



2022

**SUSTAINABILITY REPORT
ON VALUE CHAIN**

RESPONSIBLE MANAGEMENT

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LETTER TO STAKEHOLDERS

Prometeon Tyre Group 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.

Prometeon Tyre Group reaffirms its support of the **Ten Principles of the United Nations Global Compact** in the areas of Human Rights, Labour, Environment and Anti-Corruption since 2019. Starting from September 2020 Prometeon Tyre Group became formally a Founder Member of the United Nations Global Compact Network Italy. With this new status, Prometeon Tyre Group is committed to contribute to the realization of the Foundation's goals participating to the institutional life implementing the planned initiatives. By incorporating the Ten Principles of the UNGC into strategies, policies, and procedures, and establishing a culture of integrity Prometeon Tyre Group is not only upholding its basic responsibilities to people and planet, but also setting the stage for long-term success. In this annual Communication on Progress, Prometeon Tyre Group describes actions to continually improve the integration of the Global Compact and its principles into its business strategy, culture, and daily operations. Prometeon Tyre Group is committed to the UN Global Compact and together with other stakeholders, they are improving working conditions and human rights along the supply chain in the long term. Moreover, since 2019, the Company is committed to concretely support the Sustainable Development Goals.

Starting from 2022 Prometeon Tyre Group decided to enhance its Sustainability Strategy and Model with the support of specific **ESG Rating Assessment** and the new application of the **Global Reporting Initiative** in the Corporate Social Responsibility giving the possibility to Prometeon Tyre Group to better identify the impacts, negative and positive, working on the mitigation of these latest through short- and long-term goals and targets. Furthermore, Prometeon Tyre Group with the support of the **Risk Management Committee** ascertained which were the Sustainability risks that needed to be monitored and mitigated.

Prometeon Tyre Group through short, medium, and long-term vision and strategy on impacts regarding economy, environment, and people, including impacts on their human rights, will be able to manage across the organization's activities and business relationships all the identified impacts. By the application of its business strategy and business model aim to prevent negative impacts and achieve positive impacts on the economy, environment, and people the Company will mitigate the negative impacts. With the aim to reduce the impacts, the Company already defined short and medium-term strategic priorities for contributing to sustainable development.

In 2022, **12 new materials topics** have been identified by Prometeon Tyre Group which have been divided in 3 main areas as shown here below:

Prometeon Tyre Group's growth is built on sustainability, and it is a vital part of the way this latest conduct its business. Identifying material topics, the Company will be committed to enhance its Corporate Social Responsibility to mitigate all the impacts creating economic value for territory and stakeholders. What Sustainability means at Prometeon Tyre Group: ***"The development that meets the present need without compromising the capacities of future generations"***.

Roberto Righi, General Manager of Prometeon Tyre Group stated that: *"Over the next few years we will be focusing on balancing technological development and sustainability, understood as meaning respect both for the environment and for all the communities and people with whom the company works on a day-to-day basis. With the initiatives set in motion, Prometeon Tyre Group is ready to continue its sustainable growth journey."*

Prometeon Tyre Group's main challenges, goals, and targets regarding its contribution to sustainable development for the next year and the coming three to five years are related to Sustainable Linked loans obtained in 2021 which required to the Company to define target until 2025 for Environment (waste reduction), Social (training to all employees) and Governance (audit on all suppliers of raw materials including cobalt and minerals). Furthermore, with the Sustainability Committee held by Headquarter in Milan and at local level in Turkey, Egypt and Brazil, the Company is settings long-terms targets until 2030 to reduce waste, water, energy and CO2 emissions.

With specific reference to environment, the Company understands clearly threats posed by climate change, an undeniable fact of the contemporary world with a high potential to lead to abrupt changes in ecosystems. Determined to take a proactive role in struggle to stop climate change, Prometeon Tyre Group is committed to strive for actions with concrete results within its business activities all along its value chain, aimed at achieving product life circularity. With this aim in mind the Company conducts continuous research & development activities on innovative materials and cooperates with external parties to carry out ESG assessment to improve constantly its Corporate Social Responsibility. As a Company of which corporate ethics foundations are laid down by the very being and protection of human rights, Prometeon Tyre Group endeavors to offer its best possible contribution to the people and supports local initiatives providing for humanitarian aid to persons negatively affected by conflicts.

SUSTAINABILITY REPORT

COMMITMENT OF PROMETEON TO SUSTAINABILITY

INTRO

Prometeon Tyre Group explores the Sustainable Management Model with the 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.

UNITED NATIONS GLOBAL COMPACT

Since Prometeon Tyre Group joined the United Nations Global Compact in August 2019, which offers leadership guidelines envisaged to inspire advanced and innovative Sustainability Performance Management for business community, Prometeon continued to enhance its management capacity for the creation and maintenance of sustainable values. Every year, the United Nations Global Compact proposes a series of initiatives to provide support in the definition of strategies and partnerships for the pursuit of Sustainable Development Goals launched in September 2015 in New York with the aim of accompanying the activities of sustainable companies until 2030.

Moreover, from September 2020, with the status of Founder Member of the United Nations Global Compact Network Italy Prometeon Tyre Group is committed to contribute to the realization of the Foundation's goals and thus not only by supporting the organization economically but also actively. In 2022 the Company participated to institutional life implementing the planned initiatives.

The present Report reflects the integrated Sustainability model adopted by Prometeon Tyre Group in 2022 which is following the Ten Principles of the United Nations Global Compact (here in after “UNGC”).

WE SUPPORT



SUSTAINABILITY REPORT

The Ten Principles of the UNGC are the following:

Human Rights

- Principle 1: states that Businesses should support and respect the protection of internationally proclaimed human rights;
- Principle 2: requires Businesses to ensure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour;
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: requires Businesses to undertake initiatives to promote greater environmental responsibility;
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should take part in fight against corruption in all its forms, including extortion and bribery.

The over mentioned principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

The foundations of corporate sustainability are laid by a company's value system and a principles-based approach to doing business which imply for that company to adopt operating standards that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UNGC into strategies, policies and procedures, and establishing a culture of integrity Prometeon Tyre Group is not only upholding its basic responsibilities to people and planet, but also **setting the stage for long-term success.**



“If our developments are not sustainable, then it means we will come to suffer at some point. It may not be us, but the future generations will undoubtedly do.”

Nicolas Marchi – Chief Internal Audit & Sustainability Officer at Prometeon Tyre Group.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



SUSTAINABILITY REPORT

Prometeon Tyre Group continues to be inspired by the seventeen Sustainable Development Goals of the United Nations (here in after “SDGs”) designed to accompany the activities of sustainable companies up to 2030. The SDGs are the **blueprints to achieve a better and more sustainable future for all** that address the global challenges and that companies have to face out, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. The 17 Goals are all interconnected, and in order to leave no one behind, it is important that all the companies work to achieve them all by 2030.

PROMETEON TYRE GROUP SUSTAINABILITY PLAN AND THE SDGs

The Company in 2021 started to review its **targets and Sustainability Plan** implementing new activities such as **ESG Rating assessment, Sustainability linked loans** and others that will be discussed and presented in the Sustainability report of 2022. The aim is to follow the request regarding the global effort required to achieve the SDGs. In particular, it is possible to note the strong connection between the Sustainability Plan adopted by Prometeon Tyre Group and the following SDGs:

- **2. Zero Hunger:** in the section dedicated to “Social Dimension” in particular in the “External Community” paragraph “Donation”;
- **3. Good Health and Well-being:** in “Social Dimension” section, with specific regard to “Welfare and Initiatives for the Internal Community”;
- **4. Quality Education:** in the section dedicated to “Social Dimension”, with special regards to paragraphs “Welfare and Initiatives for the Internal Community” and “Company Initiatives for the External Community”;
- **6. Clean Water and Sanitation:** in “Environmental Dimension” section, under the “Water Management” paragraph;
- **7. Affordable and Clean Energy:** in the section dedicated to “Environmental Dimension” under the paragraph “Energy Management”;
- **9. Industry, Innovation and Infrastructure:** in the section dedicated to “Environmental Dimension” under the paragraph “Energy Management”; with specific reference to paragraph related to “Product Safety, Performance and Eco-Sustainability” in the “Economic Dimension” section;
- **12. Responsible Consumption and Production:** with particular attention to the section dedicated to “Environmental Dimension”; and in the specific paragraph for “Product Safety, Performance and Eco-Sustainability” under the “Economic Dimension” section;
- **13. Climate Action:** with special reference to “Management of Greenhouse Gas Emissions and Carbon Action Plan” in the section “Environmental Dimension”.

