the aim of renewing and, if necessary, revising the objectives of the Sustainability Scorecard in the light of the analysis that will be performed.

OUR SUPPLIERS

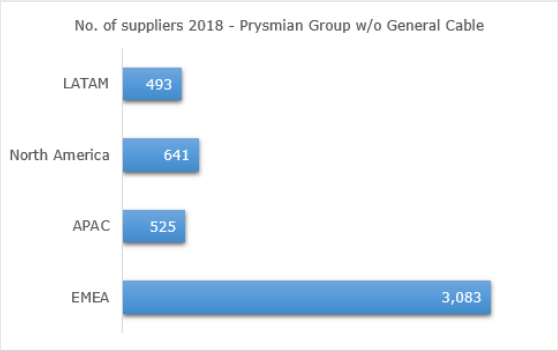
The majority of the Group's purchases of raw materials comprise metals (especially copper and aluminum), which are fundamental resources for Group activities.
With regard to the procurement of metals, Prysmian purchases copper and aluminum wire rod from the world's leading manufacturers, as raw material for the manufacture of conductors for cables. Only in specific cases, Prysmian self-produces copper wire rod starting from copper cathodes and aluminum wire rod, liquid aluminum, or from ingots. In such cases, the volumes produced are less than 10% for copper and 20% for aluminum compared to total consumption. The Group uses slightly more than 2-3 % of the world's copper production and about 7% of the copper used in the electrical and electronic sector. Given the highly fragmented copper market, Prysmian is one of the leading economic players in the sector.

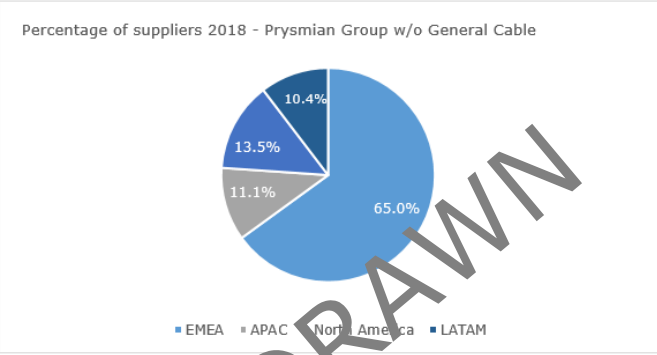
The Group’s sourcing of metals takes two strategic directions taking into account:

- the importance of suppliers within the Group's value chain,
- the high consumption of metal
- the wide geographical distribution of Prysmian production sites.

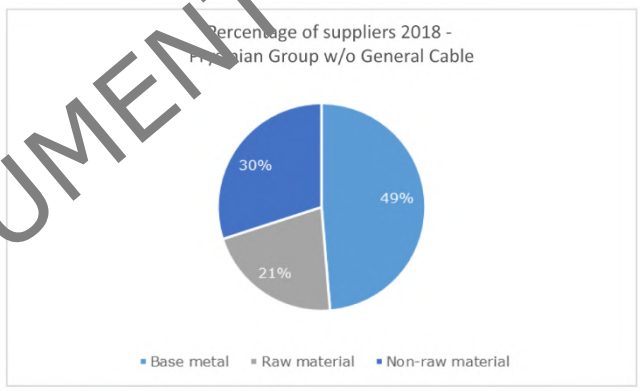
On the one hand, Prysmian seeks to use the most integrated manufacturers who can guarantee long-term supplies and have direct access to raw materials (mining or concentrates), thus creating real industrial partnerships so as to ensure supplies in the long run through reciprocal volume commitments.
On the other hand, the Group works with the world's leading producers, with the aim of ensuring the most efficient coverage of its needs, optimizing the metal logistics chain through short-term agreements (typically annual and with high flexibility of volumes) in order to ensure greater reactivity.

Also with regard to the purchase of aluminum, the Group focuses increasingly on suppliers that are vertically integrated (with processes that manufacture aluminum rod directly from aluminum oxide), in preference to those that are not integrated (manufacturers that smelt aluminum ingots in order to produce rod). This strategy assures the security of supplies and also has cost and environmental advantages, due to simplification of the logistics and elimination of the ingot re-smelting cycle.
Long-term strategies for the purchase of copper and aluminum naturally lead Prysmian to work with the largest and most important companies in the respective sectors. With regard to the principal quantities of non-ferrous metals, this approach enables the Group to deal with suppliers that focus strongly on all aspects of sustainability, thus creating a highly sustainable end-to-end cycle. Integration with General Cable has brought the company also an aluminum wire rod production facility in North America. This new concern is well integrated with group strategies as the wire rod is produced directly from liquid aluminum sourced from a neighboring supplier.





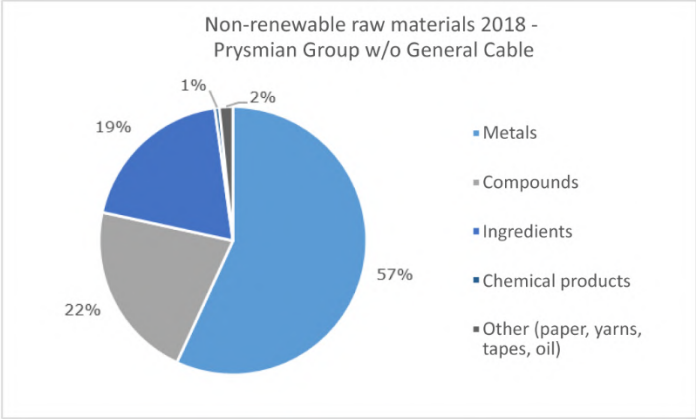
Number of suppliers by geographical area - Prysmian Group w/o General Cable			
	2018	2017	2016
EMEA	3,003	3,262	3,293
APAC	525	607	648
North America	641	632	612
LATAM	493	434	467
Total	**4,742**	**4,935**	**5,020**



Goods and services purchased locally (%) – Prysmian Group w/o General Cable[42]		
	2018	2017
EMEA	69.4	63.2
APAC	62.0	71.9
North America	70.9	66.3
LATAM	65.5	73.2

The Group definition of "local" is all those suppliers whose operational headquarters are in the same country as the legal entities of Prysmian.

[42] The calculation of the percentage excludes data relating to Italian and Corporate suppliers.



Prysmian Group w/o General Cable			
Total raw materials Purchased non-renewable (kTon)	**2018**	**2017**	**2016**
Metals	672	667	656
Compounds	254	241	220
Ingredients	229	2[illegible]	214
Chemical products	6	[illegible]	6
Other (paper, yarns, tapes, oil)	19	19	26
Total	**1,180**	**1,154**	**1,122**

In 2018, around 10% of the raw materials used were renewable materials.

Regarding the data of the former General Cable perimeter, it was not possible for the drafting of this document to collect data that considered the multiple ERP systems used by General Cable prior to the acquisition. In any case, the data collection and the complete classification based on the figure for the expenses covered in 2018 have been started and it is expected that a general view will be available in the first half of 2019.

A CHAIN OF RESPONSIBLE VALUE

Regarding the management of the supplier base, Prysmian qualifies its suppliers through a formal process based on economic and financial analysis; it examines information and data on, for example, the risk of dependence on the supplier or the technical and technological capacity and skills of the suppliers.

