

# Prysmian Group Overview



**Prysmian**  
Group

Linking  
the Future







# Our role at the planet's side

The signing of the Green Deal by the new European Commission in December 2019 has, for the first time, committed the EU to strive for climate neutrality by 2050, confirming compliance with the intermediate objectives set for 2030 and 2040.

This has activated an ambitious action plan to limit the increase in global warming over the next thirty years that, according to the estimates of the UN Intergovernmental Panel on Climate Change (IPCC), must not exceed 1.5°C in order to avoid irreparable damage to the planet.

A similar approach was confirmed by the United Nations at the start of 2020, which launched the "Decade of Action" programme containing accelerated solutions for all the challenges set by the 2030 sustainable development goals.

So there is no doubt that the single most important goal is to achieve the production of clean electricity.

This means transitioning from the current model based on the combustion of fossil fuels and main culprit of climate change - and, therefore, for about 60% of global greenhouse gas emissions - to the production of energy from renewable sources that preserve eco-systems for future generations and can be made accessible to an increasing number of persons in all regions of the world, in order to support their civil and economic progress.

The Prysmian Group is committed to supporting efforts to achieve the objectives set by the global agenda, contributing to the creation and modernisation of infrastructure for the transportation and distribution of energy and telecommunications, which are essential drivers in the transition to the new model for the development of society.

As a public company, we have always maintained open and transparent dialogue with our stakeholders: shareholders, employees, customers and suppliers, the institutions and the communities in which we work.

We are committed to ensuring high governance standards and practices: 67% of Board members are independent, 42% are women.





## Financial figures

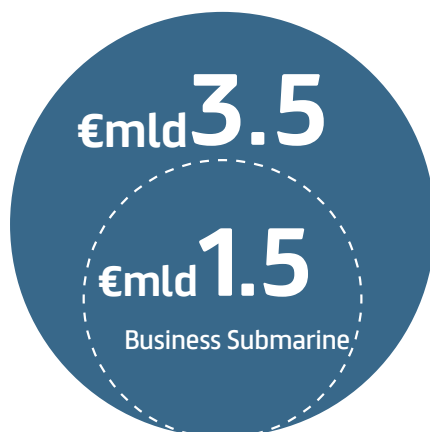
### SALES

€m 10,104

### ADJ. EBITDA<sup>(2)</sup>

€m 840

### ORDER BOOK





# Global presence



## NORTH AMERICA

CANADA  
U.S.A.

23  
plants

## LATAM

ARGENTINA  
BRAZIL  
CHILE  
COLOMBIA  
COSTA RICA  
ECUADOR  
MEXICO

13  
plants

## EUROPE

CZECH REPUBLIC  
ESTONIA  
FINLAND  
FRANCE  
GERMANY  
HUNGARY  
ITALY  
NORWAY  
PORTUGAL  
ROMANIA  
RUSSIA  
SLOVAKIA  
SPAIN  
SWEDEN  
THE NETHERLANDS  
U.K.

