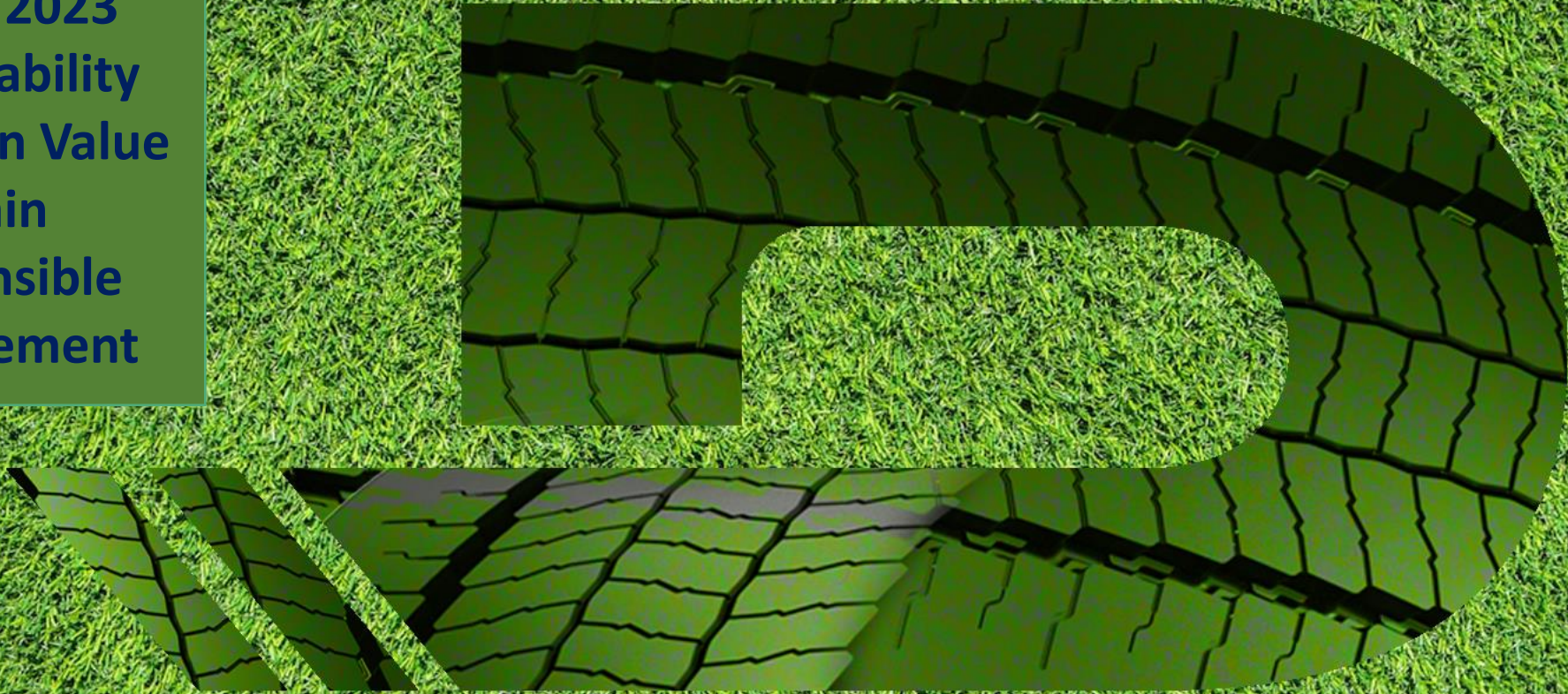


Prometeon Tyre
Group 2023
Sustainability
Report on Value
Chain
Responsible
Management



PROMETEON

TYRE SOLUTIONS FOR PROFESSIONALS

PROMETEON 360° SUSTAINABILITY



PROMETEON TYRE GROUP'S VALUE CHAIN



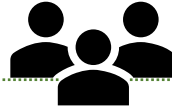
RAW MATERIALS

The main raw material groups in tyre manufacturing are natural and synthetic rubber, filler, chemicals, carbon black etc. Prometeon uses different raw materials suppliers and all suppliers are required to sign a Sustainability and Natural Rubber clause and compile an assessment before to be selected. Prometeon conducts Sustainability audits on all suppliers of raw materials by a second party company since 2019 (UNGC 1,2,4,5,10)



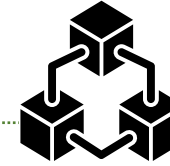
TRANSPORTATION OF RAW MATERIALS

Most of the raw materials for tyres are transported by sea to large ports in the countries where Prometeon operates (Turkey, Egypt and Brazil) - (UNGC 10)



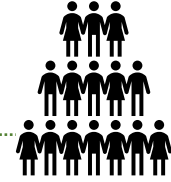
SUBCONTRACTORS

Prometeon works globally with several subcontractors in various fields such as logistic, cleaning and security. All new subcontractors offering their services are expected to commit to the Company's Code of Conduct (UNGC 1,2,10)



GROUP FUNCTIONS

Prometeon produces tyres in 3 countries: Brazil, Egypt and Turkey and sales companies are located in the key markets (UNGC 1-10)



SOCIETY

Our impact is directly seen in our factory locations as a locally significant job creator and permanent part of the surrounding community. Our purchases, salaries and taxes as well as the distributed economy value contribute to well being through the world (UNGC 3,6)



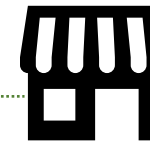
RECYCLING

End of life tyres can be shredded of granulated to replace rock materials in road construction, for example. Another way is to combust used tyres for energy. We are already using some recycled materials in our products, such as recycled steel and natural rubber.



CONSUMERS

The users of our tyres are the most important link in our value chain. As it is one of the main driver of the Company's carbon emissions, our product development efforts for reducing their environmental impacts are measured during their use by consumers (UNGC 7,8,9)



CUSTOMERS

Prometeon products are sold globally via its distribution network through our Original Equipment and Replacement channels. Our tyres are sold in more than 160 countries.



TRANSPORTATION OF TYRES

Our logistics footprint has been developed to guarantee the customer satisfaction (UNGC 10)

MANAGEMENT MODEL & SUSTAINABILITY MISSION

- Prometeon is the only Global Tyre Manufacturer entirely dedicated to the Industrial market, which includes Truck, Bus, Agro and OTR tyres;
- Prometeon **explores the Sustainable Management Model** with governance tools to support maintenance and creation of values, relationships with Stakeholders and related connection with the development of financial, productive, intellectual, human, natural, social and relational capitals;
- **Governance and Business Ethics:** Sustainable Management Model adopted by the Company, related Policies and Procedures;
- **Social Dimension:** governance dedicated to the Internal Community (Compensation & Benefits policies, International Mobility, Training & Development, Welfare, Industrial Relations). Occupational Health, Safety & Hygiene. Contributes to the External Community;
- **Environmental Dimension:** Energy Consumption, Water withdrawal & consumption, Green Gas emissions, Waste recovery Management, Solvents and Nox/Sox;
- **Economic Dimension:** distribution of added value is detailed along with the management and performance relating to customers and suppliers and the product portfolio of Prometeon; Quality certifications;

Group Code of Ethics provides and formulates to all Group's affiliates with cogent and uniform guidelines for the professional practices to be followed by anyone who works or has business with Prometeon:

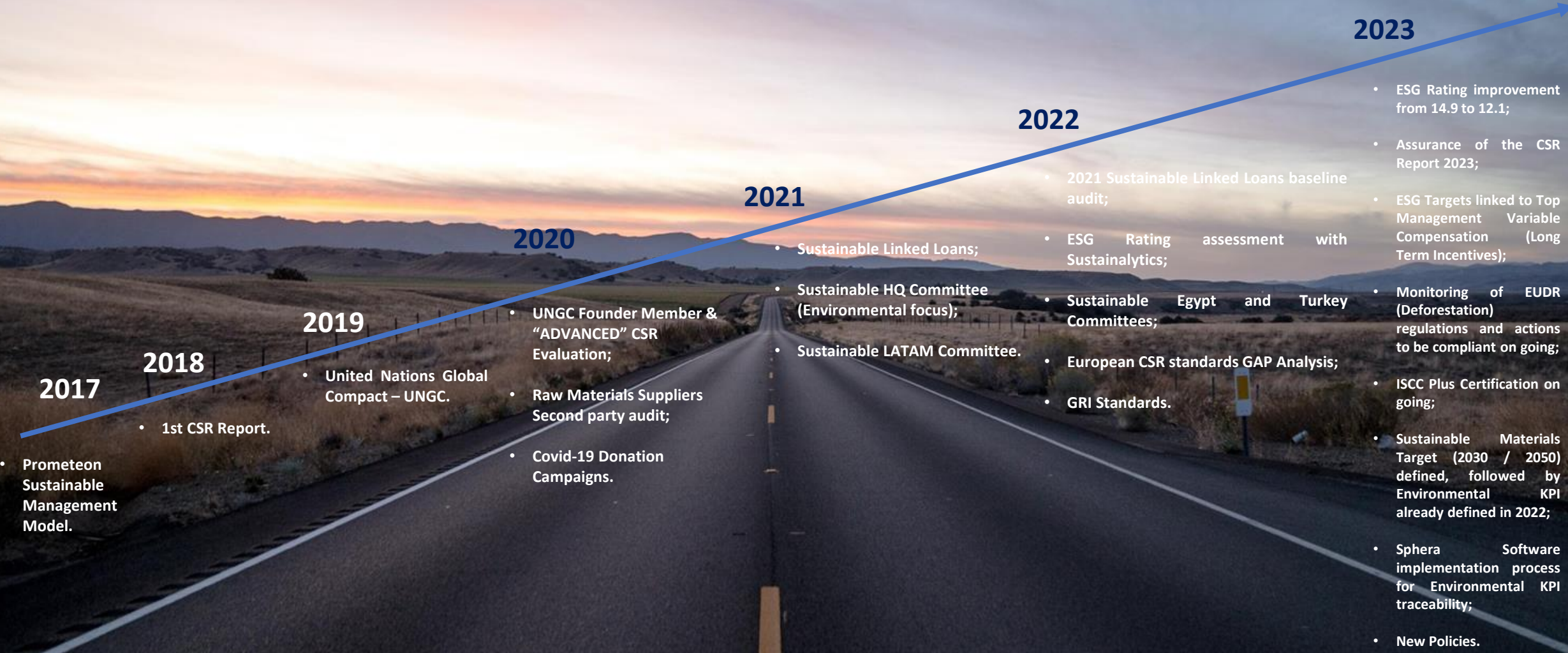
- general principles of transparency;
- fairness inspiring the conduct of business;
- objectives;
- the values informing business activity to stakeholders: investors, environment, financial market, customers and staff, etc.

The information systems that contribute to collect the data accounted in the report are:

- HSE-DM (Health, Safety and Environment Data Management);
- SAP: HR module (SAP Human Resources & SuccessFactors System);
- HFM module (SAP Financial Accounting).



FROM 2017 TO 2023 – PROMETEAON’S SUSTAINABILITY GROWTH



The new reporting standard of Sustainability Report on Value Chain Responsible Management

- ❑ Since 2019 the Company joined the **United Nation Global Compact (UNGC)** as a participant. During the same year Prometeon started to report its Sustainability applying standard required by UNGC. In 2020 Prometeon became founder member to the Italian Network of UNGC. Furthermore, together with the standards of the 10 principles of UNGC, the Company reported also supporting the SDGs responding to the mandatory standard set by the over mentioned Institutions;
- ❑ 2022 the Company decided to apply the **Global Reporting Initiative (GRI)** in its Sustainability Report enhancing the Sustainable Management Model. The reporting based on the GRI requires Prometeon to declare information considered mandatory for the transparency of the communication of the data giving also a global language for all these companies who apply the GRI standard;
- ❑ Furthermore, it has to be highlighted that with the application of the new methodology of the GRI , Prometeon in 2023 submitted its Sustainability Report to an external assurance to certify the report in order to be ready for the new regulation which requires to all Company in 2025 to disclose and report Sustainability activities of the Company (**Corporate Sustainability Reporting Directive - CSRD**)

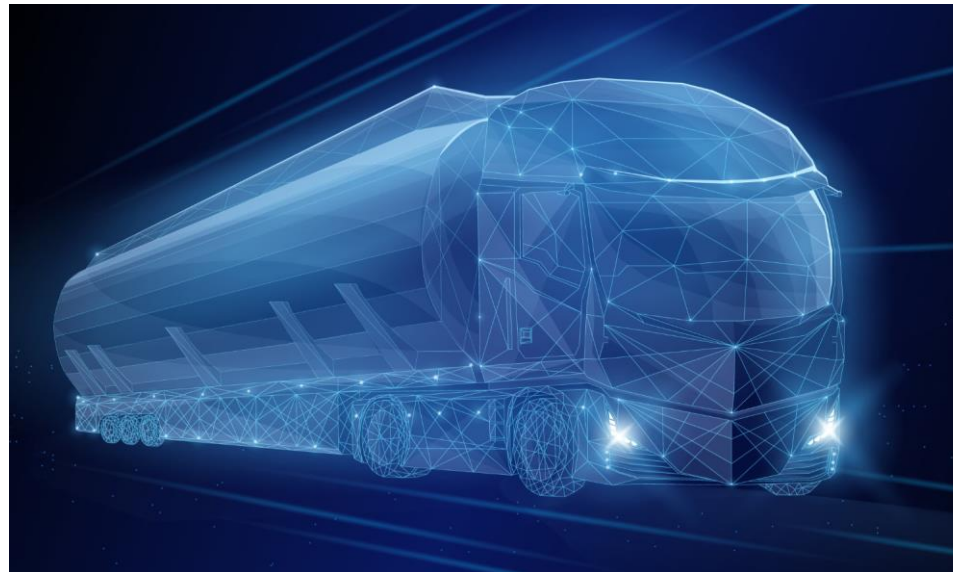
In the following slides the results of all the activities carried out to set the new Sustainability Report based on UNGC Principles, SDGs, ESG Rating standard and GRI;

WE SUPPORT



PROMETEON

Prometeon Tyre Group supports the Sustainable Development Goals



GOVERNANCE & BUSINESS ETHICS

- Policies published on Prometeon's web:**
- the "Ethical Code";
- the "Code of Conduct";
- the "Organizational Model 231";
- the "Anti-Corruption Program";
- the Group "Equal Opportunity Statement";
- the "Global Human Rights" Policy;
- the "Global Antitrust and Fair Competition" Policy;
- the "Competition Compliance Manual";
- the "Group Regulations";
- The "Political Involvement and Lobbying" Policy;
- the "Compliance with limitation on relationships issued by authorities" Policy;
- the "Group Whistleblowing - Group Reporting Procedure" Operating Procedure;
- The "Global Privacy" Policy;
- "Operating Procedure regarding Personal Data Breach";
- "Operative Instructions on Internal Risks Monitoring";
- the "Health, Safety and Environment" Policy;
- the "Corporate Social Responsibility" Policy;
- the "Sustainable Procurement" Policy;
- the "Sustainable Natural Rubber" Policy;
- the "Conflict Minerals and Cobalt sourcing" Policy;
- the "Global Quality" Policy;
- "Conflict of Interest";
- the "Social Media" Policy;
- the "Tax Governance" Procedure;
- the "Global Tax" Policy;
- "Tax Monitoring";
- the "Transfer pricing" Policy;
- the "Intercompany pricing Policy for financial transaction";
- the "Gift made, received and donation Operating Procedure";
- "Entertainment Expenses Operating Procedure";
- "Prometeon Tyre Group Risk Management" Policy;
- the "Global Travel" Policy.