In order to monitor the sustainability of the supply chain and reduce possible negative impact, the Group analyses, on a centralized and integrated basis, all risks and opportunities associated with the supply chain, focusing on the risks deemed most critical by the Group. In this regard, during 2018 two audits were conducted on suppliers to verify the absence of false negatives identified during the risk assessment conducted on the basis of considerations that emerged from the 2016 Desk Analysis[43] on the Group's strategic suppliers of base metals and raw materials. Three areas were addressed: sustainability ethics and integrity management systems, environment, and human and workers' rights.
Specifically, the analysis concerned the strategic suppliers of base metals and raw materials for the Prysmian Group w/o General Cable, which include suppliers strategic from the point of view of materials provided and significant based on the purchase turnover. Regarding the Desk Analysis, Prysmian Group w/o General Cable has accordingly developed a Risk Analysis in relation to raw material suppliers. The analysis takes into consideration both the ESG criteria identified and analyzed during the Desk Analysis and the elements linked to the business. The Risk Analysis has allowed the identification of the most critical suppliers against the sustainability criteria.

[43] For more details on the assessment process begun in 2016, refer to the consolidated statement of non-financial information of the Prysmian Group in 2017.

In 2018, there were no audits on suppliers categorized as high-risk.

Suppliers with current or potential impact in relation to environmental criteria, human rights, working conditions and the company	Prysmian Group w/o General Cable - 2018		Prysmian Group 2017	
	No. suppliers	% of spending	No. suppliers	% of spending
Evaluated suppliers	86	55%	86	55%
Suppliers identified to have a current or potential negative impact	6	0.60%	9	1.14%
Suppliers identified to have a current or potential negative impact, for which an improvement plan has been implemented	0 high risk - 2 verification test outcome negative	0% high risk - 0.50% verification test outcome negative	3	1
Suppliers identified to have a current or potential negative impact, whose supply relationship has been suspended as a result of the assessment	0	0%	0	0%

In order to guarantee the quality of the materials purchased, the Group is committed to using only those raw materials approved by the responsible technical functions following laboratory tests and extended processing trials conducted both in-house and by qualified suppliers. This process seeks to check quality, environmental and social aspects. The qualification process starts by sending a questionnaire that the supplier is required to complete in full, addressing every aspect, including ESG issues.
If further work is needed or if the answers to the questionnaire are deemed not sufficiently complete, there is an audit for materials classified as critical.
In the course of 2018, activities undertaken in previous years continued and seven quality audits were performed at the premises of suppliers of raw materials and base metals. In only one case, these checks identified the need for a plan to improve certain phases of the production process and product testing, in order to guarantee the stability of quality levels.

In order to strengthen its commitment to sustainability issues, in 2017 Prysmian began the implementation of a new Vendor Management system that aims to track and analyze responses to supplier qualification questionnaires, Conflict Minerals risk assessment and child labor in products containing mica. In 2018 this system began with the engagement of 153 suppliers: 64 raw materials and 89 base metals.
In 2018, work continued on the mapping, classification and involvement of suppliers, using a self-assessment questionnaire designed to assess the principal parameters affecting sustainability:

- Integrity: fair trade, conflicts of interest, gifts and entertainment, bribery and corruption.
- Human and workers' rights: under-age working, health and safety, non-discrimination.
- Environment: use of raw materials, use of energy and carbon dioxide emissions, water consumption and associated risks.
- Mining activities and conflict minerals: resettlement, closure plans and sustainable use of land.

As with 2017, coverage of the self-assessment questionnaire reached 100% of the total volume of recurring base metal suppliers. Once again in 2018, the replies to the self-assessment questionnaire were analyzed by a third-party agency specialized in sustainability audits. This agency prepared evaluation forms for each supplier, highlighting any areas for improvement that Prysmian then discussed directly with each supplier during the usual negotiation meetings. Based on the information and data collected, there are no sustainability issues with any of the principal base metal suppliers used by Prysmian in 2018. With regard to the work performed in relation to the suppliers of raw materials other than base metals, the Group has undertaken initiatives focusing on:

- stability and continuity of production processes: new system for the collection of data and the monitoring of supplier service levels.
- under-age working ethics: special initiative addressing mica suppliers.

Prysmian monitors supplier service levels, with the main goal of reducing the risk of disruption of supply of purchased raw materials through a report produced jointly by the Purchasing, Logistics and Quality functions. This instrument is used on a monthly basis to ensure levels of service across the European perimeter, with the aim of implementing it in the other regions as well as in the General Cable perimeter.

CODE OF BUSINESS CONDUCT AND OTHER POLICIES

With a view to ensuring that ethical, economic, environmental and social standards are met throughout the value chain, in 2014 the Prysmian Group decided to promote a responsible and sustainable chain of supply by adopting a Code of Business Conduct. This Code took effect in 2015 and applies to all employees and business relations. The principles set down in the Code apply to the business transactions and daily activities of the employees of all Group entities and their suppliers, commercial partners, commercial agents, sub-contractors and distributors.
The document covers the following topics:

- business integrity (fair trade, conflicts of interest, gifts and offers of entertainment, corruption, accountability);
- human rights and those of workers (under-age working and slavery, health and safety at work, non-discrimination, freedom of association and collective bargaining);

- environment (principle of precaution, use of raw materials and compliance, energy consumption, greenhouse gases and other emissions, use of water, production of waste and recycling).

Prysmian's application of the related guidelines is highlighted to suppliers at the scouting and qualification stages. In addition, the Group's Human Rights Policy was extended by adding a specific chapter on the monitoring and identification of potential breaches in the supply chain, with remedial actions and, if necessary, the exclusion from all commercial and business relations of suppliers that do not respond promptly to the standards required.

In 2017, the Prysmian Group prepared and published the Conflict Minerals Policy document with the aim of guaranteeing its customers a "Conflict Minerals free" supply chain through the following activities:

- identification of purchased materials/semi-finished products containing 3TG (tin, tungsten, tantalum and gold from the Democratic Republic of Congo or neighboring countries);
- request to all regular suppliers regarding the sourcing of minerals used in their production processes (through formats and international standards);
- analysis of information received and implementation of corrective actions.

Both policies are currently being implemented also in the General Cable perimeter.

Lastly, Group management of potential risks in the business relationship includes supplier approval of Prysmian's Code of Ethics. In particular, whenever a contract is awarded, the supplier must accept and sign the Group's Code of Ethics, in full awareness of the related rights and obligations.

A RESPONSIBLE APPROACH TO MICA MINING

In order to manufacture certain safety cables and make them fire resistant, Prysmian purchases limited quantities of a few types of glass-based tape that contain small quantities of mica, but we do not use this mineral directly in our products and production processes. The extraction process for this mineral is considered to be at risk of under-age working, especially in geographical areas like India where large quantities are mined. The Group tackled this issue during 2016 by requesting all suppliers of products with a sub supply of mica to complete a questionnaire certifying the absence of child labor anywhere in the supply chain. In 2018, the Group continued analyzing the results collected through the questionnaires sent to suppliers with the aim of developing increased monitoring aimed at avoiding the use of suppliers at potential risk of child labor in their supply chain.

LOGISTICS AND TRANSPORT

METHODS OF TRANSPORTATION

As regards transport, Prysmian not only gives preference to local suppliers but is also committed to optimizing the transport of goods by air and by sea, as well as to selecting road hauliers that seek to implement sustainable policies and actions.

The cost of road transport - the most frequently used - is considered as a proxy and since it is the one with the greatest environmental impact, the Group has implemented a series of actions aimed at monitoring CO_2 emissions deriving from the transport of products.

The optimization of the distribution chain has continued in 2018 at the operational macro-region level, with a particular focus on the consolidation of warehouses/distribution centers and the outsourcing of logistics services in order to lower distribution costs.

Five distribution centers in LATAM were closed: Monterrey and Puebla (MX), Santiago de Chile (CL) and those in El Salvador and Panama. A distribution center in North Australia and also in North America the closure of eight peripheral warehouses was begun.

During 2018, various logistics outsourcing projects were completed with consolidation at regional level.