48  
plants

## MEAT

ANGOLA  
IVORY COAST  
OMAN  
TUNISIA  
TURKEY

7  
plants

## APAC

AUSTRALIA  
CHINA  
INDIA  
MALAYSIA  
INDONESIA  
NEW ZEALAND  
PHILIPPINES  
THAILAND

13  
plants



Key

- Energy
- Telecom
- Shared



**+50**  
countries



**104**  
plants



**25**  
R&D  
centers



about  
**28** thousand  
employees



**4**  
ships  
equipped

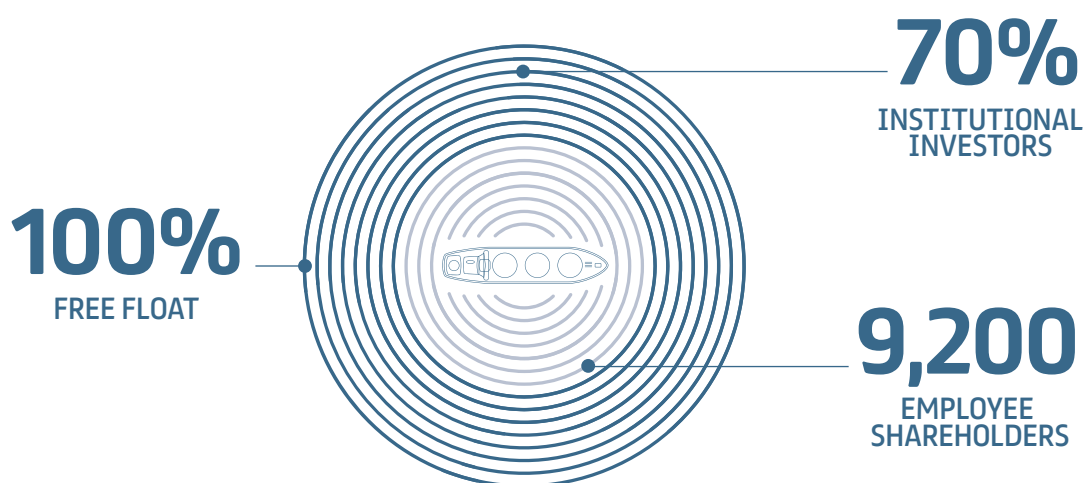


# Corporate Governance

Prysmian Group is a **public company**, listed on the Milan Stock Exchange in the FTSE MIB index, specialised in developing innovative products and cutting-edge projects.

In addition to its **institutional investors**, which represent approximately **70% of its shareholders**, the Group has a broad shareholder base composed of Prysmian employees, with about **9,200 shareholders, holding approximately 3.5% of share capital**, who participated in the YES (Your Employee Shares) programme.

Prysmian holds 4,891,162 treasury shares, or 1.8% of share capital.



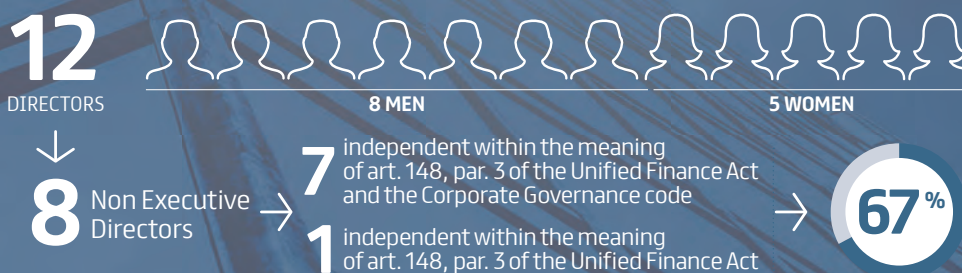
In accordance with its capital structure, Prysmian Group has implemented a **transparent, effective corporate governance** system based on company integrity in protection of all stakeholders that guides the Group in achieving strategic objectives with the aim of creating sustainable value over time.

Prysmian has a traditional type of **governance and control model**, with a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors.