Programs of Compliance 231 , Anti-corruption

Administrative responsibility of companies and bodies provided for by **Legislative Decree 231/2001** in Italy. The Program is available on the Prometeon's intranet and website. The company continues to follow all the procedures necessary to deal with the Anticorruption, UK "Tax Evasion", "Ley Organica" in Spain, "231" in Italy etc..



Organizational Model 231 – 2023

Prometeon Tyre Group updated its Model 231 in Italy due to changes in the relevant legislations and the Company's organization structure.

CERTIFICATIONS & MANAGEMENT STANDARDS

-  IATF 16949:2016 International Standard for Automotive Management System
-  ISO 9001:2015 Quality Management System
-  ISO/IEC 17025 General Requirements for the competence of testing and calibration laboratories
-  ISO 45001:2018, Occupational Health and Safety Assessment Series
-  ISO 14001:2015 Environmental management systems
-  Energy Certification ISO 50001 (Turkey Plant)

2023 MAIN FOCUS:

- The "Sustainable Procurement Policy "**
 - ❖ The aim was to increase sustainability and the commitment of Prometeon along all its supply chain. Moreover, the Company wanted to rise engagement with **OEM** but also to improve **rating assesment score** and to meet **international standards** on Supply chain management. Also contract agreement condition of Procurement have been reviewed in line with the Policy framework. Supplier award kicked off in 2023 with the requirements mentioned in the Policy;
- The "Sustainable Natural Rubber Policy"**
 - ❖ Being part of **Global Platform for Sustainable Natural Rubber association (GSNR)**, Prometeon integrated the requirement of the policy framework with the aim to strengthen its supply chains' commitments. Prometeon is committed to promoting, along the entire natural rubber supply chain, a **sustainable, transparent, traceable and responsible** production and transformation process, that: takes care of people, environment, respecting laws and international regulations, standards being a best practice;
- The " Transfer pricing Policy"**
 - ❖ Outlines the methodology and underline principles governing all the types of the intercompany transactions carried out by Prometeon. The aim is to guarantee that entities involved in transaction are remunerated in line with their functional risk profile in compliance with **Organization for Economic Cooperation and Development (OECD)** Transfer Pricing Guidelines;
- The "Global Travel Policy"**
 - ❖ reviewed based on specific business needs, market conditions and inflation impacts. The Company updated the annex with the price list in 2023;
- The "Gift made, received and donation" Operating Procedure**
 - ❖ In 2023 a new Policy has been released regarding the management of gifts made/received, donations and contributions by employees, executives and third parties acting on the name or on behalf of the Company;
- The "Prometeon Tyre Group Risk Management" Policy (insurance)**
 - ❖ The Policy issued aims to describe the Company's approach to risk management which is based on a direct involvement in all negotiations with insurers and reinsurers;
- Intercompany pricing Policy for financial transaction**
 - ❖ Update of the Policy with the purpose of defining methodology for definitions and economic and contractual condition applicable on all financial transactions performed among group companies, ensuring fulfillment of tax requirements of these group companies;

GOVERNANCE & BUSINESS ETHICS

❑ PROMETEON'S COMMITTEE

❑ **Risk Committee (Enterprise Risk Management):** to **identify, monitor and assess risks** which could affect the Company's value and goals achievement.

- ✓ The aim is to ensure that **risks identified** within all the Group Companies **are managed properly through prevention and neutralization/mitigation** of the risks in a systematic and structured way or rather seizure of advantages of potential additional opportunities by aligning the Business Strategy with events identified;
- ✓ At HQ level, the **Group Risk Committee** discusses and **analyzes monthly** the information and **report provided by Local Risk Committee**;
- ✓ **Risks are categorized in 3 typologies:** external, strategic, and operational;
- ✓ **For each risk identified**, event probability and impacts have to be studied as well as provision and remediation plan.
- It allows the Company to have an overview of risk position across the functions and countries.

❑ **Sustainability Committee:** to establish a unified view of ESG, increasing understanding of all aspects, environmental, social and governance, and to promote robust standards of Corporate Governance that integrate all these aspects. In 2023 all Committee worked at local and global level to better unify the view of Corporate Social Responsibility of Prometeon.



❖ Key objectives:

- Emphasize importance of environmental measures, sustainability goals and performance, at all levels of the business;
- Provide best practices on the structure, policies and regulations that impact the business;
- Increase understanding and awareness of Corporate Governance and social aspects that impact the industry;
- Implement and promote common and workable standards of corporate governance for the business.

❑ Headquarter Committee

- ✓ The team worked to monitor the **KPIs of reduction** of waste, water, solvent, energy and CO2 emissions for **2025 – 2030** published in 2022;
- ✓ The Committee approved the membership to **the Global Platform for Sustainable Natural Rubber (GPSNR)** to reinforce its commitment for the use of the Natural Rubber in a sustainable way as per a sustainable supply chain;
- ✓ The Committee decided to buy a specific software, **Sphera** which provides a scale solution based on a deep knowledge and broad experience of situations. It will be able to respond to a multitude of reporting and stakeholder initiatives and will allow to easily comply with the new ESG reporting framework, which is in line with the growing interest of investors;
- ✓ The Committee supported all the functions involved for the implementation of the **ESG Rating action plans** defined by Sustainalytics;
- ✓ **ISCC Plus Certification:** for this purpose, the Company decided to buy Sustainable Natural Rubber to be used for production of tyres and benefit from the ISCC Plus certification considering the whole upstream supply chain in a **certified plant which will be Izmit's Plant in Turkey**. Thanks to this process Prometeon will be able to sell in the market, based on the tons of Sustainable Natural Rubber bought, a **specific number of tons of finished products**;
- ✓ Throughout 2023, Prometeon Tyre Group signed with the Shareholders its engagement to reach the **Carbon Neutrality in 2050**. The Company must become carbon neutral by 2050. This means that the Company has been committed into balancing carbon dioxide emissions with the amount of carbon absorbed from the atmosphere. The Shareholders asked to Prometeon to sign and fully adhere to the project of the Carbon Neutrality set for 2050;
- ✓ Sustainability Committee worked to identify **new sustainable materials** which can replace completely the current materials used in the production by 2050. Prometeon Tyre Group during 2023 set targets for 2030 and 2050 with the aim to replace the actual materials with sustainable one in which for the 2030 the Company will replace 40% of its raw materials and 100% in 2050. *For further details refer to Environmental Dimension*;
- ✓ **EUDR regulation and Deforestation:** in 2023 Prometeon is committed to sourcing the natural rubber for the tyres to be imported into the EU by deforestation-free sources required for 2025;
- ✓ In 2023 the Committee monitored the **reduction targets set for 2025 and 2030** confirming that reduction are in line with the management plan defined. *For further details refer to Environmental Dimension*.



GOVERNANCE & BUSINESS ETHICS

□ Brazil Committee

- ✓ during 2023, the local Committee organized new activities and restructured the path with the aim to better achieve the key objectives being always aligned with the Global Sustainability management model;
- ✓ Another key point, considering the local and global materiality/risk matrix, the ESG Latam committee developed 10 Programs evolving both of these matrices, aggregating and adapting to the local needs;
- ✓ Local HSE teams completed the first phase of the **Zero Harm Program**, as planned. The second phase agreed with all leaders was maintained, all implemented activities are in progress and the results can be monitored according to the Company's criteria through input and output indicators. With the support of the analysis regarding the Performance Index and the Frequency Index, it has been highlighted that the Company is on the right path;
- ✓ Subcommittees analyzed materiality, impacts and risks;
- ✓ Every week local committee send to all participants an ESG message to sensitize on the topic.

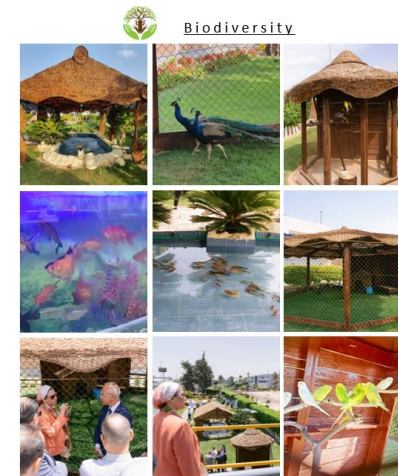
□ Turkey Committee

- ✓ in Turkey the Committee has been kicked off in 2022 and underwent restructuring in 2023 to spread Sustainability more effectively to all functions involved in the local Committee;
- ✓ Operation/Manufacturing, R&D, Quality, HR, HSE, Supply Chain (Logistic & Procurement), Corporate Communication (Marketing & Sales), Financial Operations and Mobility Solutions & Digitalization (ICT) have been involved in the local Committee asking them to set targets at short, medium and long term;
- ✓ Here below some examples of short terms goals reached in 2023 are the following:
 - ✓ **HR:** to announce Company information it has been decided to remove the use of paper and replace it with a mobile application (21k sheets annually have been saved);
 - ✓ **R&D:** reduction of tyre movement in the factory, the process flow was aimed to reduce the CO2 emissions;
 - ✓ **Logistic:** to create less environmental waste the team organized to better monitor the slow-moving stock and communicate to sales team using the criteria of FIFO to reduce the waste;
 - ✓ **Operations:** installation of various instruments / machineries to enhance the incident prevention and management system.

□ Egypt Committee

During 2023 in Egypt the local Committee worked on the following aspects and topics:

- ✓ Hosting an International Environment Day event to tackle plastic pollution with the #Beat Plastic Pollution campaign;
- ✓ Celebration for the national environmental day under the slogan of “Live Green” on 27 January;
- ✓ Visit of the Minister of Environment to see the wastewater treatment and the biodiversity at the plant.
- ✓ Joining the green economy forum in Egypt 2023, of the 5th strategies for transition to green economy entitled “Green DNA”;
- ✓ Our Environmental performance indices KPIs reduction targets defined for the year 2020 and 2030;
- ✓ Increase Green Areas all over the facility to Improve CO2 footprint. By adding 3000 m2 of green areas;
- ✓ Maintain the plantation and generation of plants by building a new green house;
- ✓ Saving CO2 emissions as part of our climate action through recycling the IT non-hazardous waste;
- ✓ Improving of Waste segregation system (hazard, quality waste) inside the plant;
- ✓ Reduction by 50% of total water consumption through different;
- ✓ Gender Diversity in Prometeon Egypt;
- ✓ Contractor Workers New Lockers building for more healthier work environment for contractors;
- ✓ Environmental scrap sales contracts sold around 3,338 tons.



GOVERNANCE & BUSINESS ETHICS

❑ PROMETEAON'S MEMBERSHIP ASSOCIATIONS

❖ The Company engages with various associations and other non-governmental organizations by participating various projects and programs, seeking to promote in every possible way its commitment for sustainability in economic, social and governance aspects.

- The **United Nations Global Compact**: to encourage businesses worldwide to adopt sustainable and socially responsible policies;

News on regulations, labelling, anti-dumping, deforestation, activities on technical aspects of tyres, efficiency & profitability:

- European Tyre & Rubber Manufacturers Association – ETRMA;
- Global Platform for Sustainable Natural Rubber – GPSNR;
- The European Tyre and Rim Technical Organization – ETRTO;
- Associação Nacional da Indústria de Pneumáticos – ANIP;
- Federazione Gomma Plastica;
- Lastik Sanayicileri ve İthalatçıları Derneği – LASID;
- YASED International Investors Association;
- American Chamber of Commerce - AMCHAM BRASIL;
- Centro das Indústrias do Estado de São Paulo – CIESP;



End of life tyres:

- Lastik Sanayicileri Derneği – LASDER;

❑ ETHICAL RISK ASSESSMENT

- To improve and empower Governance & Business Ethics Dimension and more deeply sustainability policy at group level;
- Assessing and managing the ethical risks that the Company faces is important to avoid reputational damage and financial losses;
- Topics assessed are related to Code of Ethics, Code of Conduct, Whistleblowing procedure, Gift Policy, Sponsorship, Consultancies services selection and engagement process, etc;
- 2023 a self-inspection for ethical risk assessment with focus on bribery and corruption was performed involving responsible of the Company in the different Regions/Countries;
- No anomalies have been detected and all the results are useful to highlight current areas of improvement and set action plans to be implemented to reduce or eradicate their potential negative impacts.