The Sustainable Objectives listed above are not the only ones in which the Company is engaged; in addition to the above, this Report describes initiatives and activities that refer to other SDGs such as:

- **1. No Poverty:** in the “Social Dimension” section with specific reference to the paragraph for “Company Initiatives for the External Community”;
- **8. Decent Work and Economic Growth:** in the paragraphs dedicated to the “Main Policies” under the “Governance and Business Ethics” section; in the paragraphs related to “Internal Community” in the “Social Dimension” section and in the paragraph “Our Suppliers” under the section dedicated to “Economic Dimension”;
- **10. Reduced Inequalities:** in the paragraphs related to “Main Policies” in “Governance and Business Ethics” section and the “Diversity Management” paragraph under the “Social Dimension” section;
- **11. Sustainable Cities and Communities:** in the specific paragraphs dedicated to “Progetto Comune di Milano Per Costituire un Distretto di Smart Mobility che sia riferimento in termini di Sostenibilità ed Innovazione” (“Project of the Municipality of Milan to build an exemplary Smart Mobility District in terms of Sustainability and Innovation”); Safe mobility: “PRO-Check” under “Economic Dimension” section;
- **15. Life on Land:** in the specific paragraph dedicated to “Sustainable Rubber Policy” under the “Main Policies” paragraph in the “Governance and Business Ethics” and in the section “Social Dimension – Donations to External Community –”;
- **16. Peace, Justice and Strong Institutions:** in the paragraphs related to the “Main Policies” and “Programs of Compliance 231, Anti-Corruption” in the “Governance and Business Ethics” section;
- **17. Partnerships for the Goals:** in the paragraphs “Road Safety”, “High Value Approach to Future Mobility”, “Product Safety, Performance and Eco-Sustainability” in the section dedicated to “Economic Dimension”; with specific reference to the paragraphs dedicated to “Institutional Relations of the Prometeon Tyre Group” under the “Social Dimension” section; in the specific paragraph for the “Sustainable Natural Rubber” Policy in the “Governance and Business Ethics” section. It is noted that all the sub-paragraphs relating to “Company Initiatives for the External Community” indicate the main SDGs that the projects and initiatives described impact directly. Moreover, in the section related to the “Environmental dimension”.

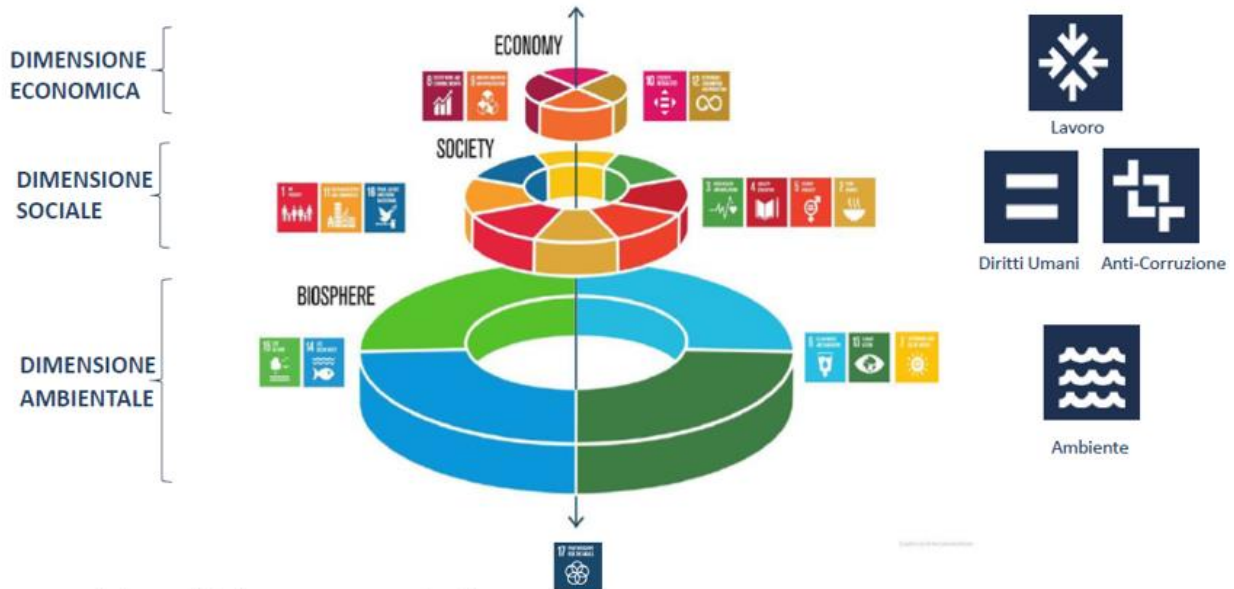


Prometeon Tyre Group supports the Sustainable Development Goals

The Sustainability Plan has been developed in accordance with the “Value Driver” model drawn up by the UNGC and sets targets that combine growth, productivity, Governance and risk management. Moreover, through the adoption of the Ten Principles of the UNGC and the inspiration for the 17 SDGs,

SUSTAINABILITY REPORT

the Company endeavors to create the perfect correlation between the four main areas of the Ten Principles and the SDGs, where indeed the latter address the former in a more detailed manner.



*Source: Fondazione Global Compact Network Italia

In all countries where Prometeon Tyre Group operates with manufacturing plants, local affiliates are assigned with specific targets identified in accordance with Company's sustainability approach. The targets include the constant monitoring of Compliance with the SA8000® Standard, the specific reduction in the accident frequency index, the specific reduction (weighted on the total finished product) in energy consumption and water withdrawal, as well as control of the sustainability of the supply chain, dissemination and local implementation of Group Policies and engagement with stakeholders.

The Report shows the sustainability performance of Prometeon Tyre Group in 2022, compared to 2021. The information systems that contribute to collect the data accounted in the Report are: HSE-DM (Health, Safety and Environment Data Management), SAP HR (SAP Human Resources) and SAP/HFM (SAP Financial Accounting).

The Report is structured into four main areas which are in line with the Ten Principles of the UNGC (see disclosure table pages 273 - 276) and directly related to the SDGs as showed in the table above:

- **Governance and Business Ethics**, an introductory section related to the Sustainable Management Model adopted by the Company, related Policies and activities;

- **Economic Dimension**, in which the distribution of added value is detailed along with the management and performance relating to customers and suppliers;
- **Environmental Dimension**, which describes the management of environmental aspects and impacts for the Company plants;
- **Social Dimension**, which brings together the paragraphs dedicated to governance of industrial relation, welfare, the internal community and the external community.

GLOBAL REPORTING INITIATIVE

During 2022 Prometeon Tyre Group decided to apply the Global Reporting Initiative in its Social Corporate Sustainability Report. GRI's Materiality Principle provides a framework for identifying the key Environmental, Social, and Economic impacts the organization has based on the nature of its business. It also takes into consideration the impact organizational activities and decisions have on key stakeholders.

Roberto Righi, Direttore Generale di Prometeon Tyre Group. “In the coming years we will focus on managing the balance between technological development and sustainability, understood as respect for both the environment and all the communities and people with whom the company works on a daily basis. With the initiatives undertaken since 2021, Prometeon is ready to continue its path of sustainable growth”.

Nicolas Marchi, Chief Internal Audit & Sustainability Officer di Prometeon Tyre Group: “The ESG rating evaluates how the company addresses environmental, social and governance issues, referring to the way it manages and maximizes its non-financial risk. ESG-rated companies are proving that, in many cases, they are better equipped to face future challenges. Furthermore, doing it now, anticipating the times, means looking to the future by optimizing and focusing investments on activities deemed necessary and concrete”.

MANAGEMENT MODEL

Responsible management by Prometeon Tyre Group runs through the entire value chain. Every operating unit integrates economic, social and environmental responsibility in its own activity, while cooperating constantly with the other units, implementing the Group strategic guidelines.