In the United States, Prysmian North America continued the partnership it began in 2017 with Smartway, the US environmental protection agency (EPA) that helps companies to measure and compare the sustainability levels of its Supply Chain, as well as improve the efficiency of the transport system.

As in prior years, ground transportation was the main type of transport used by the Group in 2018.

The Group used road transport together with rail transport for the route between China and Europe (New Trans-Siberian).

In 2018 Prysmian sought to limit air transport (+0.1%), despite the ongoing strong increase in volumes of fiber optic cables. Because of the well-known global fiber shortage, there is a demand for last minute shipments by air.

TYPES OF TRANSPORT BY PERCENTAGE[44]

Transportation types in %	UoM	LE 2018	FY 2017	FY 2016
Air	%	3.6%	3.5%	3.0%
Sea	%	6.9%	7.0%	11.0%
Ground	%	89.5%	89.5%	86.0%

DRUMS MADE OF WOOD AND OTHER MATERIALS

For the transport of cables, Prysmian uses plastic drums for the smallest diameters, in wood up to 3 meters and in steel for larger diameters.
In general, the choice of drum material is made based on the size and length of the cable, on criteria of optimization of logistics flows with a view to reducing the Carbon Footprint, and also on the basis of specific requests formulated by the customer and linked to regulatory aspects specific to the destination country.
The Group is heavily committed to maximizing the re-utilization of drums and lowering their environmental impact. For example, this involves using wood from replanted forests and implementing lagging solutions that reduce the recourse made to quality materials, while continuing to use recyclable materials. This commitment over the years has helped to improve the re-use rate of drums, as a consequence of our more precise and modern management techniques.

DRUMS BY TYPE OF MATERIAL IN PERCENTAGES[45]

Drums	LE2018		as of 31.12.2017		as of 31.12.2016	
	n.	%	n.	%	n.	%
Wood	1,030,284	22%	907,105	18%	1,011,926	20%
Different material	3,692,111	78%	4,036,214	82%	4,162,215	80%
Reused	2,591,318	55%	2,416,186	49%	2,078,451	40%
Not reused	2,131,077	45%	2,527,133	51%	3,095,690	60%

The Group has entered into agreements in various countries to guarantee a flow of "Reverse Logistics" in which the return of the drums is guaranteed. For example, in the Czech Republic and Hungary Prysmian has introduced in its plants the possibility of using the German KTG system (KabelTrommel Gmbh) and thus minimizing the handling (and abandonment) of drums from Germany.

In 2019 the Prysmian Group's activity of consolidation and integration of former General Cable manufacturing plants into the global supply chain will also involve the consolidation of intercompany flows in the region, thus reducing intercontinental flows in the field of Power Cables.

[44] The calculation of percentages of transport routes is carried out on the basis of expenditure.
[45] In 2018 and 2017, the method for calculating drums was based on drum numbers, while in 2016 it was based on expenditure.

ATTACHMENTS

Human resources[46]

Group work force by professional category[47]

Prysmian Group (FTE)	2016	2017	2018
White Collar	5,147	5,124	8,109
Blue Collar	15,346	15,928	21,051
Total	**20,493**	**21,052**	**29,160**

Employees by region and professional category

Prysmian Group No. as of 31.12.2018	White Collar	Blue Collar	**Total**
EMEA	4,627	11,605	**16,232**
APAC	926	1,963	**2,889**
LATAM	1,146	2,812	**3,958**
NORTH AMERICA	1,471	4,065	**5,536**
Total	**8,170**	**20,445**	**28,615**

Employees by contract type (fixed-term/permanent) and gender

Prysmian Group No. as of 31.12.2018	Men	Women	**Total**
Permanent	23,111	4,327	**27,438**
Fixed-term	896	281	**1,177**
Total	**24,007**	**4,608**	**28,615**

Prysmian Group No. as of 31.12.2017	Men	Women	Total
Permanent	15,759	2,755	18,514
Fixed-term	773	319	1,092
Total	**16,532**	**3,074**	**19,606**

Prysmian Group No. as of 31.12.2016	Men	Women	Total
Permanent	14,947	2,499	17,446
Fixed-term	707	218	925
Total	**15,654**	**2,717**	**18,371**

Employees by contract type of (fixed-term/permanent) and geographical region

Prysmian Group No. as of 31.12.2018	EMEA	APAC	North America	LATAM	Group
Permanent	15,310	2,793	5,462	3,873	27,438
Fixed-term	922	96	74	85	1,177
Total	**16,232**	**2,889**	**5,536**	**3,958**	**28,615**

Prysmian Group No. as of 31.12.2017	EMEA	APAC	North and Central America	South America	Group
Permanent	11,558	2,811	2,634	1,511	18,514
Fixed-term	885	96	102	9	1,092
Total	**12,443**	**2,907**	**2,736**	**1,520**	**19,606**

Prysmian Group No. as of 31.12.2016	EMEA	APAC	North and Central America	South America	Group
Permanent	10,953	2,612	2,391	1,490	17,446
Fixed-term	762	48	103	12	925
Total	**11,715**	**2,660**	**2,494**	**1,502**	**18,371**

[46] See the "Methodology Note" for the scope of the data and its limitations.
[47] Including agency personnel and OAPIL (Oman Aluminium Processing Industries LLC).

Employees by part time/full time and gender

Prysmian Group No. as of 31.12.2018	Men	Women	Total
Full time	23,841	4,466	28,307
Part time	166	142	308
Total	**24,007**	**4,608**	**28,615**

Prysmian Group No. as of 31.12.2017	Men	Women	Total
Full time	16,457	2,989	19,446
Part time	75	85	160
Total	**16,532**	**3,074**	**19,606**

Prysmian Group No. as of 31.12.2016	Men	Women	Total
Full time	15,600	2,635	18,235
Part time	54	82	136
Total	**15,654**	**2,717**	**18,371**

Percentage of employees by professional category, gender and age group

Prysmian Group No. as of 31.12.2018	≤30			31 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
White Collar	63.3%	36.7%	100.0%	68.8%	31.2%	100.0%	77.1%	22.9%	100.0%
Blue Collar	87.3%	12.7%	100.0%	89.0%	11.0%	100.0%	90.8%	9.2%	100.0%
Total	**81.3%**	**18.7%**	**100.0%**	**83.2%**	**16.8%**	**100.0%**	**86.7%**	**13.3%**	**100.0%**

Prysmian Group No. as of 31.12.2017	≤30			31 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
White Collar	67.9%	32.1%	100.0%	67.4%	32.6%	100.0%	78.4%	21.6%	100.0%
Blue Collar	84.9%	15.1%	100.0%	88.8%	11.2%	100.0%	91.8%	8.2%	100.0%
Total	**81.1%**	**18.9%**	**100.0%**	**83.3%**	**16.7%**	**100.0%**	**88.1%**	**11.9%**	**100.0%**

Prysmian Group No. as of 31.12.2016	≤30			31 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
White Collar	65.4%	34.6%	100.0%	68.8%	31.2%	100.0%	78.4%	21.6%	100.0%
Blue Collar	90.8%	9.2%	100.0%	89.1%	10.9%	100.0%	92.3%	7.7%	100.0%
Total	**84.8%**	**15.2%**	**100.0%**	**83.9%**	**16.1%**	**100.0%**	**88.3%**	**11.7%**	**100.0%**

New hires/turnover

2018	**New hires - Prysmian Group**														
	EMEA			APAC			North America			LATAM			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	19	13	32	6	7	13	2	1	3	5	9	14	32	30	62
31-50	37	21	58	14	10	24	3	0	3	6	2	8	60	33	93
>50	7	0	7	0	0	0	5	1	6	1	0	1	13	1	14
Total	**63**	**34**	**97**	**20**	**17**	**37**	**10**	**2**	**12**	**12**	**11**	**23**	**105**	**64**	**169**