❑ PROMETEAON ANALYSIS OF MATERIALITY AND IDENTIFIED RISKS

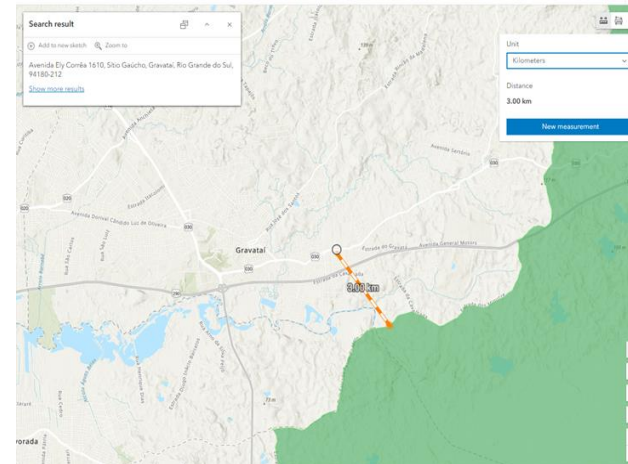
❑ **The identification of materiality** issues for the company is linked to the identification of current and potential significant impacts generated or likely to be generated by the Company on the economy, the environment and people, including impacts on human rights, through all of the organization's activities and business relationships;

❑ The impacts include:

- ✓ negative and positive impacts;
- ✓ short-term and long-term impacts;
- ✓ intentional and unintentional impacts;
- ✓ reversible and irreversible impacts.

✓ In 2023 Prometeon identified a **new material impact** which has been added to the others 12 materials impact already identified in 2022. This year the material topic was related to **Biodiversity**. For this reason, the Company disclosed about this new material through the GRI 304 – 1.

❑ Here below an example of the disclosure related to the Biodiversity and Prometeon:



Prometeon Tyre Group Industria Brasil Ltda.
Av. Ely Corrêa, 1610 - Dona Mercedes, Gravataí - RS, 94180-212

The Company took into account a perimeter of 5km distance from the factory to consider significant and potential impact for biodiversity;

The factory has an extension of 617.012,61 MQ2;
 ➤ Based on the analysis carried out it has been found that at 3km from the factory an area of Environmental Protection is present;

Here below the details of the area detected:

- Área De Proteção Ambiental Do Banhado Grande - Área de Proteção Ambiental;
- National Type; Designated in 1,998;
- **Managing Authority**
SECRETARIA DO AMBIENTE E DESENVOLVIMENTO SUSTENTÁVEL DO RIO GRANDE DO SUL – RS.



GOVERNANCE & BUSINESS ETHICS

Here below the list of the themes found to be material following the identification and aggregation of material impacts. Each material theme has been associated with the relevant GRI Disclosures and, for each theme, the appropriate reporting boundary has been defined.

Material Topics	Impacts	Positive/Negative	Actual/Potential	Significance
Energy consumption and the fight against climate change	Negative impacts on climate change	Negative	Actual	Very relevant
	Increased energy consumption	Negative	Actual	Very relevant
Management of pollutant emissions	Impact of air pollution on health and the environment	Negative	Actual	Very relevant
Waste management and circular economy	Health and environmental impacts of waste	Negative	Potential	Relevant
	Climate change mitigation through waste utilisation	Positive	Potential	Relevant
Use of sustainable materials and responsible procurement	Deterioration of raw materials	Negative	Actual	Very relevant
Protection of water resources	Increased water stress	Negative	Actual	Relevant
Protection and development of human capital	Lack of worker protection for non-transparent recruitment practices	Negative	Potential	Relevant
	Human capital development	Positive	Actual	Relevant
Diversity and inclusion	Discrimination in the working environment	Negative	Potential	Relevant
Protection of human and labour rights	Violation of human rights	Negative	Potential	Relevant
	Exploitation of child labour	Negative	Potential	Relevant
Health and safety at work	Health and safety of direct and indirect workers	Negative	Potential	Very Relevant
Responsible business management	Impacts of corrupt behaviour	Negative	Potential	Relevant
Value generation and distribution	Creation of economic value for the territory and stakeholders	Positive	Potential	Relevant
Innovation	Climate change mitigation with research and innovation activities	Positive	Actual	Relevant
Biodiversity	Loss of natural and animal biodiversity in the areas where Prometeon Tyre Group conducts production activities – Environmental Protected Areas	Negative	Potential	Relevant

- Actual impacts: those that have already occurred,
- potential impacts: those that may occur but, at the time of analysis, have not yet occurred;
- ❖ **Assessment of potential negative impacts:** all policies, procedures and activities implemented by Prometeon to prevent and mitigate the identified negative impact were considered;
- ❖ **The prioritization activity** allowed the Company to determine the material issues for reporting;
- ❖ **At the methodological level:**
 - the main negative and positive impacts identified were prioritized and evaluated according to their degree of severity and likelihood of occurrence.
 - **Actual negative impact:** determined by its severity;
 - **Potential negative impact:** determined by the severity and likelihood of the impact;

The severity of an impact was assessed by taking into consideration three aspects:

- **Scale:** how severe the impact is and the external context in which the impact occurs, including geography;
- **Scope:** how widespread it is and can be measured in terms of its impact on the value chain;
- **Irremediable character:** how difficult it is to repair the damage generated by the impact (considered only for the assessment of negative impacts as indicated by the GRI 2021 Standard).



GOVERNANCE & BUSINESS ETHICS

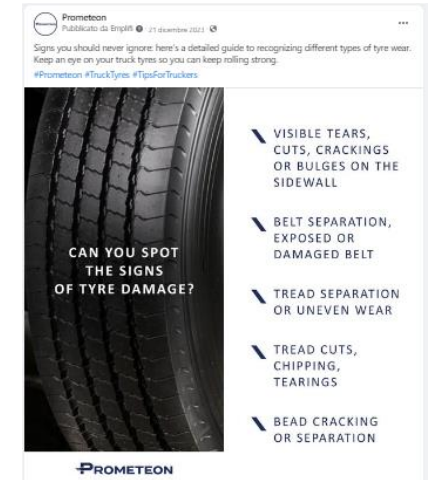
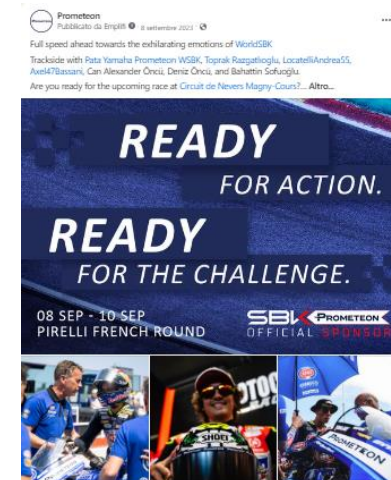
WHISTLEBLOWING PROCEDURE

- 52 whistleblowings flew in from 6 countries in 2023;
- 31 cases to the detriment of the company were ascertained and specific countermeasures were undertaken, mainly corrective interventions aimed to improve the processes and strengthen the internal control system;
- No cases of public legal action against the company concerning corruption practices;
- Segregation of Duties aimed at strengthening the system of internal controls and preventing the committing of fraud.



PROMETEON SOCIAL MEDIA

- in 2023 counts **11 profiles**;
- Besides the International profile “Prometeon Tyre Group”, the Company counts other **11 local country pages**: Brazil, Argentina, Turkey, Egypt, Mexico, Afme, Italy, Germany, United Kingdom, Poland, and Spain;
- On a **monthly basis** each profile has its **customized editorial plan**, the aim is to provide, not only to the followers, but to the widest possible public information about the Company;
- Increasing Prometeon corporate brand awareness**;
- Global vision of the products** and related **services** offered;
- Company initiatives**: sponsorship activities Superbike, Parma Calcio and Italian National football team, employer branding initiatives, events, experience of clients, testimonials, and safety & technical tips for end users.



SOCIAL DIMENSION

□ Prometeon employees at December 31, 2023 equal to **7,741 resources** (vs. 7,880 in 2022), with a **net decrease of 139 resources** compared to the previous year.

BREAKDOWN OF EMPLOYEE BY CATEGORY

	Executive	Cadre and Staff	Permanent WC	Temporary WC	Blue collars	Permanent BC	Temporary BC	Total
2021	44	1,154	1,175	23	6,579	6,037	542	7,777
2022	45	1,204	1,234	15	6,631	5,886	745	7,880
2021 VS 2022	1	50	59	-	52	-	203	103

	Executive	Cadre and Staff	Permanent WC	Temporary WC	Blue collars	Permanent BC	Temporary BC	Total
2022	45	1,204	1,234	15	6,631	5,886	745	7,880
2023	51	1,281	1,316	16	6,409	5,503	906	7,741
2022 VS 2023	6	78	82	2	-	383	161	-139

- Compensation & Benefits, International Mobility;
- Training and Development Procedures;
- Industrial Relations Management.

CORPORATE IDENTITY AND MINDSET OF PROMETEON TYRE GROUP

- The project Prometeon dedicated to the new Employee Value Proposition, allowing business strategy to be actionable through people, has been concluded in 2023;
- ❖ **The focus points analyzed were the following:**
 - ✓ Set the values that the company can offer to current or future employees gaining a competitive advantage in the campaign for talents;
 - ✓ Establish the contribution of each employee clearly specifying key objectives and goals;
 - ✓ Empower people to express strong engagement unleash their Innovative potentials;
 - ✓ Generate maximum Operational Effectiveness which makes a company sustainable aligning people's and company's expectations;
- **In 2023, the People Strategy, to set the new DNA of Prometeon based on 3 main drivers defined in 2022 continued to be developed:**
 - **Best People:** role modelling, robust talent and leadership;
 - **Great Performance:** business alignment, implement a lean organization;
 - **Winning Mindset:** became employer of choice, build engaging environment.

Mission

We are a multibrand manufacturer of Truck, BUS, Agro and OTR tyres, distributed all over the world. We design, develop and engineer products and services to meet customers' needs and expectations

Vision

We want to be the most trusted Company for our stakeholders

Who we are

The Partner of Choice

Our promise

We Care
We Commit



SOCIAL DIMENSION

EMPLOYER BRANDING

The Company bases its business approach in the highest segment of the market such as:

- technological know-how;
- product innovation (e.g. launch of new brand and new products);
- commercial leadership.

Prometeon organizes at worldwide level many initiatives, events and projects such as:

- **career days;**
- **job fairs;**
- **factory tours;**
- **partnerships with prestigious universities** in various countries to give the opportunity to graduate to work in collaboration with Research & Development and Open Innovation function.

ITALY

Prometeon decided in 2023 to start new partnerships and collaborations with other important organizations and institutions such as:

- **HR Community;**
- **Ambrosetti;**
- **CEO4Life;**
- **World Business Forum.**



BRAZIL:

Vagas website: the Company worked to provide a new visual identity for the job recruitment platform "Vagas.com" in order to augment the visibility of the job opportunities as per the brand awareness of Prometeon.

LinkedIn in 2023: Prometeon continued to work to enhance its **brand awareness** and **presence on the web** sharing posts and information regarding the Company, its employees and the **main sponsorship** activities in which Prometeon is involved and committed.



ITALY

- **H-FARM College Career Day:** an event to present careers to students but also an opportunity to share passion for innovative technologies giving to student real job opportunities;
- **Green Hackathon:** increase the Company's awareness building strong relations with local universities and institutions organized by ESCP Business School;
 - Students were divided into two groups, challenging each other to design a project concerning sustainability with the support of several Managers working for various companies, having the role of mentors, for Prometeon, the Head of Internal Audit & Sustainability has been assigned as a coach.

EGYPT

- **IECD partnership:** the Company organized for students **Factory visit** presenting and explaining the **manufacturing process of tyres** with the support of the all the departments involved in the production process to better explain all the technical details;
- **Women Empowerment initiative** to enhance the professional orientation of Egyptian female of 16 years old in the role of blue collars, Prometeon hosted female students organizing:
 - Factory tour to see an entire tyre production process;
 - Providing theoretical sessions of Health, Safety and Environment;
 - Electrical maintenance general awareness courses.
- **University Students Projects Support:** the Company proposed a **technical sponsorship** and supported **18 University Students** in their Graduation Projects in Engineering, Business Administration and Logistics.

TURKEY

- Prometeon participated to several events in 2023 to grow the Company's Employer Branding;
- **Collaboration with Top 10 universities;**
- **Leaders** that participated took an active role **increasing Diversity;**
- Marketing Director, Manufacturing Director, Human Resources Director and Industrial Quality Manager participated presenting Prometeon during several Universities career summits.

BRAZIL

- **External audiences and the promotion to join the Company:** several investments have been made offering prestigious job position seeking to bring new and qualified people to **#PrometeonFamily**.
- **In all the countries** where the Company operates, activities of employer branding have been carried out (universities, colleges, business schools).