The main management systems adopted include **ISO 9001, IATF 16949, ISO 14001 and ISO 45001 certifications**. Moreover, the Company is inspired by the requirements of Standard **SA8000®** as a reference tool for managing Social Responsibility at its Affiliates and along the supply chain.

SUSTAINABILITY REPORT

This section of the Annual Report 2022, entitled “Report on Responsible Management of the Value Chain”, constitutes the “Consolidated Non-Financial Disclosure” of the Company and explores the Sustainable Management Model adopted by Prometeon Tyre Group, the 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 capital.

GOVERNANCE AND BUSINESS ETHICS

SUSTAINABILITY STRATEGY AND CONTRIBUTION TO SUSTAINABLE VALUE CREATION

The Prometeon Tyre Group business and its strategy integrity and transparency: Prometeon Tyre Group is a multiband manufacturer of truck, bus, agro and OTR tyres, distributed all over the world. The Company designs, develops and engineers products and services to meet customers' needs and expectations, upholding the sustainable values at the heart of its corporate reality and implementing sustainable principles into its business strategy and practices.

THE ORGANIZATION AND ITS REPORTING PRACTICES

Prometeon Tyre Group S.r.L. is a non-listed limited liability company operating in manufacturing and sales of tyres especially for industry, transport of goods and passengers, and AGRO and OTR applications, with headquarters based in Milan, Italy and a social capital of € 100.000.000. Prometeon Tyre Group through its majority shareholder is part of Sinochem Holdings Corporation Ltd.

OUR WORLD | OUR PRESENCE

*Prometeon reaches **over 160** countries with our tyres and mobility solutions.*



Prometeon Tyre Group's Corporate Sustainability Report is published annually. The reporting period extends from 01.01.2022 to 31.12.22 and it is aligned with the reporting period of the Company's annual financial statements (please refer to Prometeon Tyre Group Financial Annual Report).

As Chief Internal Audit & Sustainability Offices, Nicolas Marchi is the designated contact point for the Corporate Sustainability report and can be reached out via nicolas.marchi@prometeon.com.

Prometeon Tyre Group purchases raw materials from producers in different countries, mostly in Latin America (33%) and Asia (29%). All suppliers are evaluated through a specific selection process including

SUSTAINABILITY REPORT

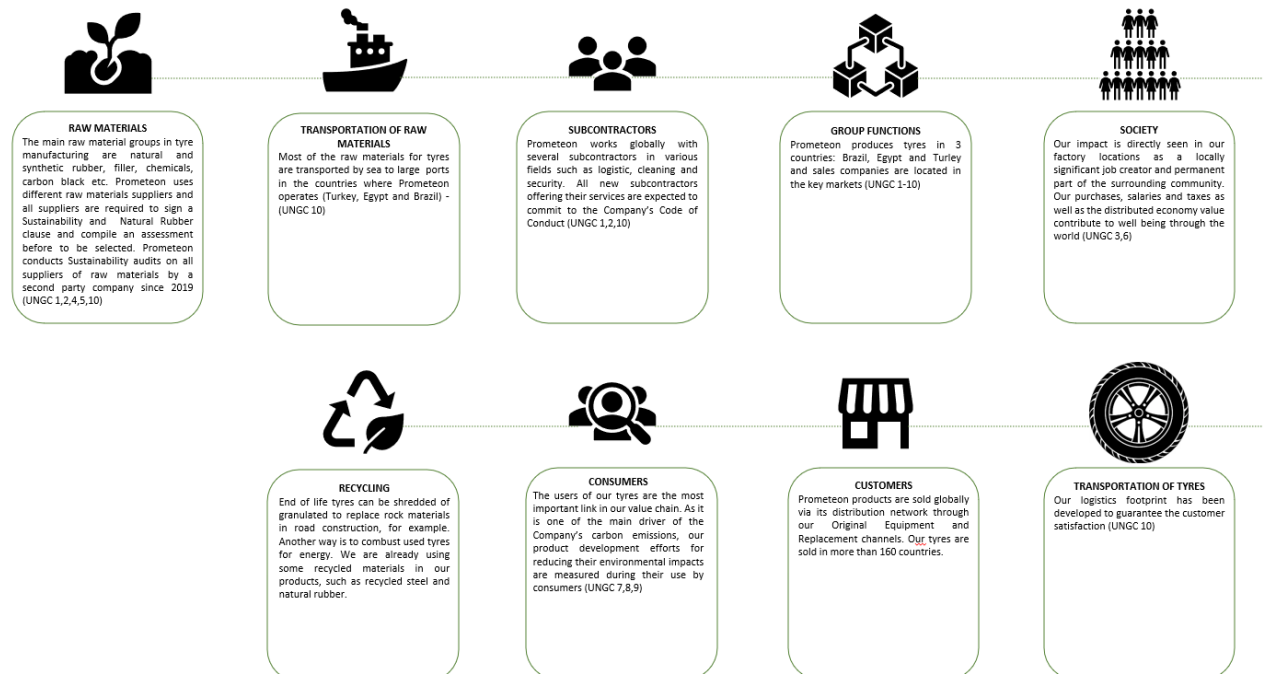
a self -assessment which evaluate their level of Quality, Social and Environmental responsibility and before to start the collaboration they have to sign a specific agreement regarding Natural Sustainable Rubber and a Sustainability agreement. During 2022 the Company worked in order to implement during the first quarter of 2023 a Procurement Policy giving more standards, process and requirements to be followed. Moreover, suppliers working or having business with Prometeon Tyre Group are also evaluated through second-part audits with the aim to verify their level of compliance in Environmental Social and Governance.

Production: Regarding the Production process, all raw materials needed are transported in the 4 plants where the Company operates (Brazil Santo André & Gravataí, Egypt Alexandria, Turkey Izmit). All plants are organized with dedicated areas such as: Inbound materials (storage by area for the different materials needed), production, quality control, outbound (warehouse storage of finished products and management of waste products such as recycling and waste disposal in dedicated channels for the correct handling).

Consumption: from the warehouse storage finished products are prepared for delivery to end users and customers (including dealers for Replacement channel as well as Original Equipment manufacturers).

The disposal/recycling processes: at the end of the life cycle the tyres are collected from different consortium which are engaged to dispose the tyres and/or reuse giving them a second life, becoming playground, sounds barrier, fitness mats (*please refer to Environmental Dimension – ELT*).

PROMETEAON TYRE GROUP'S VALUE CHAIN



The Company's governance system is driven by the highest ethical values, hence we observe the principles of integrity, transparency, honesty and fairness on a daily basis in any relationship with our stakeholders. Pursuing the purpose of manufacturing a safe and high-performance product, we have embraced not only the principle of excellence and competitiveness in the marketplace but also the principle of respecting gender equality, human rights, as well as the realization of sustainable product development that respects the environment and future generations, with a view to eco-friendly growth.

The Board of Directors of Prometeon Tyre Group S.r.l. consists of six Directors, out of which one Chairman and five Directors, and has full authority over the ordinary and extraordinary management of the Company, including major ESG related decisions.

The members of the board have been appointed by the Quotaholders' meeting held on 28th April 2022 for three fiscal years and, therefore, until the date of the Quotaholders' meeting that shall be convened to approve the financial statements as of December 31, 2024. The six members all together represent the energy and dynamism of youthness as well as experience and wisdom of maturity; while three members have ages greater than 50 years old, the remaining three members' ages varying between 30 and 50. Two out of six directors are part of the Company's top management. Four out of six directors hold managerial positions in companies of the relevant chain of control. The Chairman does not hold any managerial position within the Company. The other member with particular competences in Sustainability is also an active member of the Control Committee of Risk, Sustainability and Corporate Governance for Pirelli.

With reference to the competences of the members of the Board, it has to be highlighted that the General Manager of Prometeon Tyre Group S.r.L. which participates also actively to the Board of Directors (approval of financial statements report and corporate social responsibility report) has specific competences in sustainability with particular focus on ESG.

The presentation and approval of the Sustainability Report also serves as the main training tool for board members on ESG issues.