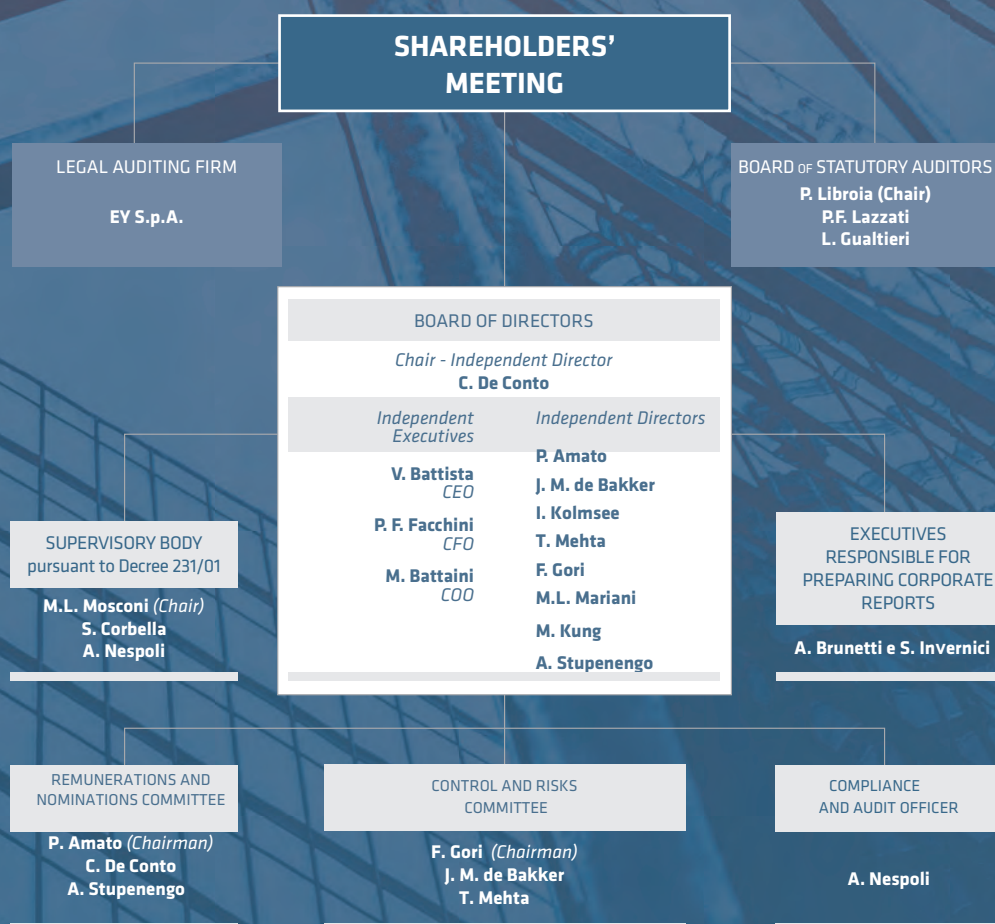
**1,500+** { Shareholders at the Annual General Meeting      **500+** { Meeting with institutional investors per year



## Composition of the Board of Directors



## GOVERNANCE STRUCTURE



To complete its corporate governance structure, the Company has set up three committees within the Board of Directors focused on Remuneration and Nomination, Sustainability and Risk Control, respectively, in addition to a Supervisory Board pursuant to Legislative Decree No. 231/2001.





# People

## WE ARE A PEOPLE COMPANY

Prysmian Group is above all else a “**people company**” that supports and develops the competencies of its employees through multidisciplinary, specialist training with a focus on constantly improving its organisational model in accordance with its business strategies and priorities.

To develop its human capital, Prysmian Group organises various training initiatives and engagement plans aimed at employees, who represent a strategic asset for achieving profitability goals and creating value

In view of this goal, the Group has designed and implemented a **People Strategy** aimed both at ensuring the recruitment of talented candidates whose values and leadership model are aligned with the Group’s and at honing each employee’s talent in order to contribute to the Group’s future growth and maintain its leading position at the global level.

## DIVERSITY & INCLUSION

As a Group with an international footprint, we are deeply aware of our responsibility to create an inclusive environment. We have a **culture of sharing, collaboration, openness and transparency**. Prysmian People, with all their uniqueness and diversity, generate value for the Group’s business and support the growth and development of the organisation.

In 2016, the Group launched its diversity and inclusion programme, **Side by Side**, which through policies and initiatives at the global and local level undoubtedly pursues the goal of increasing the female presence at various levels within the organisation and the various functions, while also seeking to create a working environment in which the various generations are able to understand one another and work well together, and where all employees, despite their different nationalities, cultures and leadership styles, are offered equal growth opportunities.

Among the most interesting projects launched as part of Side by Side, mention should be made of: the **Global Diversity Recruitment Policy**, including the guidelines for managing selection processes on the basis of merit only and free from gender and other diversity stereotypes; the Women in Leadership Program, a training initiative for developing the Company’s talented female employees; the inclusion of the diversity management issue in all training programmes for the Group’s managers; and communication campaigns and initiatives aimed at championing and supporting caregivers, such as the recent Global Maternity Policy.