SOCIAL DIMENSION

□ During 2023, starting from the values and behaviors, the key competencies of the new Leadership Model were defined:

VALUES	BEHAVIOURS	KEY COMPETENCIES
RESULT DRIVEN	AIMING FOR EXCELLENCE	DRIVING FOR RESULTS (results, quality, ambition)
		PLANNING (structure, plan, define "how")
PASSION	MOTIVATING PEOPLE	INSPIRING ENERGY (engaging leadership, energy, empowerment)
		PEOPLE DEVELOPMENT (caring, continuous people growth, active listening and feedback)
OPENNESS	ENJOYING CHANGE	TRANSFORMATIONAL MINDSET (open minded, adaptability to change, thinking out of the box to propose new perspectives and actions)
		MARKET INSIGHT (curiosity, market acumen, data analysis)
RESPONSIBILITY	PROMOTING TRUST & INCLUSIVENESS	ROLE MODELSHIP (consistency, example, loyalty, trust)
		TEAMWORKING (interdependence, inclusion)
COURAGE	TRANSFORMING IDEAS INTO REALITY	ENTREPRENEURSHIP (proactiveness, try always to add value not only focusing on the execution)
		FAILURE TOLERANCE (decision making, risk taking, learning from failure for oneself and for others)

□ Also, indicators of the **key competencies** had been defined and **16 people (Leadership Team)** had the opportunity to make an assessment on them.:

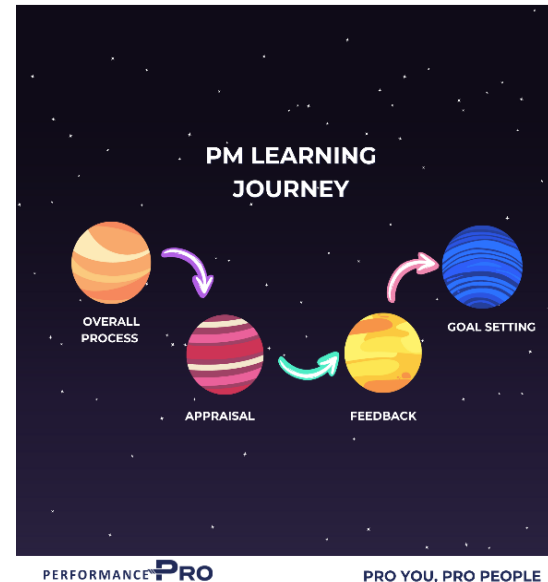
DRIVING FOR RESULTS	Focus on results, quality and excellence . Ability to face the challenge , to seek and achieve ambitious goals
PLANNING	Achieve goals by leveraging all available assets, integrating skills and resources. Generate effective solutions and define action plans that allow the implementation, balancing short- and medium-term planning
INSPIRING ENERGY	Empowering people , expressing engaging and passionate leadership. Convey positive and generative energy that others perceive as a boost and guide towards action
PEOPLE DEVELOPMENT	Take care and monitor engagement and people development , actively promoting their potential and supporting their growth in the mid-long term. Give autonomy, effectively delegate, provide (receive and promote) accurate, meaningful and mutual feedback.
TRANSFORMATIONAL MINDSET	Managing discontinuity as opportunity for development , encouraging change. Leverage different sources to identify solutions also out of the box. Knowing how to challenge the actual adopting different perspectives aligned with new needs and trends (market, customers, external/internal ecosystem...)
MARKET INSIGHT	Learn about the market, with an open-minded perspective and with the ability to collect data to identify the right solution even in phases of discontinuity. Have the ability to analyse the data quali/quantitative around the marketplace : competitors, customers, suppliers,...
ROLE MODELSHIP	Be an example for others, interpreting the values of the company with consistent behaviors . Interact with others through authenticity, also showing vulnerabilities. Be loyal and know how to develop closeness and trust (with colleagues / collaborators / customers...)
TEAMWORKING	Promote a collaborative and inclusive environment, create team spirit . Respect and enhance the skills and contributions of the others. Unleash collective energy, involve everyone to generate ideas/contribution of ideas/ skills and knowhow to generate value through the diversity
ENTREPRENEURSHIP	Have entrepreneurship , proactivity and determination to better in steer the effort , acting in changing business and scenarios. Achieve the results making things happen, with a personal commitment even through ideas, without ever giving up .
FAILURE TOLERANCE	Ability to make decisions even in uncertain settings, taking risks and managing related stress and potential mistakes. Foster an environment where the mistake can be recognized, admitted and not sanctioned, but identified as a learning opportunity for the future .

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□ PERFORMANCE PRO

Talent Development:

- ✓ The new **Performance Management Process: PerformancePRO** has been launched the 6th of March 2023, announced at global level, with a dedicated video from the **Chief HR Officer of Prometeon**;
- ✓ The aim of this project was not only related to the adoption of a new fully digitized tool for the Performance Management but also to accompany the Prometeon population in changing mindset and in developing a culture of feedback;
- ✓ October to December, the Company delivered 2 training sessions:
 1. Overall Process;
 2. Appraisal phase;
- ✓ **1300 White Collars** have been involved at a global level and carried out in 9 different languages: Italian, English, Arabic, Turkish, Portuguese, Spanish, Polish, German and French;
- ✓ March 2024 end of training path with Feedback and Goal Setting sessions;
- ✓ To pursue the improvement on training activity, at the end of each session, participants have been asked to respond to an evaluation survey. The satisfaction rating recorded was **3.4 out of 4**.



2026	Behaviour/Attitude appraisal in the tool Performance Appraisal only through continuous feedback
2025	Continuous feedback culture - KPI driven approach 3 formal moment (check-in) to give feedback in the tool
2024	Continuous feedback culture - KPI driven approach 2 formal moment (check-in) to give feedback in the tool
2023	PerformancePRO Go Live



SOCIAL DIMENSION

LEARNING AND DEVELOPMENT

Training on Code of Ethics:

- 2023 the Company released the Code of Ethics & Code of Conduct training;
- The Human Resources, Compliance and Internal Audit Departments** worked together to spread the content of this document to all the Prometeons asking them to proceed with the training they were asked to identify sponsors to help them in this mission;
- The main purpose of the sponsorship program was to directly engage and encourage colleagues to do the training through customized communications and small gamification actions;
- 2 modules of 20 minutes each. One dedicated to the Code of Ethics and the other one to the Code of Conduct;
- The training was available in Italian, English, Portuguese, Turkish and Arabic;
- The e-learning course involved the **entire White-Collar population** of Prometeon, equal to **1.300 people and 99% of participation rating**.

- In Brazil, Blue Collars as well have been trained for the Code of Ethics and Code of Conduct;
- Train the Trainer** sessions were carried out by the Head of Internal Audit & Sustainability to the Supervisors of the factories who in the same way, held internal training on the contents to the workers reporting to them.



LOCAL LEARNING & EDUCATION

In terms of local learning and education the training sessions organized in 2023 were the following:

TURKEY

- Approximately 20k hours of training were delivered, such as:
 - Onboarding programs;
 - Technical skill development;
 - Soft-skill competencies courses;
 - Awareness webinars.
- Development Programs:**
 - 3 training organized in 2023 to support employees of all professional to improve their competencies. In particular, new-comers, high performed specialists and high performing Managers have been supported.

EUROPE

- New training courses have been put in place all over Europe, technical (e.g. Quality, Finance, and Sales trainings) and soft (e.g. Public Speaking training and others related to Human Resources). These initiatives had the aim of improving employees' skills, their satisfaction and possibility to create career paths.

EGYPT

- Blue Collars Team leaders Learning Campus:**
 - Learning campus for development of Soft Skills Competencies;
 - Communication & Leadership trainings;
- Trainings & Awareness White Collars & Blue Collars Populations:**
 - Training on technical knowledge and professional applications of different areas under Quality Department;
 - HSE Trainings & Awareness White Collars & Blue Collars populations;
 - practical skills, awareness, knowledge and information to identify different hazards, Fire Fighting & Loss Prevention Trainings, First Aid & Cardiopulmonary resuscitation Training.

BRAZIL

- Behavioral Trainings:** focused on developing employees' behavioral skills, communication, teamwork, conflict resolution and leadership;
- The Leadership Transformation Program - Líder PRO** aimed at developing Prometeon managers in key skills in people management.



SOCIAL DIMENSION

OFF SITE 2023 & TEAMBUILDING

- **February 2023 Off-site for the Leadership Team:** The activity developed over 3 days, was aimed to:
 - ✓ **Align the Leadership Team with strategic priorities** and support the definition and implementation of action plans on performance management;
 - ✓ **Develop a new mindset** and widespread level of commitment to implement the planned changes and execute the strategy;
 - ✓ Define ways to **align the entire Prometeon population with company goals**;

Through the metaphor of music and with engaging and disruptive experiential activities, participants walked together through the 6 levels of building relational trust.

The same activity based on trust, has been adapted for two other editions in 2023:

- for the first line of **Region MEA**;
- for the first line of **Region Europe**.



- **Mercato Italia team buildings in 2023:**
 - **March:** cooking class challenge in the city of Parma;
 - **September:** treasure hunt with various trials in the city of Verona;
 - **October:** enigma resolution in which it was necessary to work together to defuse a (fake) bomb.

- **June 2023 Global Financial Statement team:**
 - Enigma-solving activity organized on the rooftop of the HQ in Milan.

- **May 2023 Global Manufacturing Team:**
 - Climbing activity at the Italy's largest climbing gym.



LONG TERM INCENTIVE KPIs:

- ✓ ESG KPIs set for the achievement of the LTI for Executive with reference to the 3 years plan 2021 – 2023 (training, waste reduction, audit on suppliers);
- ✓ KPI for the calculation of the Compensation, the training consider all the courses not mandatory by law;
- ✓ 2023 the Company overachieved the target for the training as it follows (% of people trained at worldwide level):
 - **2021:** 87%;
 - **2022:** 88%;
 - **2023:** 99%.



Here below the average hours of **training not mandatory by law** provided to employees during the reporting period, by gender and occupational category:

	Male	Female	Total	White Collars	Blue Collars	Total
EMEA*	31	33	32	39	29	32
AMERICAS	11	25	12	32	10	12
APAC	11	7	9	9	-	9
TOTAL	20	28	21	36	18	21

	White Collars	Blue Collars
MALE	37	18
FEMALE	35	14

Here below the **average hours of training mandatory by law including also the sustainability training** representing the number and percentage of employees based on gender and employment category:

Region	Male	Female	Total	White Collars	Blue Collars	Total
EMEA*	60	58	60	66	58	60
AMERICAS	46	51	47	39	48	47
APAC	7	7	7	7	-	7
TOTAL	52	54	53	56	52	53

Gender	White Collars	Blue Collars
MALE	57	52
FEMALE	53	56



SOCIAL DIMENSION

EMPLOYEE EXPERIENCE AND INTERNAL COMMUNITY

- **lifestyle:** health care, social security plan, family welfare, information and awareness campaigns (**Worldwide level**);
- **family support:** scholarships, inter-company crèche, (**Headquarter**);
- **free time:** celebration of Carnival, Environment week, Women Day, Father's day, awareness campaign (**Brazil**).



- ❑ **Great Place to Work:** to better understand the current scenario according to the perception of employees, identifying strengths and weaknesses, the Company provided the "Great Place to Work" Survey to its employees in 2022 and repeated the survey in 2023;
- ✓ **Prometeon Brazil was certified also in 2023, for the second consecutive year, by the Great Place to Work Brazil - GPTW, as an Excellent Place to Work.** This recognition is very important, as it shows the employees perception of what have been done well and the opportunity for the company to further improve people's experience, under a vision that brings the comparison with the best practices in the market;
- The GPTW's seal recognizes this journey and shows that the Company is on the right track.



OCCUPATIONAL HEALTH, SAFETY AND HYGIENE

- In 2023 the Company registered **74 accidents**, of which 4 high consequence work related injuries and 47 lost time and 23 no lost time incidents.;
- **The Injury Severity Index (SI)** of the Group in 2023 was **166 compared to 170 in 2022**;
- A summary of the SI values in the last two-year period is provided below:

	2021	2022	2023
Severity Index (SI)	130	170	166

SI = number recovery time days, starting from the first day following the injury, per injury/number of hours actually worked x 1.000.000

The tables below show the number and percentage of workers covered by ISO 45001 Occupational Health and Safety Management standard certification with reference to both Prometeon employees and workers not employees but whose work and/or workplace is controlled by the Company:

EMPLOYEES	Unit of measurement	2021	2022	2023
The number of hours worked	n.	13,002,062	14,754,967	15,461,627
The number and rate of recordable work-related injuries, including fatalities;	n.	38	33	74
<i>of which accidents while traveling (only if the transport has been organized by the Company and the movements have taken place within working hours)</i>	n.	0	0	0
The total number of high-consequence work-related injuries (recovery time days >6 months), excluding fatalities	n.	2	4	4
<i>of which the number of fatalities</i>	n.	0	0	0
The rate of recordable work-related injuries;	-	2.92	2.24	4.79
The rate of high-consequence work-related injuries (excluding fatalities)	-	0.15	0.27	0.26
The rate of fatalities as a result of work-related injury;	-	0	0	0

WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION	Unit of measurement	2021	2022	2023
The number of hours worked	n.	2,779,392	2,904,000	2,887,104
The number of recordable work-related injuries, including fatalities;	n.	1	1	0
<i>of which accidents while traveling (only if the transport has been organized by the Company and the movements have taken place within working hours)</i>	n.	0	0	0
Total number of high-consequence work related injuries (recovery time days >6 months), excluding fatalities	n.	0	0	0
<i>of which the number of fatalities</i>	n.	0	0	0
The rate of recordable work-related injuries;	-	1	1	0
The rate of high-consequence work-related injuries (excluding fatalities)	-	0	0	0
The rate of fatalities as a result of work-related injury;	-	0	0	0

- ❑ **2023, 2022 and 2021:** there were no fatal accidents involving Prometeon Tyre Group employees or employees of independent contractors working at the Company's operating sites.