Although Prometeon strives to comply with the best practices in terms of corporate governance, not being a listed company, no particular provisions have been implemented so far in relation to gender diversity within the Board of Directors, minorities and stakeholder representation, board evaluation. Moreover, the Board members do not receive any remuneration as a consequence of their office, with the exception of those provided for the positions held within the company. The independence and specific technical skills of the candidates are not taken into consideration for the purposes of nomination.

SUSTAINABILITY REPORT

When called upon to approve the consolidated financial statements, the Board also approves, on a voluntarily basis, the sustainability report. For this reason, the directors receive in a timely manner the sustainability report so that they may revise it and comment prior to its approval.

To ensure that the Board remains continuously informed of critical issues and sustainability topics, an agenda with the relevant item is formed before each Board meeting. Moreover, there is a constant update of the directors on the group's critical issues also outside the Board meetings through continuous interaction between executives and directors.

One of the Directors, also serving as General Manager, and reporting to the Board, is empowered with specific powers and supervises the day-by-day operations of the Headquarter and of the Company's subsidiaries.

Through the General Manager's activities of supervision, the Board of Directors oversees the activities carried out by Prometeon Tyre Group and its subsidiaries. In addition, the inter-organizational control system in place has been built on communication and common policies and procedures. Thereby, the Company's subsidiaries conduct their activities under continuous coordination with Headquarter, without however affecting their autonomy.

The Company has appointed a Board of Statutory Auditors, which consist of three standing statutory auditors and two alternate statutory auditors and an Independent Auditor firm according to applicable provision of law.

Remuneration of the members of the Board is made based on fairness and equality, the two principles that shapes the remuneration strategy of Prometeon Tyre Group applied to all its employees from the most junior employee to the persons covering the highest hierarchical position in the Company. Deep discussion on this topic can be found in Social Dimension chapter, under "Rewards and Welfare Paragraph".

In 2017 the Company adopted an organization model (the "Organizational Model") in accordance with the principles outlined in Italian Legislative Decree no. 231/2001 (the "Decree"). The Organizational Model is updated whenever necessary and primarily when the legislature enacts provisions amending the relevant legislation.

The Organizational Model also provides for the establishment of a Supervisory Board, responsible for monitoring the implementation of the Organizational Model and compliance and a whistleblowing channel.

In this regard, the Company has identified the members of the Statutory Auditors as members of the Supervisory Board and has established a whistleblowing channel which enables the stakeholders to anonymously report any actual or alleged violations of laws and policies.

The Company has implemented a Code of Conduct which Directors, Auditors, management, and employees of Prometeon as well as anyone operating in the name and/or on behalf and/or in the interest of the Company, or that has business dealings with it shall comply with in order to prevent situations that could lead to unlawful acts in general, and in particular the crimes pursuant to the Decree.

As presented under paragraph “Analysis of Materiality and Identified Risks” describing the impacts of Prometeon Tyre Group’s business activities on people and environment, having specific communication channels with its stakeholders, in particular those externals (business partners, suppliers, local communities affected by business activities) is of vital importance to the Company. To this end, Prometeon Tyre Group avails of different platforms including the Corporate website, social media channels as well as whistleblowing channel. Further information can be found in chapter “The Relationship with Our Stakeholders” and paragraph “Focus: Reporting Procedure - Whistleblowing Policy” discussed under “Our Policies” chapter.

MEMBERSHIP ASSOCIATIONS

In line with its inspiration for Sustainable Development Goal 17 “partnerships for the goals” Prometeon Tyre Group understands the importance of collaboration and cooperation with various actors in conducting its business activities. 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 is a non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. UNGC is a **voluntary basis United Nations initiative that aims to encourage businesses worldwide to adopt sustainable and socially responsible policies**. Prometeon Tyre Group participates to webinar and surveys provided by UNGC in order to improve its CSR. The Company report its overall sustainability performance on yearly basis through Communication On Progress to the UNGC. **European Tyre & Rubber Manufacturers Association - ETRMA** represents the regulatory and related interests of the European tyre and rubber manufacturers at both the European and international level. The association is involved in continuous dialogue with various EU and international institutions, national agencies and other industry sectors. As the voice of tyre and rubber goods producers, activities focus on representing, communicating and promoting the industry to policymakers, as well as providing technical advice for its members. The activities carried out by the Company in collaboration with the ETRMA are discussed in detail under the paragraph “Focus: ETRMA – European Tyre and Rubber Manufacturers Association” of the present section.

The European Tyre and Rim Technical Organization - ETRTO is an association open to any manufacturer of tyres, rims or valves and whose manufacturing facilities are located in Europe. As tyres are recognized as making a major contribution to road safety, the association is active in its contacts with national and

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international organizations and legislative bodies in order to make appropriate recommendations. The related activities focus strictly on technical aspects of tyres, rims and valves as far as fitting and use are concerned. For instance, principal objects are to further align of national standards and ultimately to achieve interchangeability of pneumatic tyres, rims and valves in Europe as far as fitting and use are concerned, as well as the development of technical legislation related; to establish common engineering dimensions, load / pressure characteristics and operational guideline; to promote the free exchange of technical information appertaining to pneumatic tyres, rims and valves.



Federazione Gomma Plastica represents **the Italian** rubber, electric cable and similar industries, with the aim of promoting any initiative useful regarding the progress of the Industry and protecting its interests. It is an association of companies which are operating in the sectors of production of polymer matrix products, rubber, plastic materials and similar, as identified by the Ateco codes assigned by Confindustria. The association participates, together with Confindustria and all its other Associates, in the development process of Italian society, contributing to the affirmation of an innovative, internationalized, sustainable entrepreneurial system capable to promote economic, social, civil and cultural growth of the country. On delegation from Federazione Gomma Plastica, Assogomma represents, the Italian Rubber, Electric Cable and Similar Industry towards the Public Authorities and Administrations, Organizations and Associations in Italy and abroad for the matters related.



The members of **Lastik Sanayicileri ve İthalatçıları Derneği - LASİD** (Tyre Manufacturers and Importer's Association) are the main tyre manufacturers and Importers operating in Turkey. The objectives of association are to inform the public on issues related to the sector and products, to carry out activities that will promote correct and conscious tyre use, therefore it aims to act as a bridge between the sector and institutions, legislators and society by addressing the difficulties and problems of the sector collectively and making suggestions and presenting opinions before official authorities and other interested parties on the necessary administrative and legal regulations. Additionally, to follow the sectoral developments in European Union member countries and other countries, to inform the public and its members on these issues. Lastly, the association participate in and contribute to the studies carried out in the country and abroad in order to minimize the possible effects of tire production and use on the environment.



YASED International Investors Association is the only non-governmental organization (NGO) representing the international companies operating in Turkey. The mission is to enhance the efficiency and profitability of international companies in the country and the level of attraction of the country for investors by contributing to the improvement of the business and investment environment. It aims to become a leading NGO supporting sustainable growth and development of Turkey with international direct investments creating added value. YASED has an important representation power especially vis-a-vis the government and all public authorities, as its member companies operate in 30 countries and over 15 sectors. The association plays a pioneering role in the establishment of sustainable, predictable and competitive legal regulations and legislations in international standards. Lastly YASED works in cooperation with the public authorities in order to increase global competitive power of the country.



Lastik Sanayicileri Derneği – LASDER (Tyre Manufacturers Association) is established by the main tyre manufacturers of Turkey with the aim to collect, transport and recover end-of-life tyres (ELT) from sellers, service providers, mechanics and similar organizations organized throughout Turkey. For instance, to represent the leading companies of the tyre sector in Turkey to direct the waste sector in the best way and to raise the standards with a transparent and fair management, raising consumer awareness spreading the importance of waste and recycling. LASDER continues to be in contact with international institutions and organizations, i.e. Ministry of Environment, Urbanization and Climate Change in order to add, remove and make other possible changes to the legislation in the light of the experiences gained from the applications, cooperating with the Ministry in creating the appropriate environment for the implementation of possible developments.