2018	**Turnover – Prysmian Group**														
	EMEA			APAC			North America			LATAM			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	26	9	35	5	5	10	9	11	20	6	15	21	46	40	86
31-50	74	25	99	17	15	32	42	22	64	23	18	41	156	80	236
>50	26	7	33	4	6	10	51	29	80	16	4	20	97	46	143
Total	**126**	**41**	**167**	**26**	**26**	**52**	**102**	**62**	**164**	**45**	**37**	**82**	**299**	**166**	**465**

New hires/turnover Prysmian Group w/o General Cable[48]

Sept-Dec 2018	New hires - Prysmian Group w/o General Cable														
	EMEA			APAC			North and Central America			South America			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	74	45	119	23	27	50	12	2	14	16	12	28	125	86	211
31-50	80	45	125	49	31	80	7	3	10	19	5	24	155	84	239
>50	13	1	14	3	2	5	6	0	6	0	0	0	22	3	25
Total	**167**	**91**	**258**	**75**	**60**	**135**	**25**	**5**	**30**	**35**	**17**	**52**	**302**	**173**	**475**

Sept-Dec 2018	Turnover - Prysmian Group w/o General Cable														
	EMEA			APAC			North and Central America			South America			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	37	13	50	9	9	18	6	1	7	8	2	10	60	25	85
31-50	83	32	115	30	26	56	18	6	24	7	8	15	138	72	210
>50	11	2	13	1	2	3	5	2	7	1		1	18	6	24
Total	**131**	**47**	**178**	**40**	**37**	**77**	**29**	**9**	**38**	**16**	**10**	**26**	**216**	**103**	**319**

No. as of 31.12.2017	New hires - Prysmian Group														
	EMEA			APAC			North and Central America			South America			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	90	24	114	28	25	53	25	9	34	8	11	19	151	69	220
31-50	98	39	137	47	38	85	28	11	39	7	4	11	180	92	272
>50	12	2	14	3	0	3	4	4	8	1	0	1	20	6	26
Total	**200**	**65**	**265**	**78**	**63**	**141**	**57**	**24**	**81**	**16**	**15**	**31**	**351**	**167**	**518**

No. as of 31.12.2017 [49]	Turnover – Prysmian Group														
	EMEA			APAC			North and Central America			South America			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	26	15	41	11	11	22	2	1	3	4	5	9	43	32	75
31-50	60	24	84	39	15	54	11	6	17	5	3	8	115	48	163
>50	7	1	8	1	0	1	4	4	8	0	0	0	12	5	17
Total	**93**	**40**	**133**	**51**	**26**	**77**	**17**	**11**	**28**	**9**	**8**	**17**	**170**	**85**	**255**

FTE as of 31.12.2016	New hires - Prysmian Group														
	EMEA			APAC			North and Central America			South America			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	64	24	88	20	9	29	7	17	24	23	4	27	114	54	168
31-50	106	56	162	56	25	81	17	7	24	26	12	38	205	100	305
>50	7	11	18	7	1	8	1	0	1	10	2	12	25	14	39
Total	**177**	**91**	**268**	**83**	**35**	**118**	**25**	**24**	**49**	**59**	**18**	**77**	**344**	**168**	**512**

FTE as of 31.12.2016	Turnover – Prysmian Group														
	EMEA			APAC			North and Central America			South America			Total		
	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot	M	F	Tot
≤30	9	8	17	8	7	15	9	3	12	2	3	5	28	21	49
31-50	45	25	70	32	14	46	13	5	18	5	6	11	95	50	145
>50	4	1	5	1	2	3	4	0	4	0	0	0	9	3	12
Total	**58**	**34**	**92**	**41**	**23**	**64**	**26**	**8**	**34**	**7**	**9**	**16**	**132**	**74**	**206**

[48] The whole reporting year 2018 is considered; only White Collar category, permanent contracts and voluntary exits.
[49] Only White Collar category, permanent contracts and voluntary exits.

Average hours of (local) training Prysmian Group 2017

2017	**Average hours of (local) training by professional category - Prysmian Group[50]**	
EMEA		
	Men	Women
Blue Collar	19.7	27.9
White Collar	18.4	17.7
APAC		
	Men	Women
Blue Collar	39.9	14.5
White Collar	26.6	22.7
North and Central America		
	Men	Women
Blue Collar	48.3	62.4
White Collar	19.4	25.1
South America		
	Men	Women
Blue Collar	40.4	47.8
White Collar	31.7	27.4

Health and safety

Injuries and occupational diseases by geographical area - Prysmian Group w/o General Cable					
	EMEA	APAC	North America	LATAM	Total
Number of injuries	303	25	7	33	368
Number of occupational diseases	1	1	1	9	12

Injuries and occupational diseases by geographical region - former General Cable (June - December 2018)					
	EMEA	APAC	North America	LATAM	Total
Number of injuries	13	0	4	4	21
Number of occupational diseases	0	0	1	1	2

Injuries and occupational diseases by gender - Prysmian Group w/o General Cable			
	Men	Women	Total
Number of injuries	335	33	368
Number of occupational diseases	12	0	12

Injuries and occupational diseases by gender - former General Cable (June - December 2018)			
	Men	Women	Total
Number of injuries	20	1	21
Number of occupational diseases	2	0	2

Prysmian Group (2017)[51]	EMEA	APAC	North and Central America	South America	**Group**
Lost day rate (IG)	76.80	37.80	8.5	66.73	**58.04**
Frequency rate (IF)	3.16	0.83	0.25	4.20	**2.35**
Occupational disease rate	1.32	0.0	0.53	4.13	**1.10**
Absentee rate	6.9%	2.9%	3.5%	6.2%	**5.74%**

[50] This statistic considers the following countries: Argentina, Australia, Brazil, Canada, China, Denmark, Estonia, Philippines, Finland, France, Germany, Indonesia, Italy (with PPL), Malaysia, Mexico, Netherlands, United Kingdom, Czech Republic, Romania, Russia, Slovakia, Spain , Sweden, Thailand, Turkey, Hungary and the US.

[51] The Lost day rate data does not include the product sites in Australia and Slovakia. The occupational disease rate data does not include plants in the Czech Republic, Germany, Hungary, Romania and Slovakia. The absentee rate does not include plants in the Ivory Coast and Arco Felice.

Prysmian Group (2016)[52]	Group
Lost day rate (IG)	**53.06**
Frequency rate (IF)	**2.6**
Occupational disease rate	**1.2**
Absentee rate	**5.5%**

Environment

Energy consumption

Energy consumption [GJ] - Prysmian Group w/o General Cable 2018				
Energy consumed	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**
Electricity	2,250,129	524,207	57,290	420,124
Electricity from renewable sources	693,983	50,613	3,398	511,236
Natural gas	942,506	196,949	34,51[illegible]	667,046
LPG	46,515	5,475	5,284	215
Petrol	7,219	290	148	36
Diesel	83,283	3,763	233	4,874
Fuel oil	38,212	4,96[illegible]	0	0
Steam (purchased, not produced internally)	15,658	0	0	0
Heat (purchased from distribution networks)	97,694	0	0	7,355
Chilled water	152	0	0	0
Total	**4,175,351**	**786,258**	**101,469**	**1,610,886**