SOCIAL DIMENSION

□ EXTERNAL COMMUNITY

In line with its inspiration for achieving **SDG “1 No Poverty”**, Prometeon kept endeavoring to reach out and help as many people as possible. **In line with its commitment for “SDG 17 Partnerships for the Goals”**, that can only be realized with strong global partnerships and cooperation, **Prometeon supported, at the global, regional, national and local levels, the wellbeing of people and the planet.**

Here below some examples of donation campaign and activities to External Community:

□ Egypt:

- **Womana - Women Empowerment Program of UNICEF and GIZ in Egypt:** a project dedicated to women who can't have access to study, in 2023 a total of 20-25 young women under 18 years old, from different schools, social and educational level, get exposed to the working life of women in different industries through a set of specific workshops and live tours at the factory with a particular focus on helping them to build their career and acquire the softs skills needed to be able to have a brilliant work experience.

□ Brazil:

- **Donation 1.000 basic baskets and 1.500 liters of water:** after the floods disaster the families were living in precarious conditions and Prometeon decided to support the local communities of North Coast region of São Paulo;
- **Solidarity actions for the victims of the cyclone in Rio Grande Do Sul:** with the support of all employees Prometon doubled the amount and donated to the community;
- **Winter clothing campaign:** the Company asked all the employees to collect clothes they were not using anymore. All employees together collected a total of **1,374.5kg of items** which have been delivered to the Municipalities of Gravataí and Santo André, who donated to people in need and with vulnerable situations;
- **Donations of Christmas baskets and toys to institutions in need and to children:** Prometeon in Brazil donated baskets and toys to several institutions as per toys to children in need.

□ Turkey:

- **Istanbul Marathon:** 65 employees included the CEO of the Company, took part of 45th Istanbul Marathon for **TEGV**, a NGO focused on education for children in need. Participating to this marathon the Company helped 513 children to have access to education;
- **Earthquake Donation:** after the biggest earthquake in February 2023, Prometeon took action helping people in the earthquake area. Employees working for the Company supported children affected by the earthquake, landing a helping hand to them and their family collecting and donating their own bicycles, belongings, new toys and personal effects from their relatives which have been to people in need in the earthquake zone.

□ Headquarter:

- **Flood disaster in Emilia Romagna:** moreover, in 2023, in Italy a flood disaster happened in Emilia Romagna, a central region of Italy. For this reason, as per previous years of collaboration, Prometeon donated to the Italian Red Cross that helped people affected by the calamity;
- **Fondazione Luigi Clerici:** in 2023 the Company donated to the foundation which is responsible to provide technical school to young people who can't have access to study a tyre changer for truck vehicles to prepare the young students in mechanicals skills.



SOCIAL DIMENSION

NGO PARTNERSHIP

- ❑ During 2023 the partnership with **SOS Villaggi dei Bambini Italia** continued.
 - **April 2023:** Prometeon participated to the **Milan Relay Marathon Charity Event**, donating the entire registration fee. The 5 different teams of employee wore the Prometeon branded shirt and thanks to this moment the employees spent a memorable day having fun, sharing good moments in a solidarity occasion;
 - **September 2023:** Prometeon donated to help the village of Vicenza to be renovated buying new furniture for the children living in the village;
 - **December 2023:** Prometeon decided for the year 2023 to renovate the sending of the e-card furnished and customized by SOS Villaggi dei Bambini Italia,
- ✓ The **virtual cards have been sent to all employees** having access to an e mail address and to clients, customers and suppliers working with the Company;
- ✓ **The Company decided to print e-cards and to hang them on billboards in all plants** so that blue collar and people working for the Company and not having access to an email account, could receive greetings from Prometeon.

- ❑ **SOS Children's Village Egypt:** at the beginning of 2023 Prometeon in Egypt started to support the village in Alexandria which is located near the plant where Prometeon operates;
 - ✓ **October 2023:** Prometeon visited the village and based on the needs highlighted by the village, Prometeon provided furniture to equip the new entire houses (kitchen, beds, sofa, ventilators, etc...) to help the 102 children to live in better conditions and to host new children in need;
 - ✓ **December 2023:** to spread love and happiness, Human Resources team, spent a memorable full day at the village with the children, celebrating, playing, having fun, sharing solidarity and give them toys and sweets.



A Loving home for every child



We believe that shaping the future together means taking care of people and external community. Prometeon and SOS Children's Villages: for the third consecutive year we decide to support the growth of every child in a family environment and help them building their future.

SOS Children's Villages promotes the rights of more than 47,000 children and young people who cannot benefit from appropriate parental care and takes care of over 900 people, which include children, young people and families who experience serious moments of hardship. This e-card invests in their future. Thank you! www.sositalia.it



ENVIRONMENTAL DIMENSION

ENVIRONMENTAL MANAGEMENT MODEL ADOPTED BY PROMETEON (main issues)

- Assess and reduce the environmental impact of its own products;
- Develop products and production processes designed to minimize polluting emissions, waste generation, consumption of natural resources available and the causes of climate change, to preserve the environment, biodiversity and ecosystems;
- Manage its environmental activities in full compliance with applicable laws and in compliance with the highest international standards;
- Empower and train its workers to extend adequate culture of environmental capital conservation.



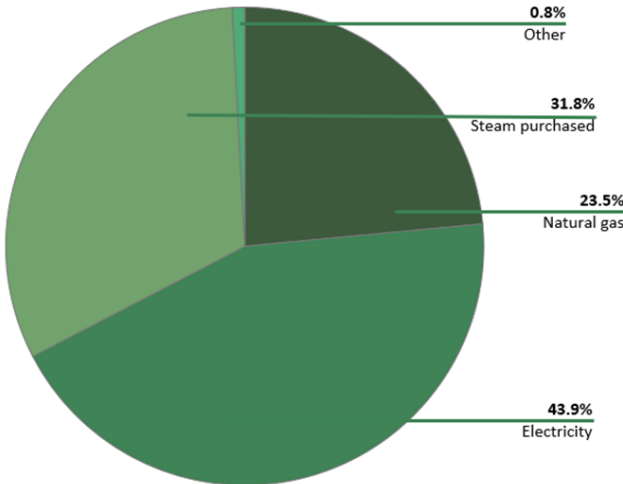
All production sites of Prometeon have Environmental Management System and are certified under international Standard ISO 14001

2023 ACTIVITIES

TREND IN ENVIRONMENTAL PERFORMANCE INDICES

- The year 2023 saw a decrease in production volumes:
- tons of finished products decreased about **13,6% compared to 2022**;
 - Thanks to **numerous investments** that the Company makes every year **in its production plants** to achieve its predefined sustainability objectives, **environmental performance showed an improvement** in terms of consumption (energy, water, solvents), emissions (CO2eq) and waste generated **in 2023 compared to 2022**.

DISTRIBUTION OF ENERGY SOURCES



ENERGY MANAGEMENT

Company’s efforts aimed at improving the energy efficiency of manufacturing plants, machineries and offices;

Although the Company is committed to sustain its inspiration for the SDGS “7 Affordable and Clean Energy”, “9 Industries, Innovation and Infrastructure” and “12 Responsible Consumption and Production”;

- The year **2023** recorded an **improvement in the specific energy index** (measured based on k€ of operative income per tons of finished product) of about **12% compared to 2022**. This is closely linked to the drop in production in 2023. The absolute and specific consumption data shown in the following table were calculated using direct measurements according to the procedure GHG Protocol, IPCC and IEA factors.

Consumption of energy by source	Unit of measurement	2021	2022	2023
Fuel consumption from non-renewable sources	GJ	839,299	786,957	624,076
Natural Gas	GJ	817,634	760,334	602,560
LPG	GJ	21,666	26,623	21,516
Electricity purchased	GJ	1,242,998	1,278,813	1,124,377
Steam purchased	GJ	849,877	859,949	814,640
Gross Energy Consumption	GJ	2,932,174	2,925,719	2,563,094

		2021	2022	2023
Absolute consumption	GJ	2,932,174	2,925,719	2,563,094
Specific consumption	GJ/tonFP	8.83	8.47	8.59
	GJ/k€	28.01	28.58	25.15



PROMETEON

ENVIRONMENTAL DIMENSION

MANAGEMENT OF GREENHOUSE GAS EMISSIONS AND CARBON

Prometeon is aware of actual and potential dangers of climate change and committed to fight it by taking every necessary measure as much as possible, trying to achieve targets set by SDGs “12 Responsible Consumption and Production” and “13 Climate Action”;

- **Prometeon management, calculation and reporting model was defined according to the ISO 14064 Standard.** The Company planned a reduction in specific emissions (on tons of finished product) of CO₂eq;
- The numerous activities that Prometeon implements every year, in particular those concerning the energy consumption, leads to an effective reduction in terms of emissions in 2023;

- ❑ **In 2023, the Company recorded a decrease in absolute GHG emissions;**
- ❑ Specific emissions measured based on k€ of operative income recorded a **reduction of 10.82% compared to 2022.**

CO2 Emissions - Scope I		Unit of measurement	2021	2022	2023
Fuel consumption from non-renewable sources					
LPG	ton CO2 eq		1,368	1,681	1,359
Natural Gas	ton CO2 eq		43,940	40,414	32,028
Total Scope I	ton CO2 eq		45,308	42,095	33,386
CO2 Emissions Scope II		Unit of measurement	2021	2022	2023
Energy Consumption					
Purchased electricity and steam consumption - Location Based	ton CO2 eq		154,561	156,350	143,192
Purchased electricity and steam consumption - Market Based	ton CO2 eq		154,561	156,350	143,192
Emissions Scope I + Scope II LB*	ton CO2 eq		199,869	198,445	176,578
Emissions Scope I + Scope II MB*	ton CO2 eq		199,869	198,445	176,578



		2021	2022	2023
Absolute emissions	TonCO ₂ eq	199,868	198,445	176,578
Specific emissions	TonCO ₂ eq/tonFP	0.60	0.57	0.59
	TonCO ₂ eq/k€	1.91	1.94	1.73

- To support climate action activities Prometeon Tyre Group adopts a pro-active approach through its tyre business activities, starting from production of tyres. The commitment of the Company is to continue to reduce emissions by its production processes, products, engagement on the ESG and SDGs - **N° 13, Climate Action.**

END-OF-LIFE TYRE

- In 2023, the Company **defined targets for the end-of-life tyres (ELTs) management** based also on the requirements and target set by different local legislations in countries where the Company operates through its production plants as well as commercial activities;
- To reach its targets, Prometeon collaborates both with **other companies** as well as **consortium and associations operating in ELT management**;
- Thanks to collaborations (**Innovando in Italy, RecicLANIP in Brazil, Aliapur in France, Recytyre in Belgium, Signus in Spain, Valorpneu in Portugal and Lasder in Turkey, Mol Group in Hungary, ELTMA in Czechia, in Romania, Centrum Utylizacji Opon Organizacja in Poland**) and partners, in 2023 Prometeon has contributed to the collection and management of more than **750.000 tons of ELTs**;
- ❑ **ELTs are recycled and recovered as urban furniture, playground equipment, asphalt, gutter filters and materials used to build sport fields such as tennis courts and football fields, and in energy in ad hoc plants (e.g. cement factories);**
- ❑ **In Brazil, the Company collaborates with RecicLANIP, which during the course of 2023 recycled a total of 521.044 tons of ELTs from various tyre producers operating in the Country. About 8,9% (46.354 tons) of the total amount of ELTs recycled was provided by Prometeon Tyre Group Brazil;**
- ❑ **In Turkey, the Company is member of LASDER, association founded by tyre manufacturers operating in the Country for the collection and recycling of ELT. Thanks to the collaboration and willingness of tyre manufacturers in the Country, the total amount of ELTs recycled in 2023 was approximately of 220.497 tons, of which 27.209 tons (12,34% of the total amount) tons were provided by Prometeon Tyre Group Turkey;**
- ❑ **In Argentina, the Company collaborates with Geocycle, a waste management company. During 2023, the Company supported its dealers through commercial rebates for sending their ELTs to Geocycle’s waste collection centers for recovery and recycle. Thanks to collaboration 650 tons (increasing by 27% compared to 530 tons in 2022) of ELTs were recovered as energy used in cement production.**



ENVIRONMENTAL DIMENSION

WATER MANAGEMENT

The year **2023** recorded an absolute withdrawal of about **926 mega liters**;

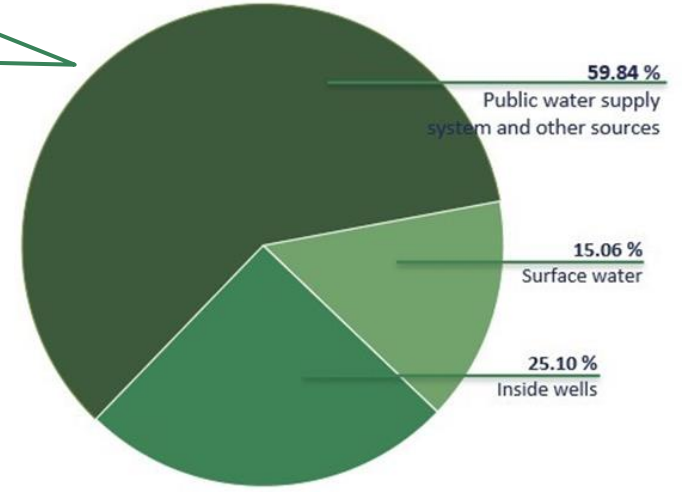
❑ In **2023 Prometeon recorded a decrease** in terms of water withdrawal which was equal to **-5% compared to 2022**;

➤ Absolute withdrawal, measured in mega liters, which indicates the total uptake of water by the Group:

WATER WITHDRAWAL						
Water withdrawal by source	2021		2022		2023	
	All areas (ML)	Areas with water stress (ML)	All areas (ML)	Areas with water stress (ML)	All areas (ML)	Areas with water stress (ML)
Surface water (total)	-	-	-	-	-	-
Freshwater (≤1,000 mg/L Total Dissolved Solids)	130	-	139	-	130	-
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-	10	-
Groundwater (total)	-	-	-	-	-	-
Freshwater (≤1,000 mg/L Total Dissolved Solids)	295	210	220	220	5	-
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-	227	227
Seawater (total)	-	-	-	-	-	-
Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-	-	-
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-	-	-
Produced water (total)	-	-	-	-	-	-
Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-	-	-
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-	139	139
Third-party water (total)	-	-	1	-	-	-
Freshwater (≤1,000 mg/L Total Dissolved Solids)	659	542	483	289	415	256
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	135	135	-	-
Total third-party water withdrawal by withdrawal source	All areas (ML)	Areas with water stress (ML)	All areas (ML)	Areas with water stress (ML)	All areas (ML)	Areas with water stress (ML)
Surface water		323		424		256
Groundwater		-		-		-
Seawater		219		-		-
Produced water		-		-		-
Total water withdrawal	All areas (ML)	Areas with water stress (ML)	All areas (ML)	Areas with water stress (ML)	All areas (ML)	Areas with water stress (ML)
	1,084	752	978	644	926	622

TYPE OF WATER SOURCES

Approximately **15% of total withdrawal was obtained from the steam used in production processes.**



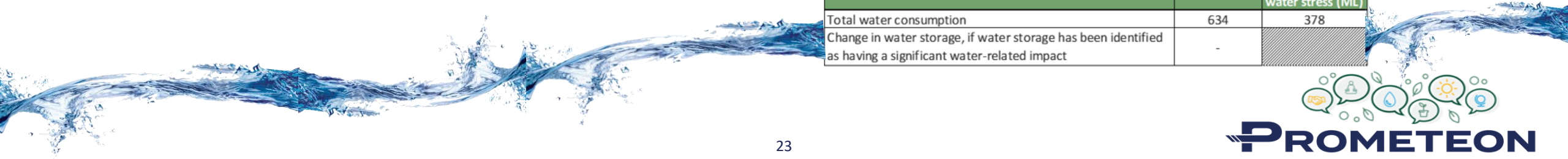
The results shows the responsible use of this precious resource, which are not solely due to investments and expenses but also thanks to the awareness raising campaigns that the Company organizes in all its offices and factories.