Associação Nacional da Indústria de Pneumáticos - ANIP represents the tyre and inner tube industry in Brazil, comprising 11 companies and 21 factories and acts in defending the interests of the sector and international trade. One of these actions is in defense against the practice of dumping by some companies that import to Brazil with prices below those practiced in other markets, being considered an activity condemned by the WTO (World Trade Organization). For example, anti-dumping measures applied by the government for passenger, cargo, motorcycle and bicycle tires. Moreover, the

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association also acts in identification, denouncing import companies that do not comply with the reverse logistics rules for the collection and disposal of waste tires. ANIP has been working on the National Program for the Collection and Disposal of Waste Tires since 1999. In 2007 ANIP created Reciclanip, an entity dedicated exclusively to carrying out this work in the country.



American Chamber of Commerce (AMCHAM BRASIL) is more than a typical chamber of commerce. It integrates Brazilian and international companies in an environment that goes beyond borders in the generation of content, also providing a complete and active range of business products and services. The association constructively influences public policy in Brazil and the United States, foreign trade and business management topics are considered.

AMCHAM

Centro das Indústrias do Estado de São Paulo - CIESP is a non-profit civil entity, it brings together industrial companies and their parent companies, and associations related to the production sector, as well as companies that have activities directly related to the interests of industry. Its actions are based on the preservation of the general interests of industry and its associates (more than 8,000 associated companies). Topics of interest to the producing classes are studied, debated and taken to the federal, state and municipal authorities. The association supports and give advice the members in the legal-advisory and technical, economic, foreign trade, infrastructure, industrial technology, social responsibility, sustainable development, credit, and support in research, fairs, symposia, business rounds, courses, agreements.



FOCUS: ETRMA –EUROPEAN TYRE AND RUBBER MANUFACTURERS ASSOCIATION

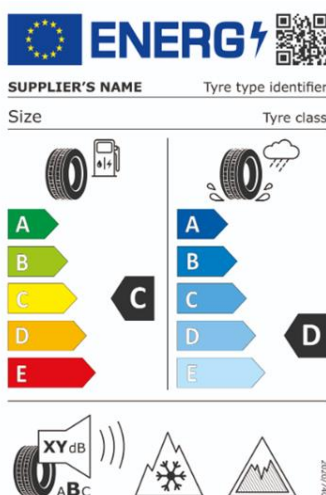
The European Tyre & Rubber Manufacturers Association (ETRMA) is an international tyre and rubber industry trade association representing nearly 4.400 companies in the EU which directly employ about 370.000 people. The tyre business volume of ETRMA's corporate members represent 70% of the global sales and 7 out of 10 world leaders in the sector are ETRMA Members. With 86 tyre-manufacturing

plants and 16 R&D centers, ETRMA members have a strong manufacturing and research capacity within both the EU and candidate countries.

ETRMA is the main partner of the EU institutions in the development of new policies on the tyre sector and their proper implementation for the establishment of a sustainable regulatory framework at EU level. The Association represents the regulatory and related interests of the European tyre manufacturers and cooperates with the legislators to create an enabling environment for a continuous dialogue with EU and international institutions.

Prometeon Tyre Group supports and works with the Association in various activities aimed at raising awareness of the EU institutions and Member Countries on the implementation of market surveillance for monitoring compliance with regulations on the general safety of vehicles and tyres and on energy efficiency. The Company has been present and actively participating to various working groups related to diverse aspects of tyre manufacturing and business: trade, label regulation, CO2 emission, noise emission, in-vehicle data access, on-board fuel consumption measurement and communication, product and industry health and safety.

Prometeon Tyre Group actively supported the Association in drafting and adoption of new EU tyre label regulation in the EU, Turkey, and Israel, which came into effect on 1 May 2021. The new label provides consumers with the possibility to access information about the tyre in the European Product Registry for Energy Labelling (ERPEL) through scanning of QR code on the label. During 2022 the Company continued to support the Association for advocating further improvements on the label, in particular the inclusion of information about other tyre performances such as abrasion/mileage.



Furthermore, in 2022, Prometeon Tyre Group actively supported ETRMA in making its contributions and commitment to the twin transition: **Green Deal & Digitalization**. The new regulatory framework will focus on the following aspects concerning tyre business:

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- European climate & environmental agenda;
- Road safety;
- Tyre wear abrasion;
- Circular Economy (retreading label initiative);
- Tyre/Road traffic noise;
- Access to in-vehicle data;
- Euro 7.

With regard to the reduction of noise limits for tyres Prometeon Tyre Group is committed to develop tyres with the lowest noise level. However, in agreement with the ETRMA position, the industry demands more attention should be paid to improving the accuracy of the noise measurement method, which is a crucial point for a reliable policy that benefits the entire noise ecosystem, as no requirements on road pavement noise exist at the moment.

Having recorded a remarkable reduction on noise level in last 15 years, tyres naturally reached their physical limits for improving noise performance. Hence any further improvement in noise emissions will negatively impact other significant tyre performances, for instance rolling resistance, which and wet grip, which are crucial to fuel efficiency and traffic safety purposes. As these latter are the key priorities in achieving ambitious goals for stopping climate change, reducing accidents and fatalities. Before potentially tightening rolling sound limits for tyres, attention should be paid to improving the accuracy of noise measurement method, which is crucial for a reliable regulation that benefits the entire noise ecosystem (recall that no requirements on road pavement noise are existing).

As the automotive industry has experienced an unprecedented digital transformation over the last few years, the tyre, mobility and aftermarket services are being disrupted and reshaped by data. In this emerging and promising market, access to vehicle data is a key enabler of innovation and services provisioning. Being aware of the actual and potential contributions, tyre manufacturers have taken advantage of digitalization to develop innovative services to improve road safety and support decarbonization of transport.

The current technical solutions, to **access vehicle data via the Original Equipment connection**, makes the vehicle manufacturer a key player concerning the management of data generated by the vehicles of its own brands. Considering that only a regulation can ensure to level the playing field for all mobility stakeholders, Prometeon Tyre Group offers its full support to ETRMA in its call to the European Commission for establishing a sector-specific EU legal framework to access in-vehicle data. Such legal framework would allow enhanced mobility services to be developed and deployed, which are necessary to foster competition and innovation on the nascent mobility services market.

Another important development that the year 2022 saw within the digital transformation in automotive industry is the launch of the Global Data Service Organization for Tyres and Automotive Components

(GDSO) to standardize tyre data and manage access to tyre information through manufacturers' databases based on a tyre ID Unique Item Identifier. Such system would allow a secure and decentralized access to tyre manufacturers' databases, enabling services based on a global, open, standardized and secured data platform, under a robust and transparent governance, thus supporting a sustainable and simplified mobility journey.

Tyre Pressure Monitoring System for commercial vehicles is one of the requirements introduced in last two years. In order to meet this novel requirement, Prometeon Tyre Group collaborates with ETRMA, supporting the industry to develop an integrated vehicle monitoring system. In 2022 Prometeon extended the number of sizes provided with RFID tag for a digital recognition of tyres and management of carcasses at the end of life of a tyre and Prometeon is developing a proprietary technology for a new generation of tyre sensor to monitor in real time temperature, pressure and other data that can be monitored online.

Another important activity where the Company plays a key role together with ETRMA is the development and definition of standards of **Vehicle Energy Consumption Calculation Tool (VECTO)**, which is essential to guarantee that all Heavy-Duty Vehicles (HDVs) to obtain CO2 certificates, including their OE tyres, as stated by the relevant regulation. Prometeon Tyre Group is committed to comply with these strict certification procedures in order to meet all the requirement of Monitoring and Reporting Regulation as in the near future certified rolling resistance coefficient will also need to be reported and included in a Central Register for Data on Heavy Duty Vehicles. The aim of the creation of such a database is to enable the full market transparency on HDVs' performances about CO2 emissions and fuel consumption. The Company followed in 2022 the extension of VECTO tool for bus and is also actively participating to the extension of VECTO tool for trailer applications.

The Company is committed to contribute to a healthy environment. To this end, Prometeon Tyre Group supports ETRMA's effort to develop a better understanding of the possible effects of particles generated during normal tyre use and wear within the Tyre Industry Project under the supervision of the World Business Council for Sustainable Development (WBCSD). Furthermore, Prometeon Tyre Group engages in a pro-active way also in the EU Tyre Industry's current work about the development of a new test method to measure the wear level of the tyres in view of a future labelling.