Energy consumption [GJ] - Prysmian Group 2017					
Energy consumed	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total 2017**
Electricity	1,904,996	468,678	32,407	397,038	**2,803,119**
Electricity from renewable sources	906,605	81,619	24,238	309,667	**1,402,128**
Natural gas	921,767	198,178	36,492	667,833	**1,824,271**
LPG	52,441	6,838	7,910	27	**67,216**
Petrol	1,696	350	109	27	**2,183**
Diesel	95,837	4,636	299	614	**101,386**
Fuel oil	13,887	7,044	-	-	**20,931**
Steam (purchased, not produced internally)	23,642	-	-	-	**23,642**
Heat (purchased from distribution networks)	69,028	-	-	6,999	**76,027**
Chilled water	6,982	-	-	-	**6,982**
Total	**4,076,883**	**767,344**	**101,455**	**1,382,205**	**6,327,887**

Energy consumption [GJ] - Prysmian Group 2016					
Energy consumed	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total 2016**
Electricity	1,946,600	425,617	29,795	488,927	**2,890,939**
Electricity 100% supplied by Guarantee of Origin Certificates[53]	884,745	66,726	19,665	282,257	**1,253,393**
Electricity from co-generation	4,776	-	-	-	**4,776**
Natural gas	864,156	189,164	24,604	715,190	**1,793,114**
LPG	71,597	7,323	4,188	25	**83,133**
Petrol	4,008	357	53	15	**4,433**
Diesel	82,926	4,814	115	961	**88,816**
Fuel oil	12,234	8,429	-	-	**20,663**
Steam (purchased, not produced internally)	32,255	-	-	-	**32,255**

[52] The Lost day rate and frequency rate data do not include the production site in Livorno (Italy). The occupational disease rate data do not include plants in Sweden, Hungary, Australia and New Zealand. The absentee rate does not include plants in the Ivory Coast and Arco Felice.
[53] In the case of France, Origin Guarantee Certificates were purchased for 50% of electricity supplied. The allocation of this energy within the four categories (power cables, telecom cables, accessories and optical fibre) has been estimated.

Energy consumption [GJ] - Prysmian Group 2016					
Energy consumed	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total 2016**
Heat (purchased from distribution networks)	82,879	-	-	7,313	**90,192**
Total	**3,986,176**	**702,430**	**78,420**	**1,494,688**	**6,261,714**

Energy consumption [GJ] - Former General Cable (June-December 2018)					
Energy consumed	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total 2018**
Electricity	764,322	102,936	4,630	0	**871,888**
Electricity from renewable sources	0	0	0	0	**0**
Natural gas	467,440	14,036	93	0	**481,569**
LPG	22,460	1,245	59	0	**23,764**
Petrol	566	0	47	0	**613**
Diesel	12,185	656	53	0	**12,894**
Fuel oil	2,818	0	0	0	**2,818**
Steam (purchased, not produced internally)	0	0	0	0	**0**
Heat (purchased from distribution networks)	0	0	0	0	**0**
Chilled water	777	0	218	0	**995**
Total	**1,270,568**	**118,873**	**5,100**	**0**	**1,394,541**

Energy consumed per Km/Ton of product	**Prysmian Group (2017)**		
	Power cables GJ/Ton	*Telecom cables GJ/Km*	*Optical fiber GJ/Km*
	3.380	0.020	0.035

Energy consumed per Km/Ton of product	**Prysmian Group (2016)**		
	Power cables GJ/Ton	*Telecom cables GJ/Km*	*Optical fiber GJ/Km*
	3.400	0.021	0.044

GHG emissions

Greenhouse gas emissions [t CO2 eq] - Prysmian Group w/o General Cable 2018					
Emissions in tCO2		**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**
Scope I	Direct emissions from combustion	68,859	12,780	2,459	40,144
	Emissions from refrigerant gas leaks	3,832	2,180	39	320
	Emissions from SF6 gas leaks	42,590	0	73,006	0
	Total Scope 1	115,282	14,959	75,503	40,464
Scope II	Location-based	297,694	49,120	6,127	59,156
	Market-based	268,953	50,785	6,151	44,512
Total	**Scope I and Scope II (Location-Based)**	**412,976**	**64,079**	**81,630**	**99,620**
	Scope I and Scope II (Market-Based)	**384,234**	**65,745**	**81,655**	**84,977**

Greenhouse gas emissions [t CO2 eq] - Prysmian Group 2017						
Emissions in tCO2		**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total 2017**
Scope I	Direct emissions from combustion	62,417	12,228	2,569	36,759	**113,973**
	Emissions from refrigerant gas leaks	3,359	2,245	117	166	**5,887**
	Emissions from SF6 gas leaks	31,340	-	77,657	-	**108,997**
	Total Scope 1	97,117	14,473	80,342	36,925	**228,857**
Scope II	Location-based	304,534	55,984	5,917	54,008	**420,443**
	Market-based	226,739	51,896	4,488	37,300	**320,422**
Total	**Scope I and Scope II (Location-Based)**	**401,651**	**70,456**	**86,259**	**90,933**	**649,299**
	Scope I and Scope II (Market-Based)	**323,856**	**66,368**	**84,830**	**74,225**	**549,279**

Greenhouse gas emissions [t CO2 eq] - Prysmian Group 2016						
Emissions in tCO2		**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total 2016**
Scope I	Direct emissions from combustion	59,630	11,877	1,647	39,385	**112,539**
	Emissions from refrigerant gas leaks	1,860	1,071	125	252	**3,308**
	Emissions from SF6 gas leaks	69,227	-	55,541	-	**124,768**
	Total Scope 1	130,717	12,948	57,313	39,637	**240,615**
Scope II	Location-based	318,898	61,183	6,236	56,630	**442,947**
	Market-based	248,443	56,579	4,525	41,731	**351,278**
Total	**Scope I and Scope II (Location-Based)**	**449,615**	**74,131**	**63,549**	**96,267**	**683,562**
	Scope I and Scope II (Market-Based)	**379,160**	**69,527**	**61,838**	**81,368**	**591,893**

Greenhouse gas emissions [t CO2 eq] - Former General Cable June-December 2018						
Emissions in tCO2		**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total 2018**
Scope I	Direct emissions from combustion	30,462	964	17	0	**31,444**
	Emissions from refrigerant gas leaks	1,900	185	0	0	**2,085**
	Emissions from SF6 gas leaks	23,028	0	0		**23,028**
	Total Scope 1	55,390	1,149	17	0	**56,557**
Scope II	Location-based	70,622	11,763	584	0	**82,969**
	Market-based	75,052	11,961	[illegible]	0	**87,779**
Total	**Scope I and Scope II (Location-Based)**	**126,012**	**12,912**	**[illegible]**	**0**	**139,526**
	Scope I and Scope II (Market-Based)	**130,442**	**13,110**	**[illegible]82**	**0**	**144,336**

Emissions per Km/Ton of product	**Prysmian Group (2017)**		
	Power Cables (t CO2-eq/Ton)	*Telecom Cables (t CO2-eq/Km)*	*Optical fiber (t CO2-eq/Km)*
Scope I	[illegible]	0.00038	0.00094
Scope II	[illegible]	0.00146	0.00138
Total	0.32640	0.00202	0.00232

Emissions per Km/Ton of product	**Prysmian Group (2016)**		
	Power Cables (t CO2-eq/Ton)	*Telecom Cables (t CO2-eq/Km)*	*Optical fiber (t CO2-eq/Km)*
Scope I	0.11231	0.00036	0.00116
Scope II	0.27398	0.00173	0.00166
Total	0.38629	0.00209	0.00282

Waste

Hazardous waste 2018 [kg] - Prysmian Group w/o General Cable (2018)				
Source	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**
Ingredients of hazardous compounds	91,761	1,192	0	0
Asbestos	165,615	12,173	0	0
Copper and aluminum sludge	265,971	13,224	0	0
Equipment containing PCBs	7,959	360	0	0
Sludge or solid waste with solvents	0	0	0	0
Solvents	35,874	15,997	1,164	53,577
Waste waxes and fats	258,980	44,242	0	0
Waste oil	429,407	24,385	28,225	10,951
Waste emulsions	2,577,165	203,278	0	0
Waste ink	18,400	4,637	0	0
Contaminated sawdust	33,734	51,900	0	0
Other hazardous waste	1,322,380	142,066	111,583	4,623,505
Total	**5,207,246**	**513,454**	**140,972**	**4,688,033**