## FOSTERING PEOPLE'S DEVELOPMENT

At the Prysmian Group, people development is viewed as a priority. To this end, the Prysmian Group Academy has been created to steer and formulate training strategies at a global level as a function of the Company's orientation.

The Academy is composed of three modular schools:

1. **Prysmian Business School:** a management school in partnership with SDA Bocconi and a network of ten international business schools (ESADE, FUDAN, SMU, STENBEIS, CORVINUS, SSE, FGV, ESSEC, USC and UFS) that supports the integration of new personnel into the Group;
2. **Prysmian Professional School:** a professional school directly linked to Prysmian Group's internal performance measurement and development systems, it is organised into function academies and expertise centres such as the R&D Academy and the Purchasing and Supply Chain, designed to improve specific expertise in these areas. The school has trained over 2,000 employees in six years;
3. **Prysmian Digital School:** a digital school, one of the Academy's main projects. In 2019, the Group launched a new technology platform based on a social network tool that allows a community to be created amongst the school's participants, and several ad-hoc e-learning modules were developed with the aim of meeting various training needs.

## PRYSMIAN GROUP ACADEMY AT A GLANCE

4

Centers of excellence at global level  
 ■ Milan: Business and Professional schools  
 ■ Mudanya: Manufacturing Academy  
 ■ Lexington & Indianapolis: R&D Academy  
 ■ Cebu: Diversity & Inclusion Academy and workers' rights

11

Professional training areas

6

Business training areas for High performers and Talents

1

Digital training catalogue accessible to

7,000

employees worldwide

150

Internal Lecturers of our Professional Faculty

12

Global partnership with International Business Schools and Universities worldwide (e.g. Bocconi, Harvard, MIT, SMU)

70

+ courses offered to our employees



# Business Description

## CABLE MANUFACTURER & NETWORK SOLUTION PROVIDER: A GLOBAL LEADER

The **diversification of its portfolio of businesses** is one of the strengths of Prysmian Group, a unique global leader with a business model balanced between areas with various profiles, in which each segment plays a precise role in the overall strategy, from stability to growth potential and generation of opportunities.

Following the acquisition of General Cable (2018), the structure of the Group, which has applications in over one hundred sectors, was organised according to a matrix scheme based on the markets of reference and business units.

## A HISTORY OF INNOVATION







## Energy

The Energy business area includes businesses characterised by the ability to offer a comprehensive and cutting-edge product portfolio that can meet the most diverse market demands. It is structured as follows: Energy & Infrastructure, including the Trade & Installers, Power Distribution and Overhead Transmission Lines businesses; Industrial & Network Components, which comprises the Oil & Gas, Downhole Technology, Elevators, Automotive, Network Components and Specialties & OEM businesses, to which the Crane, Mining, Railways, Rolling Stock, Marine and Renewables (cables for applications within the solar energy industry and for the functioning of wind turbines) sectors refer; and Electronics, fully dedicated to innovative systems for monitoring the electrical systems.




## Projects

The Projects business area includes the high-tech, high value-added businesses specialised in the design, manufacturing and installation of high and extra-high voltage underground and submarine cable systems. The Group develops the most advanced “turn-key” submarine cable systems, which entail installations down to a depth of 3,000 metres using its fleet of cable-laying vessels, which are among the largest and most technologically advanced ships in the world, namely Giulio Verne, Cable Enterprise, Ulisse and Leonardo da Vinci (still under construction). Prysmian also offers cutting-edge services for developing submarine interconnections between different countries and between offshore wind farms and the mainland, designed for energy production and distribution.



## Telecom

The Telecom business area includes the manufacturing of cable systems and connectivity products used for telecom networks. The product range includes optical fibres, optical cables, connectivity components and accessories, OPGW (Optical Ground Wire) and copper cables. The Group is one of the leading producers of the core component for all types of optical cables: optical fibre. A broad range of optical fibres is designed using a proprietary technology to meet customers' most diverse application needs, such as single-mode, multimode and specialty fibres. With regard to cables and connectivity, the Group is focusing on products able to ensure the highest fibre count in the smallest diameters, ease of use and improved fibre management.