WATER CONSUMPTION 2023		
Water Consumption	All areas (ML)	Areas with water stress (ML)
Total water consumption	634	416
Change in water storage, if water storage has been identified as having a significant water-related impact	-	

WATER CONSUMPTION 2022		
Water Consumption	All areas (ML)	Areas with water stress (ML)
Total water consumption	634	378
Change in water storage, if water storage has been identified as having a significant water-related impact	-	



Prometeon Tyre Group – Strictly Confidential



ENVIRONMENTAL DIMENSION

WASTE MANAGEMENT

The improvement of environmental performance deriving from the management of waste was achieved through:

- **production processes**, with the aim of preventing the production of waste at the source, progressively reducing the processing of materials to be disposed;
- **operating management of generated waste**, aimed at identifying and ensuring the selection of waste treatment channels that can maximize recovery and recycling, gradually eliminating the amount sent to the landfill with the Zero Waste to Landfill vision;
- **streamlining packaging management**, both for the packaging of purchased products and the packaging for products made by the Group.

2023 saw a substantial consolidation of the quantity of waste sent for recovery: during the year **95.70% of waste was recovered**;

Recovered hazardous wastes represent approximately **7,3% of total waste generated** and were sent in their entirety to plants located in the same Country where they were produced;

The Company, through investments, takes care that all waste is disposed of in the reference channels in order to be able to give the latter a second life;

The following tables summarizes the Company's **waste management performance in 2023** in terms of :

- ✓ amount of hazardous and non-hazardous waste generated;
- ✓ amount of hazardous and non-hazardous waste diverted from disposal;
- ✓ amount of hazardous and non-hazardous waste directed to disposal.

WASTE	2021			2022			2023		
	WEIGHT (Ton)	Recovered	Not recovered	WEIGHT (Ton)	Recovered	Not recovered	WEIGHT (Ton)	Recovered	Not recovered
HAZARDOUS	2,250	2,076	174	2,367	2,122	245	1,901	1,333	569
NON HAZARDOUS	16,241	16,002	239	16,652	16,143	509	16,423	16,203	219
Total	18,491	18,078	413	19,019	18,265	754	18,324	17,536	788

WASTE DIVERTED FROM DISPOSAL 2021	Preparation for reuse (Ton)		Recycling (Ton)		Other recovery operation (Ton)		TOTAL (Ton)
	On-site	Off-site	On-site	Off-site	On-site	Off-site	
HAZARDOUS	-	-	-	237	-	-	237
NON HAZARDOUS	-	1,290	-	11,893	-	205	13,388

WASTE DIVERTED FROM DISPOSAL 2022	Preparation for reuse (Ton)		Recycling (Ton)		Other recovery operation (Ton)		TOTAL (Ton)
	On-site	Off-site	On-site	Off-site	On-site	Off-site	
HAZARDOUS	-	-	-	493	-	-	493
NON HAZARDOUS	-	1,419	-	11,928	-	112	13,459

WASTE DIVERTED FROM DISPOSAL 2023	Preparation for reuse (Ton)		Recycling (Ton)		Other recovery operation (Ton)		TOTAL (Ton)
	On-site	Off-site	On-site	Off-site	On-site	Off-site	
HAZARDOUS	-	-	-	151	-	-	151
NON HAZARDOUS	-	1,616	-	11,919	-	-	13,535

SOLVENTS

- ❑ In 2023 the Company registered in terms of absolute consumption a **decrease equal to 7.2%**.
- ❑ With reference to **specific consumption** calculated on tons of finished products, Prometeon **increased by 7.5%** the use of solvents in the production processes mainly due to the decrease in the finished product output of the year.

		2021	2022	2023
Absolute consumption	tonSOLV	824.45	728.77	676.22
Specific consumption	kgSOLV/tonFP	2.39	2.11	2.27



- ❑ The Company is committed to the progressive reduction of these substances by spreading solvent-free technologies for operations.

WASTE DIRECTED TO DISPOSAL 2021	Incineration with		Incineration		Landfilling (Ton)		Other (Ton)		TOTAL (Ton)
	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite	
HAZARDOUS	-	1,311	-	21	-	681	-	-	2,013
NON HAZARDOUS	-	2,412	-	-	-	441	-	-	2,854

WASTE DIRECTED TO DISPOSAL 2022	Incineration with		Incineration		Landfilling (Ton)		Other (Ton)		TOTAL (Ton)
	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite	
HAZARDOUS	-	884	-	760	-	232	-	-	1,876
NON HAZARDOUS	-	2,683	-	-	-	299	-	211	3,193

WASTE DIRECTED TO DISPOSAL 2023	Incineration with		Incineration		Landfilling (Ton)		Other (Ton)		TOTAL (Ton)
	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite	
HAZARDOUS	-	1,181	-	426	-	142	-	-	1,750
NON HAZARDOUS	-	2,437	-	-	-	219	-	231	2,887



ENVIRONMENTAL DIMENSION

❑ NOX & SOX EMISSIONS

- ❑ NOx and SOX emissions derive directly from the energy-generating processes used;
- ❑ Due to differences in the frequency of measurement of the emissions, caused by local laws and regulations in force in Brazil and Egypt, the Company decided to report separately for each plant for the sake of correctness and transparency of the data communicated;
- ❑ As regards **production plant in Turkey**, Izmit factory **does not fall within the scope of reporting as there is not any process involving combustion**, hence causing NOX and/or SOX emissions;
- The emissions are calculated on the basis of hourly emissions measurements made in each plant, which are subsequently calculated on daily and yearly basis;
- The table below shows the emissions measured in 2021, 2022 and 2023 for **Gravataí and Alexandria factories**:

Year	Factory	NOx		SOx	
		Flow Rate (kg/h)	Ton/year	Flow Rate (kg/h)	Ton/year
2021	Gravataí	1.67	14.63	0.04	0.32
2022		0.79	6.92	0.25	2.15
2023		0.99	8.65	0.02	0.21
2021	Alexandria	2.39	20.90	1.00	8.73
2022		2.18	19.09	0.94	8.20
2023		2.67	23.40	0.86	7.50

- Measurement at **Santo Andre factory** instead is carried out on **biennial basis** in compliance with the requirements of local laws and regulations, for this reason data on 2023 is not available;

Year	Factory	NOx		SOx	
		Flow Rate (kg/h)	Ton/year	Flow Rate (kg/h)	Ton/year
2020	Santo André	2.87	25.16	0.56	4.88
2022		1.79	15.68	0.16	1.39

❑ EXPENSES AND INVESTMENTS

- ❑ **The Company has set a 5-years road map of budget and investments to extend and develop its sustainable approach and during 2023 the Company followed the investment plan defined;**
- **In 2023** in relation to **Manufacturing**, investment plan is dedicated in the following areas:
 - **Technology & Quality;**
 - **Energy & Sustainability;**
 - **Health, Safety & Environment.**
- **Technology & Quality**, the investment plans is aimed to reduce production waste as much as possible and to have better control process, therefore, to improve product quality and performance **which is related to**:
 - **Direct reduction of waste;**
 - **Improvement and development for the use of new materials;**
 - **Factory processes;**
 - **High-quality machinery.**
- **Energy & Sustainability**, investment will be in place in order to save any kind of production resources reducing the consumption of:
 - **Energy,**
 - **Steam;**
 - **Water;**
 - **Consumables (polyethylene).**
- **Health, Safety & Environment**, the focus is on the improvement of:
 - **Plants safety;**
 - **Working environment;**
 - **Reduction of pollution/emissions;**
 - **Zero work accidents;**
 - **Better working conditions;**
 - **High sustainable approach from social and environmental point of view as target.**



ENVIRONMENTAL DIMENSION

ENVIRONMENTAL REDUCTION TARGETS 2025 - 2030

Key objectives:

- Emphasize importance of environmental measures, sustainability goals and performance, at all levels of the business;
- Provide best practices on the structure, policies and regulations that impact the business;
- Increase understanding and awareness of Corporate Governance and social aspects that impact the industry;
- Implement and promote common and workable standards of corporate governance for the business.

Headquarter Committee worked to improve target for waste, water, solvents, energy and CO2 emissions reduction;

- ✓ To improve in environmental data collection Prometeon decided to buy a software able to collect the data to have an overview of the KPI and set long term targets 2025 & 2030 (2016 baseline as first year of Prometeon, after Pirelli spin off);

Water reduction (m3/tFP)		
Target Prometeon	2016 vs 2025	2016 vs 2030
Specific withdrawal Total Target - %(m3/tFP)	-42%	-53%

*2016 water equal to 4,66(m3/tFP)

Waste recovered (%)		
Target Prometeon	2016 vs 2025	2016 vs 2030
Specific consumption Total Target - %(kg/tFP)	4.9%	6.4%

*2016 waste recovery equal to 92,54%(kg/tFP)

Solvents reduction (%)		
Target Prometeon	2016 vs 2025	2016 vs 2030
Specific consumption Total Target - %(kg/tFP)	-32%	-42%

*2016 solvents equal to 3,51(kg/tFP)

Energy reduction (%)		
Target Prometeon	2016 vs 2025	2016 vs 2030
Specific consumption Total Target - GJ/tonFP	-23%	-31%

*2016 Energy equal to 10,98

GHG Emission reduction (%)		
Target Prometeon	2016 vs 2025	2016 vs 2030
Specific consumption Total Target TonCO2e/tonFP	-25%	-32%

*2016 GHG Emission equal to 0,75

Those targets have been defined taking into account the current perimeter of the company (current manufacturing and logistics footprint mainly); in case of company perimeter changes, these KPI / target will be evaluated accordingly.

Carbon Neutrality in 2050

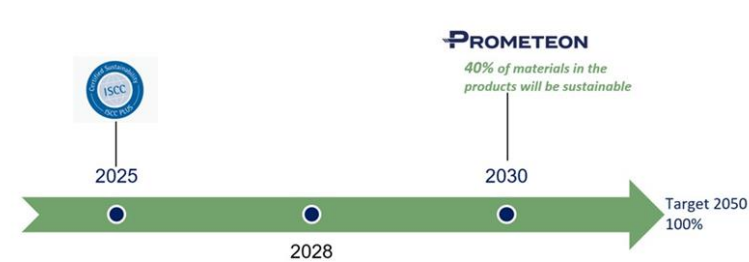
- In 2023, the Shareholders invited Prometeon to sign and fully adhere to the project of the Carbon Neutrality set for 2050. The Company signed its **engagement to reach the Carbon Neutrality in 2050**;
- The Company must become carbon neutral by 2050 balancing carbon dioxide emissions with the amount of carbon absorbed from the atmosphere.



NEW MATERIALS & BIODIVERSITY

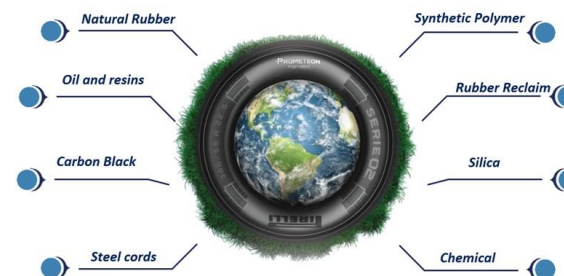
- Prometeon Tyre Group pays the utmost attention to ensure that corporate activities do not interfere with the biodiversity characteristic of the contexts in which the Company operates.
- R&D Material Department pays great attention on Sustainability items, structuring its activities on “3R” concept. The purpose is to achieve a target of **40% sustainable materials** used in the overall production process within **2030 and 100% within 2050**:
 - **Reducing** raw materials and optimizing processes;
 - **Recycling** used materials and introducing inside new tyres materials;
 - **Rethinking** to new renewable materials and formulations.
- ✓ In 2023 the Company officially communicated its plan for the of “Green Materials” such as:
 - **Circular Materials**: Materials produced by increasing the circularity of industrial processes.
 - **Renewable Materials**: Materials produced from renewable sources (with organic origin) in full respect for the environment and the people, without over-exploiting neither the resources nor the human rights of all the people involved in the value chain.