Hazardous waste 2017 [kg] - Prysmian Group					
Type	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total**
Ingredients of hazardous compounds	118,657	-	-	-	118,657
Asbestos	193,356	-	6,670	-	200,026
Copper and aluminum sludge	242,069	14,979	-	-	257,048
Equipment containing PCBs	9,582	-	-	-	9,582
Solvents	53,650	14,308	3,700	55,606	127,264
Waste waxes and fats	70,892	37,996	-	-	108,888
Waste oil	384,286	12,175	48,999	7,112	452,572
Waste emulsions	2,069,265	261,993	-	-	2,331,258
Waste ink	22,991	4,917	-	-	27,908
Contaminated sawdust	31,114	19,214	-	-	50,328
Sludge or solid waste with solvents	-	-	-	10,158	10,158
Other hazardous waste	1,428,985	72,922	161,073	4,463,886	6,126,866
Total	**4,624,848**	**438,505**	**220,442**	**4,536,762**	**9,820,557**

Hazardous waste 2016 [kg] - Prysmian Group					
Type	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total**
Ingredients of hazardous compounds	137,713	-	-	-	137,713
Asbestos	21,237	13,509	-	-	34,746
Copper and aluminum sludge	360,994	2,705	-	-	363,699
Equipment containing PCBs	2,336	-	-	-	2,336
Solvents	63,160	15,642	2,894	47,289	128,985
Waste waxes and fats	52,925	52,754	-	-	105,679
Waste oil	384,279	14,000	23,440	7,271	428,990
Waste emulsions	2,576,476	298,43[illegible]	-	-	2,874,910
Waste ink	29,061	2,190	-	-	31,251
Contaminated sawdust	34,151	5,333	-	-	39,484
Sludge or solid waste with solvents	-	-	-	10,070	10,070
Other hazardous waste	1,905,24[illegible]	73,108	75,896	3,733,600	5,787,851
Total	**5,567,[illegible]79**	**477,675**	**102,230**	**3,798,230**	**9,945,714**

Non-hazardous waste 2018 [kg] - Prysmian Group w/o General Cable (2018)				
Source	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**
Waste compounds	13,998,079	4,564,372	0	258,017
Non-hazardous packaging	15,670,945	3,894,230	206,239	0
Non-hazardous ingredients for compounds	1,312,901	0	0	0
Sludge from treatment of emissions	0	0	0	441,560
Sludge from cleansing of civil water	447,805	6,750	16,000	10,820
Sludge from cleansing of industrial water	733,735	2,913	0	4,035
Urban waste	10,643,762	4,879,884	419,617	2,465,057
Wood	52,106	0	0	0
Other non-hazardous materials	34,394,579	3,814,958	343,386	1,938,129
Total	**77,253,912**	**17,163,107**	**985,242**	**5,117,618**

Non-hazardous waste 2017 [kg] - Prysmian Group					
Source	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total**
Waste compounds	14,187,133	1,755,276	-	-	15,942,409
Non-hazardous packaging	9,449,139	2,823,314	415,331	251,787	12,939,751
Non-hazardous ingredients for compounds	1,313,796	-	-	-	1,313,796
Sludge from treatment of emissions	-	-	-	388,690	388,690
Sludge from cleansing of civil water	603,680	3,000	-	4,500	611,180
Sludge from cleansing of industrial water	434,718	8,402	-	1,872,565	2,315,685
Urban waste	10,537,876	3,561,472	391,286	811,720	15,302,353
Wood	62,718	-	-	-	62,718
Sawdust	-	-	-	275,350	275,350
Other non-hazardous materials	32,415,318	3,610,423	407,526	1,562,615	37,995,882
Total	**69,004,558**	**11,761,886**	**1,214,143**	**5,167,227**	**87,147,815**

Non-hazardous waste 2016 [kg] - Prysmian Group					
Source	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total**
Waste compounds	13,996,762	1,730,139	-	-	15,726,901
Non-hazardous packaging	10,603,091	2,547,130	332,975	311,068	13,794,264
Non-hazardous ingredients for compounds	626,251	-	-	-	626,251
Sludge from treatment of emissions	-	-	-	345,420	345,420
Sludge from cleansing of civil water	360,711	5,374	-	-	366,085
Sludge from cleansing of industrial water	617,521	7,899	-	496,956	1,122,376
Urban waste	10,586,696	3,176,323	288,525	660,607	14,712,151
Wood	605,090	164,270	-	-	769,360
Sawdust	-	-	-	64,890	64,890
Other non-hazardous materials	29,125,642	3,076,407	103,065	1,674,721	33,979,835
Total	**66,521,764**	**10,707,542**	**724,565**	**3,553,662**	**81,507,533**

Hazardous waste 2018 [kg] - Former General Cable (June-December 2018)				
Source	**Power Cables**	**Telecom Cables**	**Accessories**	**Total**
Ingredients of hazardous compounds	103,107	-	-	103,107
Aqueous solutions for washing of filters	-	-	-	-
Asbestos	-	-	-	-
Copper and aluminum sludge	91,012	1,163,516	-	1,254,528
Equipment containing PCBs	-	-	-	-
Sludge or solid waste with solvents	-	-	-	-
Solvents	39,164	1,998	20	41,182
Waste waxes and fats	8,930	-	-	8,930
Waste oil	89,794	282	110	93,186
Waste emulsions	338,412	-	-	338,412
Waste ink	4,755	109	-	4,864
Contaminated sawdust	-	-	-	-
Other hazardous waste	304,958	4,018	711	309,687
Total	**980,132**	**1,172,923**	**841**	**2,153,896**

Non-hazardous waste 2018 [kg] - Former General Cable (June - December 2018)				
Source	**Power Cables**	**Telecom Cables**	**Accessories**	**Total**
Waste compounds	5,425,171	338,283	-	5,763,454
Non-hazardous packaging	3,522,621	153,626	8,679	3,684,927
Non-hazardous ingredients for compounds	740,863	-	-	740,863
Sludge from treatment of emissions	-	-	-	-
Sludge from cleansing of civil water	77,020	18,263	-	95,283
Sludge from cleansing of industrial water	650,117	291,723	-	941,840
Urban waste	4,949,055	824,943	1,840	5,775,838
Wood	145,319	-	72,659	217,978
Other non-hazardous materials	3,945,478	556,345	138,433	4,640,256
Total	**19,455,644**	**2,183,183**	**221,611**	**21,860,439**

Water consumption

Water consumption by source 2018 [m3] - Prysmian Group w/o General Cable 2018				
Source	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**
Water from wells	3,443,416	163,825	402	1,026,575
Water from other sources	667,615	19,580	604,497	-
Water from public water main	1,368,347	193,690	43,327	256,934
Total	**5,479,378**	**377,095**	**648,226**	**1,283,509**

Water consumption by source 2017 [m3] Prysmian Group 2017					
Source	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total**
Water from wells	3,011,269	190,147	474,372	967,415	4,643,203
Water from other sources	682,526	9,782	11,196	10,123	713,627
Water from public water main	1,264,470	181,764	32,165	219,321	1,697,720
Total	**4,958,265**	**381,693**	**517,733**	**1,196,859**	**7,054,550**