In November 2022, a proposal on new Euro 7 standards to reduce pollutant emissions from vehicles and improve air quality was presented to European Commission. The proposed standards include requirements from manufacturers to reduce the emissions of particulates due to tyre abrasion which is an important source of microplastic in the environment. The European Tyre Industry works UNECE level (United Nations Economic Commission for Europe) and in close cooperation with regulators to develop a reliable and representative test method on abrasion. Following the definition of test method, the abrasion requirements in the Euro 7 proposal can be specified.

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Evolution of new raw materials and new auxiliary products prior to their use in order to identify potentially critical issues for human health and the environment is one of the absolute priorities for Prometeon Tyre Group. The assessments are made not only on the basis of restrictive European regulations concerning the management of hazardous substances, but also standards and know-how currently available internationally (specifications, databases, etc.), thereby fully implementing as stated in the specific “Health, Safety and Environment” Policy.

The Company collaborates with ETRMA also in establishing and enhancing communications between downstream users and chemical producers, activities specifically envisaged by Regulation (EC) no. 1907/2006, also known as “REACH Regulation”. Through the Chemical Group (CG), which is composed by experts from tyre companies and internal members, ETRMA relays with European Chemicals Agency (ECHA), interacts with Member States’ institutions and external consultants on monitoring, studying chemicals used in tyre industries and facing the new chemical legislation as per classifications and incoming issues. Thanks to Rubber Chemical Monitoring Program, the Association anticipates future actions on chemicals and monitors the substances under evaluation by ECHA and those that can be restricted. In this context, since 2020 the activity of ETRMA had been mainly focused on following the main topics of 6PPD (organic chemical used as an antiozonant in rubber tyres), Cobalt Salts, Resorcinol, Carbon Black, DCBS (sulfonamide accelerator with excellent anti-scorching property and delayed onset of cure). ETRMA is also active to enable a free market supporting the elimination of some local and promoting the adoption of a harmonized certification frame to reduce the actual burden of administrative procedures in many countries hopefully following UNECE framework.



SUSTAINABILITY COMMITTEE

A Sustainability Committee by simple definition is a **body that is accountable for the sustainability strategy and performance of the business**. Not only is it a core part of good governance in any company, its role is also to integrate both business and sustainability priorities so that the Company is able to thrive.

The aim of the committee is to establish a unified view of ESG, increasing understanding of all three aspects, environmental, social and governance, and to promote robust standards of corporate governance that integrate all these aspects. This will help the industry to integrate ESG factors into the real estate investment decision-making process. The Environmental, Social and Governance Committee (“ESG Committee”) purpose is to support the Company's ongoing commitment to environmental

stewardship, health and safety, corporate social responsibility, corporate governance and sustainability as relevant to the Company.

Key objectives of an ESG Committee:

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

Prometeon Group, globally, follows its sustainability policies and is committed to ensure sustainable practices in its production, offices and services.

In 2022, in Headquarter an official Committee has been settled, the team worked in order to improve target for waste water and energy. The ESG committee in order to improve in environmental data collection decided to buy a software able to collect the data in order to have an overview of the KPI and set long term targets. Here below the targets sets for 2025 & 2030 in terms of Energy reduction and Co2 emissions, water and solvents reduction and recycled waste.

Here below the targets sets for 2025 & 2030, taking into account 2016 baseline as first year of Prometeon Tyre Group (after Pirelli spin off), in terms of energy reduction and Co2 emissions, water, solvents reduction and waste recovered.

Here below the reduction targets defined for the year 2025 and 2030:

| 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

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

* 2016 water equal to 4,66%

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

*2016 waste recovery equal to 92,54%

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

*2016 solvents equal to 3,51

*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.

In 2022, in Brazil, the Sustainability Committee in Brazil already formed in 2021, with the aim to organize new activities aimed to improve the Sustainability management model adopted by the Company, has been extend also to Turkey and Egypt. During 2022 several meetings have been organized covering several topics such as:

How to implement ESG standard in its Sustainability? How to apply SDGs to improve actions? Which kind of activities the Company can do to better improve its Sustainability performances? Which Goals Prometeon Tyre Group can set up for the future?



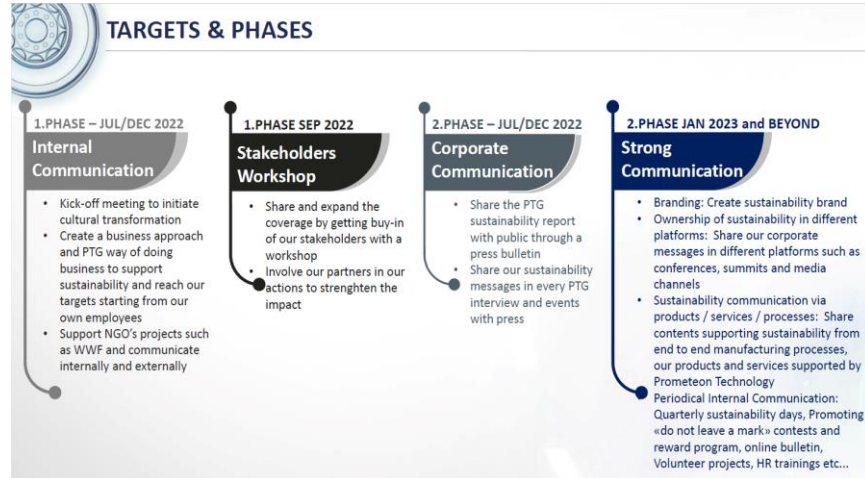
In order to reach better results, goals and targets have been assigned for each dimension (Social, Environmental and Governance) to people appointed to the Committee. Having Sustainability Committee at worldwide level that can works at local levels applying focused activities but also exchanging at global level information and best practices that can be applied also by the other countries allows the Company to improve its Sustainability through cross fertilization activities.

In Brazil, in 2022 an important teamwork was carried out to prepare the materiality matrix in which the Company will act. After that, subcommittees analyzed the materiality and their impacts and risks, as well as promoted benchmarking regarding practices that can be adopted. Another step was the development of ten ESG Programs, according to the figure below. In 2022, at local level the Company proceeded with a Life Cycle Assessment on one IP Code to understand which will be the future actions that the Company has to take to enhance its Corporate Social Responsibility. A work related to the identification of KPI's in each pillar was also done. In 2023, the work will continue with the evolution of KPI's and the implementation of key practices and programs. Moreover, every week the local committee send to all participants an ESG message to sensitize on the topic.



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In Turkey the Committee has been kicked off in September 2022 and was composed by: Marketing, HSE, Finance, Manufacturing, Market Quality, R&D, Logistic, Internal Audit, Communication, Human Resources, Information & Communication Technologies. During the Committee each function decided to set target at short, medium and long terms.



LOGISTICS – KPI's

Long Term Actions (2025)

- Increasing the number of conveyor systems in the warehouse to make all loading and unloading operations through conveyors (protect health of workers).
- To sensorize LED lights in the warehouse in order to reduce power consumption.
- Part of power consition in warehouse from solar panels.(?)
- Switching to electrical tractor (transfer of tyres between factory to wrh) from diesel ones for less carbon footprint.
- Increasing share of intermodal/sea shipments to reduce carbon emission rate.

2021 - %28 / 2022- %29 / 2025 (%35)

Medium Term Actions (2023)

- Sustainability to be one of top criterias for carrier selection during international land transportation tender.
- Monitoring carrier's carbon foot print periodically.
- Reaching a %30 free space at all harddisks and preparing a form for all colleagues in order to reduce electricity consumption
- Trucks with out of date smog check vehicle inspection reports will not be allowed to take loads from our warehouse.
- Domestic carrier will be asked to present smog check vehicle inspection in quarterly basis.
- Contribute to paperless company by establishing the connection between Prometeon and customs broker archives.

Short Term Actions (2022)

- Transition of hard copy customs documents to digital media. (COMPLETED – 01.07.2022)
- To keep under control the old DOT (slow moving) stocks by reporting regularly (once a month) to Commercial Departments and strictly follow FIFO via VMS (less environmental waste) (COMPLETED)
- Upgrading to conveyor system in all loading operations in order to reduce the load bearing to the employee's body. (COMPLETED)
- Managing specific customer portals and following up forwarder's performance data in order to increase customer satisfaction.