## STREAMLINED, SUSTAINABLE SOURCING

Prysmian Group adopts a system for managing its supply chain based on **quality standards** and **sustainability criteria** in the selection of its suppliers that take account of a series of factors to create value over the long term throughout the distribution flow.

With a global presence in over 50 countries and a high level of diversification of its product applications, Prysmian Group manages a complex supply chain that requires constant **interaction with a large number of suppliers** of various sizes and cultural background.

Suppliers are qualified through a process of technical, economic and financial analysis.

The Group also performs an **integrated analysis**, at a central level, of all types of risks and opportunities relating to the supply chain, adopting a strategy that applies to the entire process, in order to monitor the sustainability of its supply chain and reduce the possible negative impacts.

During this process, audits are regularly performed on suppliers, following which they and the Group formulate any plans of action to be implemented.

In this way, the Group thus constantly enhances relations with strategic suppliers, with a view to creating a common **organisational process oriented towards sustainability** that takes account of the goals included in the Group's Sustainability Scorecard.

In order to ensure compliance to ethical, economic, environmental and social principles throughout its value chain, Prysmian Group has adopted a **Code of Business Conduct** that is applied to all employees and commercial relations.

The Code covers issues relating to integrity in its business, human and workers' rights and the environment. In any event, suppliers are asked to sign the Group's Code of Ethics when they are awarded a contract.



## A FAST-PACED SUPPLY CHAIN

The Group's global presence poses complex challenges, while also offering considerable opportunities in terms of the allocation of production and procurement flows.

To ensure proximity to the market and reactivity, countries and regions are fully responsible for planning demand, production at their facilities and the related inventory levels. Thanks to its comprehensive vision of the Group, HQ supports all subsidiaries by identifying **opportunities for optimisation and new intercompany flows**. Prysmian's supply chain also plays a driving role in the business by covering unsaturated areas of plants or managing situations of over-saturation, while also promoting the elimination of production bottlenecks to exploit market potential fully and, where necessary, to adjust the industrial footprint. Network efficiency also requires monitoring and optimising logistics costs, which play a key role in the economic sustainability of the business due to high product weight and bulk. At the same time, Prysmian is **highly committed to the environmental aspects** relating to transport, focusing on constantly reducing its CO<sub>2</sub> emissions by both improving the efficiency of its distribution network and of the vehicle fleet of its logistics partners.

The supply chain is crucial to the Group's volumes and net working capital: due in particular to the high value of the metals contained in its products, inventory control is an essential component of the Company's soundness and the speed with which inventory levels can be adapted to market conditions is key.

Last but not least, in keeping with Prysmian's philosophy, the supply chain pursues excellence in terms of service levels, seeking to ensure product availability according to the various needs of its clients.

## CUSTOMER PROXIMITY

Customers are always at the heart of every strategic and organisational decision that the Group makes. The strategic focus on customer centricity is aimed at achieving a high level of service performance in terms of the reliability of deliveries and a constant commitment to reducing "lead time" from order receipt to the delivery of products to customers. Prysmian is capable of applying elements of **flexibility** to the entire supply chain to reduce time-to-market and adapt to its customers' needs in various sectors.

The close collaboration with customers also makes it possible to develop products that not only meet their needs, but are also designed to ensure constantly increasing sustainability and offer solutions that often have specific components in the digital arena (e.g., smart cables).

Prysmian Group monitors the satisfaction of its customers by conducting extensive online surveys, but also by investing in individual interviews with the Group's main customers in the Regions of reference. The goal is to ensure an **increasingly close relationship with Customers**, understanding their needs and the areas in which greater technical, service and market support is required, but also in view of developing innovative solutions that meet the needs of the various markets. Specific Action Plans are formulated and implemented through joint activities at the HQ and country level, with monitoring of the results achieved.





# Energy transition

The energy transition to renewable sources is certainly one of **humanity's greatest challenges in combating climate change**. There can be no doubt that only by driving down the costs of generating renewable energy and supporting its parity with fossil sources will it be concretely possible to achieve the goals recently set for the coming decade by the European Commission and the United Nations Sustainable Development Goals.