Water consumption by source 2016 [m3] - Prysmian Group					
Source	**Power Cables**	**Telecom Cables**	**Accessories**	**Optical fiber**	**Total**
Water from wells	3,437,724	176,751	63,969	794,402	4,472,846
Water from other sources	568,704	35	151,787	0	720,526
Water from public water main	1,133,029	174,541	20,877	234,353	1,562,800
Total	**5,139,457**	**351,327**	**236,633**	**1,028,755**	**6,756,172**

Water consumption by source 2018 [m3] - Former General Cable (June - December 2018)				
Source	**Power Cables**	**Telecom Cables**	**Accessories**	**Total**
Water from wells	481,724	674	0	482,398
Water from other sources	69,946	0	0	69,946
Water from public water main	389,430	42,856	1,541	433,827
Total	**941,100**	**43,530**	**1,541**	**986,171**

Complaints

Customer complaints (No.)	**Former General Cable - June-December 2018**	**Prysmian Group w/o General Cable 2018**	**2017**	**2016**
January	-	101	106	85
February	-	111	101	90
March	-	108	119	120
April	-	77	114	115
May	-	97	130	108
June	68	92	141	116
July	86	118	121	119
August	83	105	101	114
September	79	117	112	134
October	108	127	124	126
November	78	134	124	138
December	54	110	103	98
Total	**566**	**1,298**	**1,396**	**1,363**

CORRELATION TABLE LEG. DECREE 254/2016 AND GRI ASPECTS

Legislative Decree 254/16	Material aspects for Prysmian Group	GRI Aspects
Employees	Health and safety at work	403: Occupational Health and Safety
	Attracting talent and skills development	401: Employment
		404: Training and Education
Anti-bribery and anti-corruption	Business ethics and integrity	205: Anti-Corruption
		307: Environmental compliance
Human Rights	Respect for human rights and workers' rights	412: Human Rights Assessment
		402: Labour/Management relations
	Multiculturalism, diversity and equal opportunity	405: Diversity and Equal Opportunities
Social	Corporate Citizenship	203: Indirect Economic Impacts
	Sustainable supply chain	204: Procurement Practices
		308: Supplier environmental assessment
		414: Supplier Social Assessment
	Customer Centricity	N.A.
Environment	Technological development and eco-design innovation	N.A.
	Energy efficiency and combating climate change	302: Energy
		305: Emissions
	Waste management	306: Effluents and waste
	Efficient use of raw materials	301: Materials
	Efficient use of water resources	303: Water

ANALYSIS OF THE "TOPIC BOUNDARY" OF MATERIAL ASPECTS FOR THE PRYSMIAN GROUP

Below is the analysis of the "topic boundary" (as defined by the GRI) for each material aspect of the Prysmian Group, as required by Disclosure 103 of the GRI. Reporting is not extended to the external perimeter. Concerning the reporting of the internal perimeter, the limitations are indicated precisely in the "Notes on data and information" and in correspondence with each table, where necessary.

GRI Aspects	Analysis of the "topic boundary" (internal or external to the Prysmian Group) of the material aspects	
	Internal	External
403: Occupational Health and Safety	Group	Suppliers
401: Employment	Group	-
404: Training and Education	Group	-
205: Anti-Corruption	Group	-
307: Environmental compliance	Group	-
412: Human Rights Assessment	Group	Suppliers
402: Labour/Management relations	Group	
405: Diversity and Equal Opportunities	Group	-
203: Indirect Economic Impacts	Group	-
204: Procurement Practices	Group	Suppliers
308: Supplier environmental assessment	Group	Suppliers
414: Supplier Social Assessment	Group	Suppliers
302: Energy	Group	-
305: Emissions	Group	-
306: Effluents and waste	Group	-
301: Materials	Group	-
303: Water	Group	-

GRI CONTENT INDEX

All standards used refer to the GRI Standards version published in 2016.

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
Organizational profile	102-1	Name of the organization		The Prysmian Group - Page 9
	102-2	Activities, brands, products, and services		The Prysmian Group - Page 9-12
	102-3	Location of headquarters		Methodology note - Page 4
	102-4	Location of operations		The Prysmian Group - Page 13-14
	102-5	Ownership and legal form		The Prysmian Group - Page 9; Corporate Governance - Page 17-21
	102-6	Market served		The Prysmian Group - Page 9-12
	102-7	Scale of the organization		Highlights - Page 8; The Prysmian Group - page 9-14; 19-20 Responsibility towards people - Page 42
	102-8	Information on employees and other workers		Responsibility towards people - Page 49-51; Annexes - Human resources - Page 100-102
	102-9	Supply chain		Our suppliers - Page 94-96
	102-10	Significant changes to the organization and its supply chain		Methodology note -Page 4-6; The Prysmian Group - Page 9
	102-11	Precautionary Principle or approach		Integrated management of sustainability risks - Page 36-43
	102-12	External initiatives		An integrated strategy - Page 24; Value for the community - Page 29-30; Business ethics and integrity in the Prysmian Group - page 44
	102-13	Membership of associations		Value for the community - Page 30
Strategy	102-14	Statement from senior decision-makers		Letter to Stakeholders - Page 7
Business ethics and integrity	102-16	Values, principles, standards, and norms of behavior		Brand, vision, mission and values - Page 15-16; Business ethics and integrity in the Prysmian Group - page 44-47
	102-17	Mechanisms for advice and concerns about ethics		Business ethics and integrity in the Prysmian Group - Page 47
Governance	102-18	Governance structure		Governance - Page 17-23
	102-22	Composition of the highest governance body and its committees		Governance - Page 17-18, 22-23
	102-23	Chair of the highest governance body		Governance - Page 17-23
	102-25	Conflicts of interest		Business ethics and integrity - Page 45
Stakeholder engagement	102-40	List of stakeholder groups		Stakeholder engagement and materiality analysis - Page 32
	102-41	Collective bargaining agreements		Dialogue with social partners - Page 58
	102-42	Identifying and selecting stakeholders		Stakeholder engagement and materiality analysis - Page 32-33
	102-43	Approach to stakeholder engagement		Stakeholder engagement and materiality analysis - Page 32-33
	102-44	Key topics and concerns raised		Stakeholder engagement and materiality analysis - Page 32-35
Reporting practices	102-45	Entities included in the consolidated financial statements		Methodology note - Page 4-6
	102-46	Defining report content and topic Boundaries		Methodology note - Page 5-6

GRI Aspects	GRI Standards		Omissions	Chapter/Page
	Disclosure	Description		
				Stakeholder engagement and materiality analysis - Page 32-35 Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	102-47	List of material topics		Stakeholder engagement and materiality analysis - Page 35; Correlation table Leg. Decree 254/2016 and GRI aspects - Page 110
	102-48	Restatements of information		Methodology note - Page 4-6
	102-49	Changes in reporting		Stakeholder engagement and materiality analysis - Page 33-35
	102-50	Reporting period		Methodology note - Page 4
	102-51	Date of most recent report		Methodology note - Page 4
	102-52	Reporting cycle		Methodology note - Page 4
	102-53	Contact point for questions regarding the report		Methodology note - Page 5
	102-54	Claims of reporting in accordance with GRI Standards		Methodology note - Page 4
	102-55	GRI content index		GRI Content Index - Page 111-116
	102-56	External assurance		Independent Auditors' Report - Page 117-119

GRI Aspects	GRI Standards		Omissions	Chapter
	Disclosure	Description		
302: Energy	103-1	Explanation of the material topic and its Boundary		Environmental responsibility - Page 78-80; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Environmental responsibility - Page 78-80
	103-3	Evaluation of the management approach		Sustainability Scorecard – Page 26-27; Environmental responsibility - Page 78-80
	302-1	Energy consumption within the organization		Environmental performance - Page 81-83 Annexes - Environment - Page 104-105
	302-3	Energy intensity		Environmental performance - Page 82; Annexes - Environment - Page 105
305: Emissions	103-1	Explanation of the material topic and its Boundary		Environmental responsibility - Page 78-80; Environmental performance - Page 83; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Environmental responsibility - Page 78-80; Environmental performance - Page 83
	103-3	Evaluation of the management approach		Sustainability Scorecard – Page 26-27; Environmental responsibility - Page 78-80; Environmental performance - Page 83
	305-1	Direct (Scope 1) GHG emissions		Environmental performance - Page 83-84; Annexes - Environment - Page 105-106