READY FOR THE FUTURE **PROMETEON**

In Egypt the local Committee has been kicked off on September 2022 and the function who has been assigned to the project are HR, HSE, Procurement, Marketing, Manufacturing. The Committee has identified and defined the topics to improve local sustainability. During 2022 the Committee worked on the implementation of different projects (*please refer to social dimension – internal and external community – environmental dimension*). In order to reach better results, goals and targets have been set also for medium, long-term targets.

Waste Management (Selling Non-hazardous Scrap)

Selling non-hazardous scrap items to different contractors, and factories that can recycle it into different products. YTD October 22, we sold around 2,8 K tons

Suitable Environment

ensure that all customers work in a Fair & sustainable environment.



Security & Safety

Very important to be communicate in secure and safe environment



Sustainable contracts

To insure the relationship between parties with general obligations.





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Suppliers Sustainability Main Challenges



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PROMETEON

Sustaining Employees Health @ Work (Blood Donation)

- Blood donation campaign Organized in cooperation with the Alexandria Blood Bank More than 100 PTG & Contractor worker participate in blood donation



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PROMETEON

ANALYSIS OF MATERIALITY AND IDENTIFIED RISKS

For the reporting of the year ending 31 December 2022, the Materiality Analysis was updated in accordance with the new requirements of the GRI 2021 Standard. The identification of materiality issues for the company is linked, according to the Standard's requirements, 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 organisation's activities and business relationships. These impacts include negative and positive impacts, short-term and long-term impacts, intentional and unintentional impacts, reversible and irreversible impacts.

The dedicated working group set up at corporate level, in collaboration with a team of external professionals to support it, structured the materiality analysis process in four different phases:

- *Understanding the context in which the Group operates:* analysis of the sector in which Prometeon operates, taking into consideration different categories of sources, both internal and external to the company.
- *Identification of Prometeon's actual and potential impacts:* actual impacts are impacts that have occurred over time, while potential impacts could occur in the future.
- *Evaluation of the significance and materiality of impacts:* all impacts have been assessed through a process of evaluation of the degree of significance developed in line with the criteria indicated by the Standard.
- *Prioritisation of the most significant impacts for reporting purposes:* the most significant impacts for Prometeon were prioritised and the impacts considered most relevant guided the identification of the material issues included in this Sustainability Report.

Below is a 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 |

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| | | | | |
|---------------------------------------|---|----------|-----------|---------------|
| 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 |

In general, an impact may be actual or potential, negative or positive, short or long-term, intentional or unintentional, reversible or irreversible.

Actual impacts are those that have already occurred, while potential impacts are those that may occur but, at the time of analysis, have not yet occurred.

The assessment of each positive impact has considered Prometeon's direct and indirect contribution to the Sustainable Development Goals (SDGs) in line with the commitment made and taking into account the management tools put in place to monitor the targets set. With regard to the assessment of potential negative impacts, all policies, procedures and activities implemented by the company to prevent and mitigate the identified negative impact were considered.

The prioritisation activity allowed the company to determine the material issues for reporting. At the methodological level, the main negative and positive impacts identified were prioritised and evaluated according to their degree of severity and likelihood of occurrence, respectively. The significance of an actual negative impact is determined by its severity while, the significance of a potential negative impact is determined by the severity and likelihood of the impact.

Specifically, the severity of an impact was assessed by taking into consideration three aspects:

1. **Scale:** how severe the impact is and the external context in which the impact occurs, including geography;
2. **Scope:** how widespread it is and can be measured in terms of its impact on the value chain;

3. **Irremediable character**¹: how difficult it is to repair the damage generated by the impact.

IMPACTS

Prometeon Tyre Group develops and manufactures premium tyres for consumers and customers who value safety, sustainability, and innovative products. Sustainability is at the core of Prometeon Tyre Group business and one of the five cornerstones of the Company's strategy. Management of sustainability at Prometeon Tyre Group is based on its values: focusing on balancing technological development and sustainability, understood as meaning respect both for the environment and for all the communities and people. Through sustainable business practices, Prometeon Tyre Group can offer safety and security to all stakeholders, e.g. employees, customers, local communities, shareholders, the environment, our suppliers, and local governments. Prometeon Tyre Group business is guided by the ethical principles presented in the Board approved Code of Conduct. The document specifies the principles for Prometeon Tyre Group business, including instructions for various matters related to ethics and anti-bribery guidelines. Prometeon Tyre Group does not condone any form of bribery within the Company's operations.

Every employee needs to adhere to the Code, and Prometeon Tyre Group has online training for all personnel. The majority of employees conducted the training in 2019 and the training is included in the induction for new employees. Moreover in 2023 the Company will provide a new training regarding Code of Ethics and Conduct. The company's sustainability activities are led by Internal Audit and Sustainability Department, who is a member of the Group's Management Team. The Group's Sustainability Group supervises and monitors the sustainability work within the Group and comprises Supply Chain, Research & Development, Products & Innovations, Finance, Human Resources, Health Safety and Environment, Manufacturing, Marketing, Compliance and Communications. The Manufacturing supervises and monitors the progress in reducing greenhouse gas emissions. The duties of all supervisors include day-today leadership of Sustainability.

ENVIRONMENTAL IMPACTS

Reducing emissions according to the targets settled, improving energy efficiency, improving the rolling resistance of tyres Carbon dioxide, CO₂, is the most significant greenhouse gas generated by traffic. Fuel consumption during driving is the single most significant environmental impact over a tyre's service life and approximately 89% of a tyre's life cycle, CO₂ emissions, are generated during driving in case of combustion engine vehicles. Lowering the rolling resistance of tyres means less fuel and thus less CO₂ emissions. For electric vehicles lower rolling resistance means longer driving range and lower energy use.

¹ Irremediability character was considered only for the assessment of negative impacts as indicated by the GRI 2021 Standard.

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By the end of 2019, Prometeon Tyre Group had reduced the rolling resistance of its tyre. Prometeon Tyre Group is fighting the effects of climate change and reducing emissions according to targets defined by improving energy efficiency, increasing the proportion of renewable energy in production, and encouraging raw material suppliers and logistics partners to reduce their emissions. Achieving greenhouse gas reduction targets (scope 1 + scope 2) are part of the Sustainability plan of Prometeon Tyre Group. Moreover, thanks to the Headquarter Sustainability Committee, the team is setting target for reduction till 2030 and at the beginning of 2023 the Company will monitor its consumption through a specific software that will be able to help the Company to highlight the criticalities and apply action plans to reduce every year the greenhouse gas emissions.

With reference to the waste management the Company is committed to reduce waste. During 2022 the Headquarter Committee worked to set target for waste reduction until 2030. Moreover in 2021 Prometeon Tyre Group obtained Sustainability linked loans, the financing formula includes a pricing linked to the achievement of sustainability objectives by Prometeon and is intended for the refinancing of existing debt and business needs, including new investments. In line with the "Sustainability-Linked Financing Framework", funding pricing is linked to the Group's sustainable policies: Prometeon has always been attentive to these issues and active in many initiatives linked to the commitments made with its Social, Environmental, Economic and Governance Policies, within the Strategic Model of Sustainable Growth adopted. To have access to this refinancing activity the Company set targets and KPI regarding Environmental Dimension (tyre waste goals), Social Dimension (training organized by HR) and Economic Dimension (third party audits on suppliers) that need to be reached before the end of 2025. (please refer to *Economic Dimension – Sustainability Linked Loans – targets*). The Company work on continuous improvement of the sustainability of raw materials in tyres, zero waste to landfill from production and promoting the circular economy. Regarding scrap tyres, or tyres that do not meet high standards of quality, are taken to recycling or sold to other providers that use the scrap as a raw material in their production. The Company promotes the recycling of end-of-life tyres together with its stakeholders in all the Countries where the Company operates with production plants and commercial offices (please refers to *Environmental Dimension – End of Life Tyres*). Prometeon Tyre Group goal is to increase the share of renewable and recycled raw materials in tyres. To achieve this goal, the Company is in close cooperation with different raw material manufacturers, Universities for the study of new sustainable raw materials and encourages innovations from different stakeholders. Some of the innovations for sustainable raw materials are already used in the tyres produced by Prometeon Tyre Group. (Please for further details refers to paragraphs "*Biodiversity*" and "*New Materials*" in the *Environmental Dimension* and to "*Product Safety, Performance and Eco-Sustainability*" in the *Economic Dimension*). Prometeon Tyre Group is committed to safeguarding natural resources. The company's aim is to create tyres that are both safe and more environmentally friendly, to find renewable and recycled raw materials and to replace fossil raw materials. Prometeon Tyre Group also works to avoid the use of harmful substances, thereby minimizing risks to occupational health in production and warehousing. One promise in the Health Safety and Environment Policy and in the Sustainable Natural