Prysmian Group has a **central role** to play in this process as an enabler of this transition.


In fact, cables form the **backbone of power grids**; without them, it would be impossible to implement the energy transport process. Cables are essential to transmitting renewable energy from where it is generated (offshore wind farms) to where it is distributed (communities and cities), thus enabling the generation and transmission of cleaner, smarter and more competitive energy.

Cables and cable technology are therefore the **key element in enabling the energy transition to efficient, smart and sustainable networks**, indispensable to the development of a decarbonised economy and a new growth model.

## CABLE PERFORMANCE: KEY TO THE FUTURE

Prysmian Group is committed to constant innovation in the area of land and submarine high-voltage cables, a key element for the development of networks for the energy transition.

In seeking constant improvement in the cable performance, the goals relate to:

- **cables capable of being installed at increasingly greater depths** and in any marine environment, reaching as deep as 3,000 metres;
  - **interconnections at an increasingly longer distance**, to connect countries located far apart from one another, and cables capable of connecting the wind farms located farthest from land (for example, floating wind farms) and in the windiest areas;
  - **increasing the intrinsic reliability of cables**, limiting their dispersion and equipping them with sensors capable of monitoring the system;
  - **increasing cable productivity**, while also generating a significant impact on the reduction of the costs of construction of the system.
- 





# Sustainability is in our DNA

**Sustainability plays a crucial role** for Prysmian Group, which is committed to promoting a business model that integrates economic, social and environmental responsibility into all aspects of its activities.

This takes the form of constantly monitoring the **Group's sustainability performances throughout its entire value chain**, not only to assess the results, but also to develop a proactive attitude in decision-making processes, focusing constantly on international and industry developments, while seeking to view the future through the lens of responsibility towards the environment and society.

## ESG FULLY INTEGRATED

As an ESG fully integrated Group, Prysmian Group has implemented concrete, measurable actions translated into a plan that combines, within its activities, management of social, economic and environmental aspects with the requirements relating to the sustainability indices adopted by the Group, the 17 Sustainable Development Goals (SDGs) for 2030 formulated by the United Nations, and the needs to listen to all stakeholders.

## PUBLIC COMPANY

Prysmian Group is above all a public company with a broad shareholder base in which it is fundamental to align the interests of the Group with those of all its stakeholders.

Accordingly, open, transparent dialogue has been established with its shareholders, employees, clients, suppliers, institutions, and the communities in which the Group operates.

Likewise, the highest international governance standards are also observed: 67% of board members, for example, are independent and 42% are women. Integrity as a company value translates into a series of tools and policies such as the Code of Ethics, the Anti-Bribery Policy, the Privacy Policy and the Whistleblowing Programme, which enable transparent, efficient management.

## PEOPLE COMPANY

Prysmian Group is a company of people that supports and recognises the abilities of those who work at the Group with ongoing, multidisciplinary, specialist training of its employees, many of whom – approximately 9,200 of a total of nearly 29,000 people – are also long-term Company shareholders. In fact, the management and employees hold approximately 1.5% of Prysmian Group's share capital, investing directly and thus showing their confidence.

3

## INCENTIVE SYSTEMS

Prysmian Group adopts a management incentive model, shared by Prysmian Group's entire management, based on achieving improvement goals for ESG indicators.

The Group's 2019 performance in relation to these criteria is assessed by the Compensation, Appointments and Sustainability Committee on the basis of the results achieved, as measured by a series of indicators that underline the progress made towards the plans of action identified. In accordance with the parameters set by the foremost sustainability indices in which the Group participates, such as the Dow Jones Sustainability Index, CDP Index and EcoVadis index, there is a particular focus on management gender diversity, reduced CO<sub>2</sub> emissions and issues relating to occupational health and safety.

4





# Linking ambition to reality

## THE WORLD HAS REACHED A MOMENT OF UNPARALLELED OPPORTUNITIES

These opportunities – for universal connectivity, for cleaner energy, for industrial efficiency and manufacturing proficiency – aren't just about innovation: they are about sustainable evolution.