Sustainability Timeline for Normal Production



At the year 2030 the goal is to reach the application of 40% of Sustainable Materials in our recipes

Raw Materials can become «green»



ECONOMIC DIMENSION

□ STAKEHOLDER DIALOGUE

Pro-active dialogue with company stakeholders, from employees to communities, clients, end-consumers, suppliers, institutions and non-governmental organizations, to integrate their expectations into Company development strategy.

□ QUALITY AND SYSTEM CERTIFICATION

ISO 9001 and IATF 16949: The ISO 9001:2015 and IATF 16949:2016 Quality Management System standards are adopted by the Company;

- **The standards foreseen in the IATF framework** reflects the approach of the global network, including Original Equipment Manufacturers, that requires the organization to **comply with Basic Working Conditions** in the Global Terms and Conditions and the related **Supplier Social Responsibility and Anti-Corruption Requirements**.

□ OUR CUSTOMERS

Among the essential elements of the Prometeon Tyre Group approach, the following are highlighted:

- ✓ Consideration of the impact of its actions and behavior on the customer;
- ✓ Exploitation of every opportunity offered by doing business to satisfy the customer's needs.
- ✓ **OE Customers** evaluate the level of CSR of Prometeon through several annual assessment of Sustainability in terms of ESG and Risk Exposure;
- The Company's commitment is to implement services that can enhance end-user efficiency and cost optimization while respecting the environment (**PRO Check**, etc..)



Part of PRO SERVICES THE MODULAR TYRE SERVICE OFFER FOR TRANSPORT PROFESSIONALS. PROMETEON

□ PRODUCT SAFETY, PERFORMANCE & ECO-SUSTAINABILITY

- ❖ Prometeon is committed to develop alternative production site and materials with low impact on the environment. Product safety and performance, combined with the sustainability goals, is the main focus of Company's product research and development activities;
 - Prometeon offers a wide portfolio focused on (i) performance; (ii) safety; (iii) environmental; and (iv) high efficiency;
 - **Research and Development investments** made by Prometeon for the year **2023** amounted to **8.3 million**;
 - Prometeon has 3 R&D centers, 1 in Brazil, 1 in Italy and 1 in Turkey, and 1 Development Center in Egypt;
 - ✓ **Innovative and alternative materials** for manufacturing purposes are developed and studied;
 - ✓ **R&D develops new products and processes through innovations**, which are based on the following **6 pillars**:
1. **Collaboration with lawmakers** to gather information regarding legislation evolution at national and international level;
 2. **From business point of view with OEMs** to understand and analyze the development and growth regarding products and technologies studying and analyzing how to anticipate future market trends;
 3. **Technology evolution of the product** to be up to date with the latest developments in Innovation;
 4. **Application of digital mobility solutions** to tyre business to increase the overall safety and performance;
 5. **Open innovation** to foster collaborations with experts in their relevant fields for increasing the Company know how;
 6. **Carrying out all the above-mentioned activities**, Prometeon pays a great attention to sustainability respecting nature, caring for society and ensuring a continuous innovation to reduce environmental impacts.



ECONOMIC DIMENSION

New environmental policies and legislations enacted by national, international and supranational authorities require original equipment manufacturers to **improve vehicles' fuel consumption performance**.

- **2019:** Prometeon developed a new “Profuel” tyre line, designed for original equipment market and has the **lowest rolling resistance**;
- **2020:** the first size of the new energy-efficient product line was launched;
- **2021:** 2 new products were developed and designed;
- **Profuel project** aims to extreme the tyres energy efficiency in order to reach the CO2 reduction target set for vehicles by 2030 (-30%);

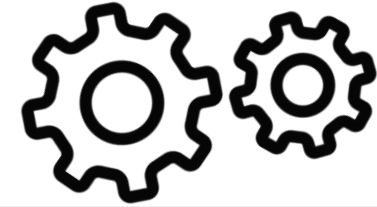
In the previous years Prometeon has been developing a new Construction tyre line dedicated to Original Equipment's that need specific low value of Rolling Resistance to reduce the CO2 emissions according to the VECTO model (Vehicle Energy Consumption Calculation Tool) and the requirements foreseen in the European Regulation;

- ✓ **New Profuel product:** 4 year of study and development;
- ✓ 180 million kilometers of tests on the roads in Italy, Germany and Turkey;
- ✓ 2,500 tires tested with a working group of 100 professionals involved in the project such as Research and Development, Marketing, Logistics and Commercial Department;
- ✓ Thanks to the results obtained for tests on wet, dry and snow, Profuel attained the winter homologation 3PMSF;
- ✓ Tests on required legal approvals, mileage and structural strength were conducted.

➢ **The year 2023 saw addition of 3 new sizes and products to the line H02 Profuel, bringing the total number of the sizes and products to 6:**

- 315/80R22.5 158/150M H02 Profuel Steer;
- 315/80R22.5 158/150M H02 Profuel Drive;
- 385/55R22.5 164K H02 Profuel Steer.

- 315/70R22.5 156/154M H02 Profuel Steer;
- 315/70R22.5 156/154M H02 Profuel Drive;
- 385/55R22.5 160/158L H02 Profuel Steer;



- ✓ The technological know-how applied on all the new Prometeon tyre lines comes from both a consolidated knowledge about truck tyres product and from new mathematical tyre models developed by R&D Open Innovation Department through vehicle dynamic simulations and structural tyre models (FEA);
- ✓ This methodology enables Prometeon to answer to all current and future European regulations, which are becoming more restrictive and requiring a specific attention to the environment (fuel consumption, CO2 emissions, rolling noise generation) and to those of safety (wet grip, grip and traction on snow);
- ✓ These technological packages, focusing on all parts of tyre, e.g. new structural patterns and belt, adoption of new materials has led to a further significant increase in terms of durability and retreadability performance;

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PROMETEON

ECONOMIC DIMENSION

- ❑ Prometeon Tyre Group is a company aimed at excellence, efficiency, transparency and technological innovation that develops, produces and sells tyres for Medium and Heavy Commercial vehicles for goods and people transport, Agriculture and OTR.
- ❑ With over 100 years of experience in the commercial tyre industry, Prometeon offers a complete range of products and services for all types of segments Prometeon's is a multi-level offering with a product portfolio that includes the **PIRELLI, FORMULA, PHAROS, ANTEO, SESTANTE, ERACLE, TEGRYS** brands.

OEM Development

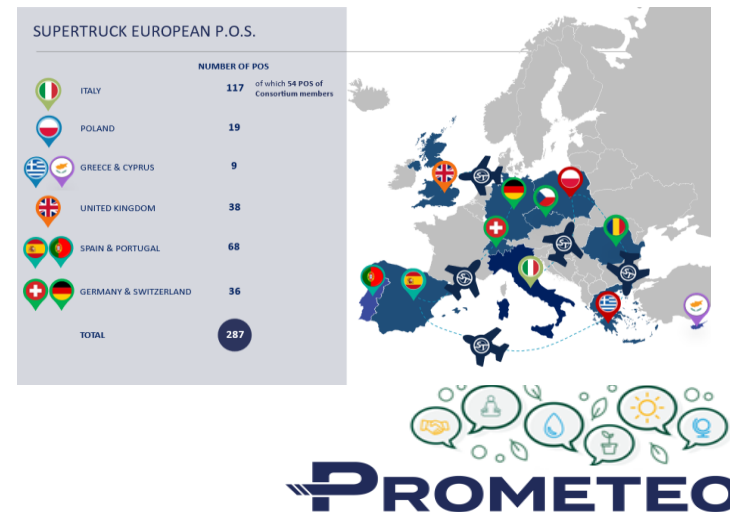


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❑ THE IMPORTANCE OF NETWORKING

- ❑ **SuperTruck:** a network of independent dealers specializing in the business of Truck and Bus;
 - Born in Italy in the mid-2019 and currently Italian Network consists of 117 Points of Sale of which 54 are members of SuperTruck Consortium. October 2020 the Network expanded beyond the Italian borders, arriving to a total number of the Network Points of Sale in Europe to 287.
- ❑ **SuperTruck dealers share common values:**
 - ✓ **PROFESSIONALISM:** the network is aimed at the best operators, specialized in the Truck and Bus tyres sector;
 - ✓ **EXPERTISE:** SuperTruck means joining different expertise, keeping its own entrepreneurial independence to overcome market changes and daily challenges;
 - ✓ **EXPERIENCE:** the network is the result of dynamism and continuous sharing of knowledge to achieve common synergies;
 - ✓ **CUSTOMER MADE OFFER:** the aim is to have a network of dealers with a wide specialized product offer, able to give to end users a complete portfolio of services offered through both in-house development and outsourcing;
 - ✓ **TRUST AND PASSION:** trust and passion are the common marks that the network leaves in all daily activities, giving the best service to fleets and end users.



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ECONOMIC DIMENSION

2023 NEW PROJECTS & LAUNCH

New projects have been launched with the aim to combine:

Sustainability and Innovation;

R&D focused its activities in the following areas:

- ✓ Reduction of energy consumption through the use of combustion or electric engines;
 - ✓ Reduction of noise pollution caused by tyre-road interaction;
 - ✓ Increasing of safety performance given by an optimized grip level on critical road condition (wet and snow);
 - ✓ Increase of tyre durability to reduce the raw material usage for new tyre replacement;
 - ✓ Reduction of environmental impact through a sustainable approach, using recycled raw materials for manufacturing new tyres and reduction of the number of prototypes produced thanks to the support of advanced inspection technology tools to reduce the number of prototypes produced;
 - ✓ Digitalization of tyre products to simplify the maintenance, optimizing the performance during the overall life cycle of tyre;
- The 02 Series of Prometeon have been developed based on two key words:
- ❖ Innovation and Sustainability, which represents the maximum in terms of cost efficiency for professionals in the transport sector and respect for the environment;
 - ❖ Compared to previous product lines, the design effort has been managed with an efficient management of operating costs to ensure high mileage and an "active sustainability" in terms of longer tyre life and lower rolling resistance, which is the result of a decrease in tyre consumption and fuel consumption and related CO2 emissions.

The development of the new lines has been focused on:

- ✓ Formulations containing sustainable materials;
- ✓ Innovative technological solutions;
- ✓ Significant reduction in the weight of tyres;
- ✓ Equal safety standards.



A product offering best performance in full compliance with the principles of sustainability, designed to offer great structural integrity in the most extreme off-road conditions use.

In 2023, thanks to the focus on sustainable innovation and technological solutions, developed in the R&D centers of the Company, the Prometeon S02 Pista, part of the new 02 series, which uses the same technological package of the product line has been launched;

G02 ECO launched in 2023 represents the latest generation of tyres for mixed use service, designed for efficiency by guaranteeing maximum performance – C Fuel Class – and fleet operating cost optimization. Thanks to the new reinforced casing construction G02 ECO offers an increased load capacity that allows to carry up to more than 1 ton.



NEW PROJECTS



ECONOMIC DIMENSION

ESG RATING ASSESSMENT

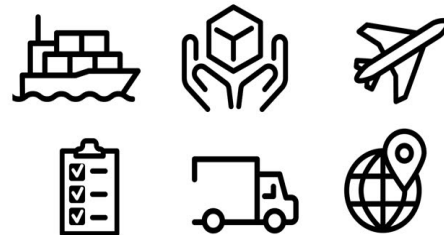
- ✓ The assessment has been carried out by Sustainalytics analyzing the Sustainability Report 2022 approved by Board of Directors and published on the official website of Prometeon Tyre Group in 2023;
- ✓ The methodology applied by Sustainalytics is based on an evaluation considering a range from 0 to 100. More the Company is closer to 0 and more the “overall unmanagement risk” is lower, more the performance is considered good;
- ✓ **The overall result obtained by Prometeon Tyre Group is 12,1 showing a low-risk exposure (“overall unmanagement risk”) in terms of ESG and with a consequent strong ESG Management.**
- ✓ Based on the result obtained, Prometeon Tyre Group immediately implemented action plans in order to work with full visibility of all the exposure related to sustainability risks and set targeted measures in short, medium and long term.



PROMETEON

2023 NEW SYNERGIES BETWEEN LOGISTICS AND SUSTAINABILITY

- Logistics Department together with Sustainability Department created new synergies with the aim of reducing the CO2 emissions for the management of the goods in the warehouse
- New project for 2027: reduce land transport augmenting maritime transport of tyres in Europe;
- Monitoring of all the forklifts used in the warehouses of Egypt and Turkey used by Prometeon Tyre Group at global level;
- **Egypt forklifts:**
 - ✓ Replacing all diesel forklifts with electric forklifts in the next 6 years;
 - ✓ The project kicked-off in 2023 with 2 forklift that will be used for testing. The road map of the project is as shown in the table below:
- **Turkey electric tow truck:** the aim is to replace diesel tractor used in factory in warehouse transportation flow with an electric tow truck;
 - ✓ The positive impacts starting from 2024 due to the supply time, 40-45 weeks for the implementation of the project;
 - ✓ Benefits: no use of diesel and reduction of HSE risks caused by diesel engine vehicle which differently from the electric, has a less reliable braking system and savings in terms of spending;
 - ✓ If test results will be positive the entire diesel tractor fleet will be replaced starting from 2024;
- **Turkey lithium-ion batteries:** replacing forklifts using "lead acid batteries" with "lithium-ion batteries" powered forklifts. In 2023, 3 replacements have been done and the benefits of the project are the following:
 - ✓ Savings in terms of spending;
 - ✓ Shorter charging time: 70% less charging;
 - ✓ Greater energy efficiency: 20% energy savings;
 - ✓ Duration of use for 1 cycle: 33% increase;
 - ✓ Reduction of dangerous hydrogen gas release by lead acid batteries;
- From 2024 the Company will replace 73 forklifts involving external providers of warehouses to participate in the change of the forklifts to lower the CO2 emissions on the supply chain.