GRI Aspects	GRI Standards		Omissions	Chapter
	Disclosure	Description		
	305-2	Energy indirect (Scope 2) GHG emissions		Environmental performance - Page 83-84; Annexes - Environment - Page 105-106
	305-4	GHG emissions intensity		Environmental performance - Page 85; Annexes - Environment - Page 106
301: Materials	103-1	Explanation of the material topic and its Boundary		A sustainable supply chain - Page 94; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		A sustainable supply chain - Page 94
	103-3	Evaluation of the management approach		Sustainability Scorecard – Page 26-27; A sustainable supply chain - Page 94-96
	301-1	Materials used by weight or volume		Our suppliers - Page 96
306: Effluents and waste	103-1	Explanation of the material topic and its Boundary		Environmental responsibility - Page 78-80; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Environmental responsibility - Page 78-80
	103-3	Evaluation of the management approach		Sustainability Scorecard – Page 26-27; Environmental performance - Page 87-88;
	306-2	Waste by type and disposal method		Environmental performance - Page 85-88; Annexes - Environment - Page 106-108
303: Water	103-1	Explanation of the material topic and its Boundary		Environmental responsibility - Page 78-80; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Environmental responsibility - Page 78-80
	103-3	Evaluation of the management approach		Environmental responsibility - Page 78-80; 88-89
	303-1	Water withdrawal by source		Environmental performance - Page 88-89; Annexes - Environment - Page 108-109
203: Indirect Economic Impacts	103-1	Explanation of the material topic and its Boundary		Value for the community - Page 29; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Value for the community - Page 29
	103-3	Evaluation of the management approach		Value for the community - Page 30-31
	203-1	Infrastructure investment and services supported		Value for the community - Page 29-31
204: Procurement Practices	103-1	Explanation of the material topic and its Boundary		A sustainable supply chain - Page 94; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110

GRI Aspects	GRI Standards		Omissions	Chapter
	Disclosure	Description		
	103-2	The management approach and its components		A sustainable supply chain - Page 94
	103-3	Evaluation of the management approach		A sustainable supply chain - Page 94
	204-1	Proportion of spending on local suppliers		Our suppliers - Page 94-96
308: Supplier environmental assessment	103-1	Explanation of the material topic and its Boundary		A sustainable supply chain - Page 96-98; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		A sustainable supply chain - Page 96-98
	103-3	Evaluation of the management approach		Sustainability Scorecard – Page 26-27; A sustainable supply chain - Page 96-97
	308-2	Negative environmental impacts in the supply chain and action taken		A sustainable supply chain - Page 96-98
414: Supplier Social Assessment	103-1	Explanation of the material topic and its Boundary		A sustainable supply chain - Page 96-98; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		A sustainable supply chain - Page 96-98
	103-3	Evaluation of the management approach		Sustainability Scorecard – Page 26-27; A sustainable supply chain - Page 96-97
	414-2	Negative social impacts in the supply chain and action taken		A sustainable supply chain - Page 96-98
403: Occupational Health and Safety	103-1	Explanation of the material topic and its Boundary		Occupational Health and Safety - Page 60-61; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Occupational health and safety - Page 60-61
	103-3	Evaluation of the management approach		Sustainability Scorecard – Page 26-27; Occupational health and safety - Page 60-61
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	The data relating to injury rates do not cover the entire reporting perimeter. Also, the absentee rate is calculated only for the blue collar category and is not broken down by gender.	Occupational health and safety - Page 61-62; Annexes - Health and safety - Page 103-104
401: Employment	103-1	Explanation of the material topic and its Boundary		Responsibility towards people - Page 48; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Responsibility towards people - Page 48
	103-3	Evaluation of the management approach		Responsibility towards people - Page 57-58
	401-2	Benefits provided to full-time employees are not provided to temporary or part-time employees		Welfare of employees - Page 57-58
402: Labour/Management relations	103-1	Explanation of the material topic and its Boundary		Our human capital - Page 48; Welfare of employees - Page 57-59; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110

GRI Aspects	GRI Standards		Omissions	Chapter
	Disclosure	Description		
	103-2	The management approach and its components		Our human capital - Page 48; Welfare of employees - Page 57-59
	103-3	Evaluation of the management approach		Welfare of employees - Page 59
	402-1	Minimum notice periods regarding operational changes		Welfare of employees - Page 59
404: Training and Education	103-1	Explanation of the material topic and its Boundary		Our human capital - Page 48; The development of talent - Page 53-56; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Our human capital - Page 48; The development of talent - Page 53-56
	103-3	Evaluation of the management approach		The development of talent - Page 53-56
	404-1	Average hours of training per year per employee		The development of talent - Page 53-56
405: Diversity and Equal Opportunities	103-1	Explanation of the material topic and its Boundary		Our human capital - Page 48; Diversity and equal opportunities - Page 52; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Our human capital - Page 48; Diversity and equal opportunities - Page 52
	103-3	Evaluation of the management approach		Sustainability Scorecard – Page 26-27
	405-1	Diversity of governance bodies and employees		Corporate Governance – Page 19; Our human capital - Page 49-51; Annexes - Human resources - Page 101
412: Human Rights Assessment	103-1	Explanation of the material topic and its Boundary		integrated management of sustainability risks - Page 43; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Integrated management of sustainability risks - Page 43
	103-3	Evaluation of the management approach		Integrated management of sustainability risks - Page 43
	412-1	Operations that have been subject to human rights reviews or impact assessment		Integrated management of sustainability risks - Page 43
205: Anti-Corruption	103-1	Explanation of the material topic and its Boundary		Business ethics and integrity in the Prysmian Group - page 44-48; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Business ethics and integrity in the Prysmian Group - page 44-48
	103-3	Evaluation of the management approach		Business ethics and integrity in the Prysmian Group - page 44-48
	205-2	Communication and training on anti-corruption policies and procedures		Business ethics and integrity in the Prysmian Group - page 44-46
	205-3	Confirmed incidents of corruption and actions taken		Business ethics and integrity in the Prysmian Group - Page 47

GRI Aspects	GRI Standards		Omissions	Chapter
	Disclosure	Description		
307: Environmental compliance	103-1	Explanation of the material topic and its Boundary		Integrated management of sustainability risks - Page 42-43; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Integrated management of sustainability risks - Page 42-43
	103-3	Evaluation of the management approach		Integrated management of sustainability risks - Page 42-43; Environmental performance - Page 81
	307-1	Non-compliance with environmental laws and regulations		Environmental performance - Page 81
Materials issues not covered by GRI Aspects				
Customer Centricity	103-1	Explanation of the material topic and its Boundary		Customer centricity – Page 90; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Customer centricity – Page 90
	103-3	Evaluation of the management approach		Customer centricity – Page 91-93; Annexes - Complaints - Page 109
Technological development and eco-design innovation	103-1	Explanation of the material topic and its Boundary		Designing the future responsibly - Page 63-77; Analysis of "topic boundary" of the Prysmian Group's material aspects - Page 110
	103-2	The management approach and its components		Designing the future responsibly - Page 63-77
	103-3	Evaluation of the management approach		Sustainability Scorecard – Page 26-27; Designing the future responsibly - Page 73-77

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