**At Prysmian Group, we believe that innovation should be driven by our customers.**

It should solve their challenges, increase their potential and power their future. This means going beyond the evolution of the physical technologies that the Group is renowned for, and discovering new ways of adding value to our customers' businesses.

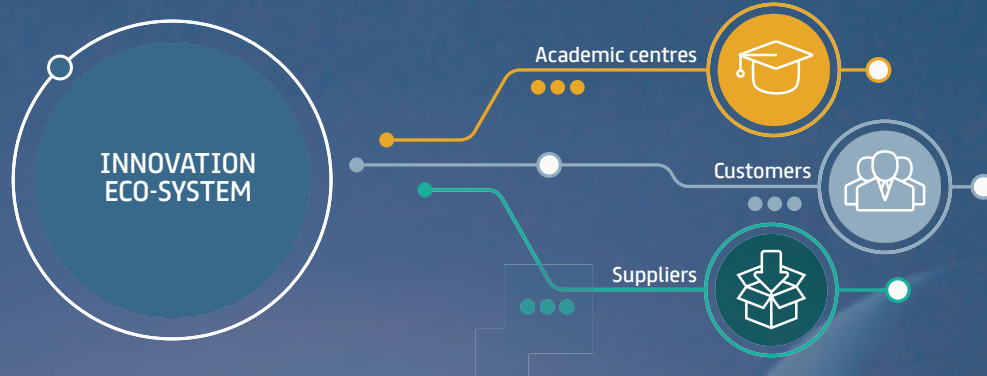
With **four drivers of innovation** across the Prysmian Group – R&D, Prysmian Electronics Corporate Hangar and Digital Innovation – and the strength of a team of over 900 specialists in 25 global research centres, we are well placed to provide our customers with meaningful innovation which accelerates their business growth.

We focus our innovation efforts in a way which reinforces our company purpose: to enable the **energy transition** and power the **digitalization** of our communities in a **sustainable way**.

Prime examples of technologies which power interconnections and decarbonisation include P-Laser – the world's first recyclable, high-performance thermoplastic elastomer HVDC solution – and our submarine cables, featuring synthetic armour and installable at depths of up to 3,000 metres.

Our bend insensitive Flexribbon™ cables are another demonstration of our commitment to meaningful innovation, combining newfound flexibility with reduced cable diameters. These extraordinary capabilities allow the world's information Goliaths to build their data centres, 5G infrastructure and IoT networks more creatively and more ambitiously.

And by tripling cable density in our Sirocco range, our customers can quickly and safely extend high-speed data networks to previously unreachable communities – even those in extreme climates.



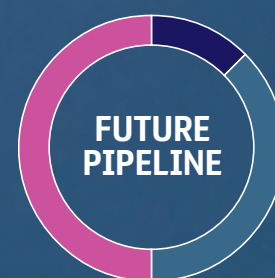
And innovation doesn't stop with our products. Corporate Hangar embraces a philosophy of open innovation, allowing us to increase the speed and scope of innovation. From dedicated customer discovery workshops, to increasing entrepreneurship, we create an ecosystem where Prysmian people can pursue ideas which will shape our company's future. And our ground-breaking Digital Innovation lab reimagines Prysmian Group with renewed digital ambition, propelling us beyond our reputation as a cable business, to become a full solutions provider.

Today, we are evolving our abilities in order to better serve our customers in the way you need. Our solutions are not only powered more intelligently, they also offer additional services and digital products. So, you can become more competitive, contribute to emerging opportunities, and increase the freedom your teams have in their work.

From developing never-before-seen digital sensing technologies, such as our Alesea IoT cable management systems, to providing asset monitoring and management solutions; from improving operational efficiency, to maximising reliability – every invention comes from working with, listening to and understanding our customers.