SPONSORSHIPS

With the objective to increase Corporate Brand Exposure and recognition Prometeon made in 2023 additional important sponsorship agreements;

- ✓ World Super Bike (SBK) Championship;
- ✓ Co-Title sponsorship of Pata Yamaha Prometeon team, competing in the World SBK Championship;
- ✓ Parma Calcio;
- ✓ Official Tyre partner of Italy's national football teams.

World Super Bike (SBK) Championship

Prometeon new Co-Title Sponsor of Yamaha in WorldSBK



Roberto Righi, General Manager of Prometeon Tyre Group: "The agreement with which we become co-title partner of the official Yamaha WorldSBK Team reflects the natural evolution of Prometeon's commitment to the World Championship for production-based motorbikes, which began in 2022 with the official sponsorship of the championship. With WorldSBK we share the values of innovation, technology and the pursuit of maximum performance. We also believe that this partnership, in addition to further boosting the visibility of our corporate brand, will allow us to offer even more exclusive and engaging experiences to our business partners and collaborators".



Official Tyre partner of Italy's national football teams



PROMETEON

OFFICIAL TYRE PARTNER



TOGETHER, TOWARDS THE GREATEST CHALLENGES

Main sponsor of Parma Calcio football team



ECONOMIC DIMENSION

OUR SUPPLIERS

- Policies adopted by the Company highlight the full integration of the sustainable supply chain. Prometeon evaluates and selects its suppliers on the basis of their **Quality**: level of **social responsibility** and **environmental responsibility**;
- In 2023 Prometeon has published its new **Sustainable Procurement Policy** including the **Policy framework of GPSNR**;
- Prometeon is committed to promote, along the entire natural rubber supply chain, a sustainable, transparent, traceable and responsible production;
- **Supplier contract agreement**: which contains Standard to be complied have been reviewed in 2023. Sustainability and Business Ethics Clauses (including anticorruption) have been included systematically in:
 - ✓ Contracts;
 - ✓ Orders for the purchase of goods and/or services and/or works, both with private suppliers and with the Public Administration (or institutes/enterprises under public control);
 - ✓ Agreements with NGOs, worldwide.
- In particular, the clauses require awareness on the part of suppliers of the principles, commitments and values contained in Prometeon Tyre Groups Sustainability documents.

■ **Supplier Award**: a program that aims to consolidate the group's commitment also in the ESG field;

- The purpose is to:
 - Recognize and reward the most virtuous of Prometeon's suppliers providing goods and services of excellent quality;
 - Launch innovative and sustainable projects, affecting the development of all stakeholders;
 - The Awards consolidate the partnership between the group and suppliers, strengthening the conviction of an alignment in terms of ethics, transparency and respect for the environment.
- The ESG project, have been submitted to Prometeon by the end of December 2023 and will be evaluated at the beginning of 2024.

The winners will be announced in each of the 5 categories defined by specific KPIs:

- Best ESG Supplier;
- Best Raw Material Supplier;
- Best Services Supplier;
- Best Logistic Supplier;
- Best Machine, Equipment and MRO Supplier.



PERCENTAGE OF PURCHASES BY TYPE			
	2021	2022	2023
Raw Materials	80%	83%	74%
Consumables Materials	2%	2%	2%
Fixed assets	10%	7%	13%
Logistics + International Freight FP	8%	8%	11%
Total	100%	100%	100%

MIX OF RAW MATERIALS PURCHASED (BASED ON SPENDING)			
	2021	2022	2023
Natural Rubber	32%	32%	27%
Synthetic Rubber	12%	12%	11%
Carbon Black	15%	16%	19%
Chemicals	17%	18%	20%
Textile	3%	3%	3%
Steel	21%	19%	20%

PROMETEON SUPPLIER AWARD 2023

Dear Supplier,

With the aim of being increasingly aligned with the same purpose and growing together, it is with great pleasure that we announce the creation of the Prometeon Supplier Award.

The Award program was created with the aim of recognizing suppliers that demonstrate excellence in the supply of materials and services, in addition to encouraging and valuing innovative, sustainable projects and improvement processes that add value to the business within the scope of all its stakeholders.

We would like to introduce you to the award categories:

- BEST ESG SUPPLIER (Environment, Social and Governance)
- BEST RAW MATERIAL SUPPLIER (Including Academic Materials)
- BEST SERVICES SUPPLIER
- BEST LOGISTIC SUPPLIER
- BEST MACHINE, EQUIPMENTS AND MRO SUPPLIER

Details on the criteria and award ceremony will be available soon.

For all of the Prometeon Group, it is an honor to have you as our partner and we will be delighted to count on your participation in the 1st Edition of the Prometeon Supplier Award Ceremony.

PROMETEON
THE BUSINESS FOR RESPONSIBILITY

Supplier Award Program

FEDERICA TONDINI
CHIEF PROCUREMENT OFFICER
PROMETEON TYRE GROUP

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2023: to verify that **suppliers** result compliant with the fundamental requirements regarding the social, environmental and business ethics responsibilities, Prometeon decided to continue with **audits on site** with the collaboration of a **second-party audit company**;

- The aim was to verify, with the support of a specific audit, the correctness and truthfulness of the answers provided during the self-assessment process. Procurement Department together with Internal Audit & Sustainability Department selected a **sample of suppliers including all types: natural rubber, chemicals, carbon black etc.**
- Regarding the results of the audit, for all suppliers who have not fulfilled all the required standards, **action plans are defined with expiration dates** which are then verified on site and need to be approved with evidences by the auditor of the third party.

Federica Tondini
Prometeon Tyre Group

Rubber News
WOMEN BREAKING THE MOLD
CLASS OF 2023

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ECONOMIC DIMENSION

2023 AUDIT RESULTS

- ✓ 19 audits of suppliers of raw materials (natural rubber, chemicals, carbon black, cobalt and minerals) have been verified by second party audit company to attest their compliance in terms of social standards and impacts;
- ✓ In 2023 the Company overachieved the targets and commitment for sustainability audits, strengthening the position of Prometeon Tyre Group;
- ✓ Based on the results obtained during the audit carried out in 2023, 63% of suppliers have been identified as not having significant actual and potential negative social impacts with which improvements were agreed and signed by the suppliers upon the result of the assessment carried out by the second party audit company;
- ✓ 0% of suppliers were terminated due to actual and potential negative social impact as a result of the assessment;
- ✓ 100% of all new suppliers having collaboration with Prometeon Tyre Group have been evaluated in the area of Environment, Social and Governance;
- ✓ Goals have been set also for 2024 with a 5-year plan which will involve 88% of its Raw materials supplier base. Here below the audit plan shared and approved as shared below :

SUSTAINABILITY AUDIT EVOLUTION	2021	2022	2023
Audit Plan (based on supplier spending) Mio€	24,9	125,3	261,7
% Audited	4%	20%	42%
Total factories audited	6	22	37

*The number of factories actually audited is presented cumulatively (e.g. in 2021 6 factories were audited while for 2022 and 2023 in total 18 and 19 factories have been audited respectively) compared to the above indicated official audit plan.

- During 2022 and 2023 Prometeon overachieved the target regarding training and audit on suppliers, and thus with the aim to reach the 3 years target of the LTI;
- In 2023 the Company overachieved the targets and commitment for sustainability audits, strengthening the position of Prometeon Tyre Group;
- For 2024 the Company decided to define a biennial plan 2024-2025 for 32 audits, 16 in 2024 and 16 in 2025.

	Total Score	Average	
	Maximum SCORE	Score	%
Governance	5	4	76%
Child labour	35	28	74%
Forced labour	45	37	83%
Health and Safety	150	112	77%
Freedom of association	45	35	72%
Human resources / Discrimination	45	35	70%
Disciplinary practices	35	22	64%
Working hours	60	39	63%
Remuneration	45	34	75%
Environment	70	46	66%
Lawfulness and ethics in business	40	28	71%
Relations with the Community	25	17	68%
Supply chain management	30	18	61%
Transparency / Communication with stakeholders	25	17	69%
Total	655	447	66%

*The average score considers the 19 audits carried out in 2023 (for each supplier audit can be carried out on more than 1 factory).

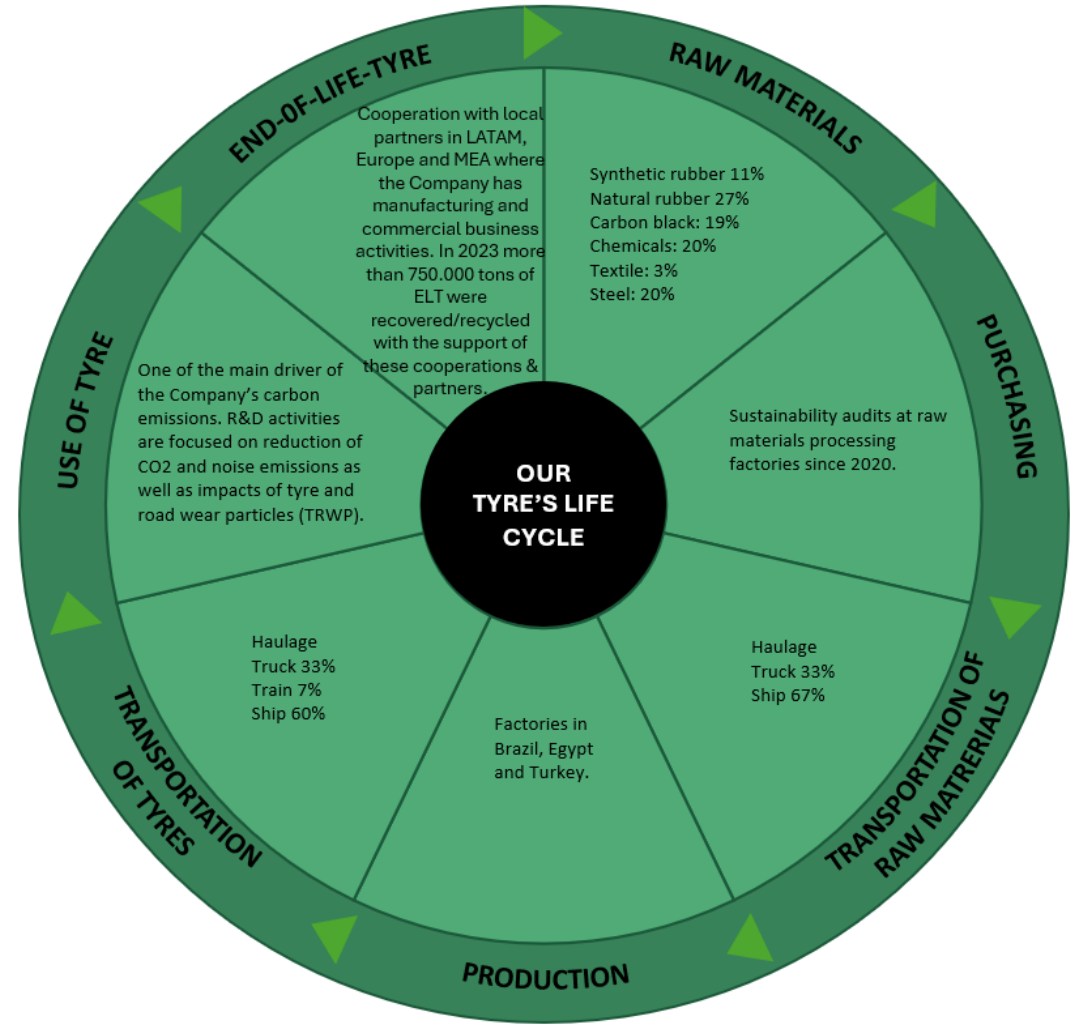
- The Company is working to extend the self-assessment and second party audit to indirect services suppliers with the aim to extend the control on the entire upstream phase verifying all suppliers working with Prometeon at global level ensuring sustainability all along the supply chain.



ECONOMIC DIMENSION

- ❖ **The Company Quality** is the base of Industrial Strategy, and a global direction has been defined;
- ❑ **The vision** is represented by a logo exclusively designed and slogan **“Smart and Sustainable”** and this **Quality approach is based on digital innovation and sustainability**;
- A roadmap with short, medium and long terms projects was born to reach the objectives set;
- ❖ **This vision of Company Quality** is developed with circularity concept and it is embodied within each pillar of Quality:
- ✓ **Supplier Quality Pillar:** aims for an advanced supplier performance evaluation and supplier social accountability;
- ✓ **Compound Quality Pillar:** aims for an advanced compound properties evaluation and compound scrap or rework improvement;
- ✓ **Process Quality Pillar:** aims for process live management and digitalization and to improve waste and recycle;
- ✓ **Product Quality Pillar:** aims for tyre performance linked to the production flow and rolling resistance predictive analysis;
- ✓ **Outgoing Quality Pillar:** aims for automatic defect recognition and finished product rework improvement.
- ❑ **Quality Week 2023**
- World Quality Week is a global awareness campaign to celebrate the quality management profession;
- **From 6th to 10th November 2023**, Prometeon celebrated **Quality Globally** with focus on **“Quality as Culture and Consistency: Tyre Uniformity.”**, that in fact implies a quality conscience, quality as a value and a proper mindset that Prometeon has to promote, with a special focus on what the Company had identified as 2024 global focus on Tyre Uniformity improvement.

Focus is to design and develop tyres in the ways that facilitate repairment and retreading, thus increasing tyre lifetime and reducing environmental impact not compromising tyres performance in terms of safety and efficiency



PROMETEON

THANK YOU!