

Prysmian Group - Corporate Citizenship and Philanthropy Policy

1. Introduction

In its drive for sustainability, which started in 2010 with publication of its first Sustainability Report and continued in 2012 with definition of the HSE (Health, Safety, Environment) system policy, the Prysmian Group is aware of the effects of its activities on the countries and economies in which it does business and so has decided to adopt a policy concerning those actions it can take to benefit the community. The purpose of this Policy is to define common, shared rules within the Prysmian Group for identifying corporate citizenship and philanthropy initiatives that are connected to the Group's business operations.

The Policy refers to all those non-business activities or those not directly related to economic value creation for the Group, but which, in line with the Group's vision, mission, values, Code of Ethics and HSE system policy, are aimed at meeting the needs of the communities or societies in which the Group operates.

2. Meaning of "Corporate Community Investment"

The Prysmian Group has decided to adopt the guidance of the London Benchmarking Group¹ with reference to the definition of "Corporate Community Investment":

"Companies often engage in activities that can have a positive impact on society, by contributing to organisations and associations to help address social problems in the communities where they do business.

The type of organisations supported can vary greatly and include charities, non-profits, non-governmental organisations (NGOs), third sector, civil society and so forth.

This specific voluntary engagement with charitable organisations that extends beyond companies' core business activities is broadly what is meant by corporate community investment."

Prysmian Group considers initiatives for the benefit of the community as those relating to:

- **the community:** long-term initiatives that aim to mitigate socio-environmental issues in the communities in which the Group does business, for example through memberships of and subscriptions to organisations/associations active in the social, environmental and community development spheres;

¹ Group of companies (over 100) based in the UK; which have been cooperating actively in development of this model since 1994.

- **charitable gifts:** short-term initiatives, or one-off donations to non-governmental organisations and supranational and local non-profit organisations;
- **commercial initiatives that benefit the community:** initiatives usually performed by departments outside the CSR function (e.g. marketing, communication, R&D) to support the company's success directly (with a consequent impact on its reputation) and conducted in partnership with community-based organisations. For example, sponsorships, cause-related marketing in support of scientific research with commercial implications.

3. Goals of the activities

Prysmian Group believes that access to energy and telecommunications is a fundamental condition for economic and social development of local communities and countries.

For this reason, Corporate Citizenship and Philanthropy activities promoted by the Group have to be mainly focused on support initiatives aiming at promoting access to energy and telecommunications of local communities, considering in particular developing countries.

4. Principles to follow and authorisation process

4.1. Selection criteria and initiative prioritisation

The choice of activities to promote satisfies specific and defined criteria aimed at improving the process and avoiding requests which are not in line with the Group's mission, vision, values, Code of Ethics and the strategic guidelines of the Control and Organisation Model under Legislative Decree 231/2001.

The authorisation process for donations and sponsorship complies with the requirements of the relative protocols of the Control, Organisation Model under Legislative Decree 231/2001 and goals outlined in this Policy.

More generally speaking, for initiatives governed by this policy, each company departmental manager, according to their powers and expenditure limits, is responsible for checking compliance with the contents of this policy and the Group's mission, vision, values, Code of Ethics and the strategic guidelines of the Control and Organisation Model under Legislative Decree 231/2001, also with the support of the central Corporate Communication office.

The period within which reporting on the initiatives performed/to be performed must be sent by local offices/other company departments to the central Corporate Communication office is decided each year. Once the reports are received, the office managers and their staff analyse them to check that the initiatives performed comply with the contents of this policy and the Group's mission, vision, values, Code of Ethics and the strategic guidelines of the Control and Organisation Model under Legislative Decree 231/2001. The central Corporate Communication office is responsible for informing the local offices / other

company departments of any inconsistencies found and the areas of improvement to be developed.

4.2. What can be financed

- **Education and young people:** this category includes contributions to schools, universities and other educational institutions or all those organisations that work with or promote the needs of young people
- **Health and prevention:** this category includes all activities in support of hospitals, or in support of health and prevention in general. Initiatives in support of medical research and teaching in schools about topics relating to activities carried out by Group companies.
- **Economic development:** contributions to activities that promote economic development and support business enterprise in areas where the Group operates.
- **Environment:** initiatives to protect the environment and raise awareness about issues such as climate change, energy conservation, recycling and pollution. This category does not include costs incurred by the Group for the routine management of its own impact on the environment arising in the course of its business.
- **Art and culture:** initiatives to enhance and preserve the artistic, historical and cultural heritage of the territory in which the Group operates.
- **Sport:** support for athletes and sporting initiatives at local and other levels, that can in some way be representative of the Group's values.
- **Community and social welfare:** support for organisations working on social issues and initiatives aimed at giving assistance to the disadvantaged and distressed.
- **Emergency relief:** contributions and support to populations who have suffered losses as a result of natural disasters, wars and so on.
- **Other support:** all other activities not specified in the preceding paragraphs that have a social purpose.

4.3. What cannot be financed

Another purpose of this document is indicating what cannot be financed, according to the Control and Organisation Model envisaged by Legislative Decree 231/2001 (with particular reference to the protocols on donations and sponsorship). Among the initiatives identified, the main ones are:

- illegal, dangerous activities or those harmful in any way to the company and its reputation,
- activities in conflict with the values contained in the Group's Code of Ethics, vision and mission,
- contributions to political parties or candidates for public office.

In accordance with the Organisation, Management and Control Model under Legislative Decree 231/2001 of Prysmian S.p.A., the company also does not allow sums of money to be promised or paid, goods in kind or other benefits to be promised or given to third parties, such as customers, suppliers, offices of the Public Administration, public institutions or other organisations, with the purpose of promoting or assisting the Company's interests.

5. Types of contribution

Contributions can be made in different ways that are also governed by this Policy. The Prysmian Group recognises the following three main types of contributions.

- **Contributions in cash:** expenses that the company incurs to contribute to a project or a community initiative, including the cost of advertising or marketing campaigns.
- **Employee time contributions** This represents a cost incurred by the company that contributes indirectly, in the form of paid working hours contributed by employees to a community or charitable organisation. This does not cover hours worked by employees in support of social activities outside company time.
- **In-kind contributions**, meaning donations of products, equipment or other instruments, provision of free or temporary advertising space in a publication or on a web site, to an organisation or association at no cost. These contributions must be included and estimated in monetary terms as they represent a cost that the company has incurred (and must be valued at what they have cost the company and not at market value).

6. Communication

The Prysmian Group undertakes to disclose information about major funding initiatives in support of local communities and sponsorships in its Sustainability Report, and where possible, on its website.

Milan, 20 February 2015

Valerio Battista
CEO Prysmian Group

A handwritten signature in black ink, appearing to read "Valerio Battista", written over the printed name and title.