- 8 Energy transition
- 13 Digitalization
- 8 ESG

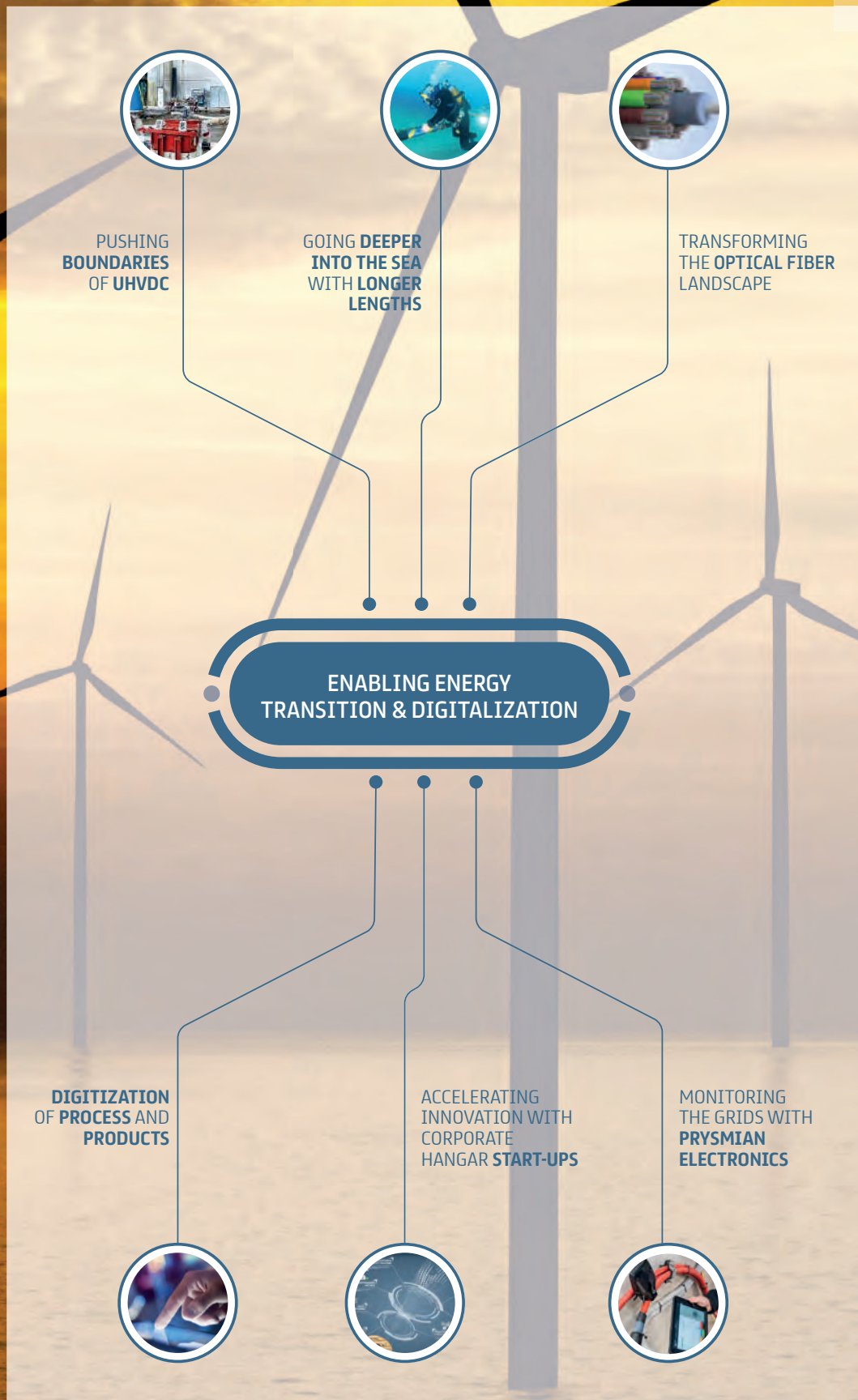


- 4 Energy transition
- 12 Digitalization
- 16 ESG














We're powering a truly sustainable future for ourselves and for our customers – without compromising on quality. Together, we can find, create and deploy solutions which build a better future for everyone.

Innovation distinguishes the world's leaders from the followers.

For Prysmian Group, it's not optional: it's part of our DNA. And it has been for more than 140 years.



Sail boat photos courtesy: François Van Mallegheem