Rubber Policy is to continuously improve the environmental friendliness of products. The most significant environmental impacts of the plants where the Company operated come from waste and energy consumption. The utilization rate of the production waste has been growing for years, and Prometeon Tyre Group reports the amounts of waste as well as energy consumption annually in the Corporate Sustainability Report. Concerning the protection of water resources, Prometeon Tyre Group with the support of the Risk Management Committee is able to monitor and take actions to mitigate the risks related to water management and the protection of water resources in all the plants where the Company operates. Moreover, as per waste targets, the Headquarter Committee defined target to be reached in 2030 to reduce water consumption in its production operations. It has to be highlighted that Prometeon already works to preserve the water resources using different types of resources of water for its Production process and water used is also reused for other needs (watering plants and garden in the factories, *please for further details, refers to Environmental Dimension – Water*)

SOCIAL IMPACTS

Safety and well-being of personnel, diversity, inclusion, and equality in the workplace. Prometeon Tyre Group safeguard the development of human capital, respect human and workers' rights, advance an inclusive and equal working culture and empower people to be active members in the organization. Active participation at different levels of the organization and respecting every employee's right of participation are parts of Prometeon Tyre Group working culture. Prometeon Tyre Group wants to empower people to actively participate and collaborate, to take both ownership of their work and responsibility for everyone's safety. The Company goal is to minimize the number of occupational accidents and promote occupational health. Prometeon Tyre Group is working toward a workplace with zero accidents. Prometeon Tyre Group respects human rights and treats all individuals equally. The company follows the well-being at work and outside giving to all employees' services provided by welfare. The Company reports the activities in the Corporate Sustainability Report (*please refers to Social Dimension–Internal Community*). Prometeon Tyre Group occupational health care is based on local legislation and on its Health Safety and Environment Policy. In all factories, located in Brazil, Egypt and Turkey, occupational health is supported and managed by local Health, Safety and Environment team. All factory locations organize regular monitoring of working conditions to identify potential risks to the health of workers as discussed in detail under paragraph "Health, Safety and Environment" paragraph in Social Dimension chapter. All employees are also offered the service of medical assistance and medical consultations. In 2021 and 2022, to support communities in the fight against the spread of the COVID-19 pandemic, the Company has organized onsite vaccination clinics in all its factory locations and in dedicated hospital for people working in offices. Moreover, the vaccination campaign has been extended to all families of Prometeon Tyre Group's employees. Personal and professional development of the employees are among the foundations of the Company's approach to the management of human capital. As the Company pays particular attention to the

learning and development of its employees, trainings and courses are carried out on continuous basis as part of Prometeon Tyre Group's lifelong skill development and acquiring philosophy.

ECONOMIC IMPACTS

Generation and distribution of value and defense against corruption in its value chain. Sourcing/procurement of natural rubber in a sustainable way, promoting human rights in the natural rubber value chain. Prometeon Tyre Groups principles in all operations are fairness and respecting human rights, whether the Company is collaborating with its personnel or other stakeholders. Most of the natural rubber used by Prometeon Tyre Group comes from Latin America and Asia. With more than 85% of the world's natural rubber being produced by small farm holders, the natural rubber supply chain is both complex and fragmented. If natural rubber is cultivated, produced, and processed in a sustainable way, it has the potential to bring positive social, environmental, and economic impacts. Yet, at the same time, the sourcing/procurement of natural rubber in a sustainable way is the most critical area in a tyre company's supply chain. Natural rubber is typically cultivated in tropical forests, often on small family-owned farms. Prometeon Tyre Group has conducted sustainability audits to natural rubber and all type of raw materials processing plants since 2020 to be able to address potential problems and encourage improvements. According to audit reports, the most typical negative impacts are inadequate working conditions and insufficient labor rights. The audit reports are followed by suggestions for improvements. Improvements are monitored by follow-up audits. Prometeon Tyre Group already requires to all suppliers to agree with its Sustainable Natural Rubber Policy and the Sustainability clause in the agreement to tackle issues associated with the natural rubber supply chain and others matter. Prometeon Tyre Group goal is to contribute to sustainable business practice throughout the entire natural rubber supply chain, and thereby also contribute to a more sustainable development for the future and its new generation. The Policy covers various commitments related to social and environmental aspects, such as human rights, labor rights, and protection of the environment and biodiversity. As part of Prometeon Tyre Group commitment towards a more sustainable business, the company has been a supporting member of the United Nations Global Compact (UNGC) initiative since 2019 and became a Founder Member of the Italian Network in 2020. The company follows the initiative's ten principles that covers the areas of human rights, labor, the environment, and anti-corruption. Prometeon Tyre Group is further committed to acting in the manner required by the UN Guiding Principles on Business and Human Right. Moreover, since 2019 the Company support the Sustainable Development Goals and in 2022 to better improve its Sustainability, Prometeon Tyre Group made an ESG Risk Assessment through an ESG Rating Company showing that as a low-risk exposure and strong management. To better report its Corporate Sustainability and identify the corrective actions to be implemented, the Company applied the Global Reporting Initiative (please refers to Introduction – Standard and Guidelines). Regarding innovation, the Company is committed in offering safe tyres with a continuous improvement on sustainability and performances. Prometeon Tyre Group is continuously improving the quality, safety and environmental friendliness of its products, services, and processes.

The aim is to empower the world to drive smarter, also by educating drivers on how to get the best out of their tyres by driving responsibly. Prometeon Tyre Group improves the safety of its products through continuous product development and testing. The leadership and product development are guided by the Code of Conduct and the Health Safety and Environment Policy. Thanks to its Research & Development Department, the Company also comply with several requirements concerning noise, studs, chemicals, testing, and tyre markings, among other things. Wet grip means a tyre's ability to stick to the road in wet weather conditions and it is also one of the EU Tyre Labelling parameters. The performance is graded between class A to class E with higher-rated tyres able to stop more quickly on wet asphalt when the brakes are fully applied. In 2021, The EU Tyre Labeling was renewed to also include snow and ice grip markings for relevant passenger car tyres. The ice grip marking will be used for passenger car tyres, whereas the snow grip marking is available also for minivans, light truck, trucks and bus tyres. Extreme weather phenomena caused by climate change and varying road conditions have increased the importance of safe tyres even further. As a tyre manufacturer, Prometeon Tyre Group must also ensure that the tyres developed produced, and marketed are verifiably safe to use, and meet the quality requirements as well as expectations of its customers and end users. Premium quality means premium safety, and Prometeon Tyre Group is always improving security in its products *(please refers to Economic Dimension – Innovation, Products, Road Safety)*.

RISK FACTORS AND UNCERTAINTY

The Company leads towards an initiation of Enterprise Risk Management under the current macroeconomic outlook, the complexity of business, the financial markets instability and the continuous evolution of legislation on law and regulations between the countries where the Group operates, aiming to have an overview of risk position across the functions and countries.

The risk mapping regarding all internal and external aspects related to the business (commercial, procurement & supply chain) and values (ethics, social-environmental) of the Company is performed at Group level and continuous monitoring activities are in place. The risks identified are subjected to the qualitative-quantitative assessments which led to the governance definition and management structures and the preparation of mitigation and/or related remediation plans and investment. The risk analysis activity leads to the definition of risk reduction/elimination actions pursued at each country/function and implemented/kept under control by process owner identified.

All risks identified by each function is coordinated, monitored, and updated has been formally assigned to the Chief Internal Audit and Sustainability Officer in order to respect the segregation of duties and roles and responsibilities.

The aim is to monitor, assess and monitor properly the risks which could affect Company's value and goals achievement within all the Group Companies aiming to prevent and neutralize them in a

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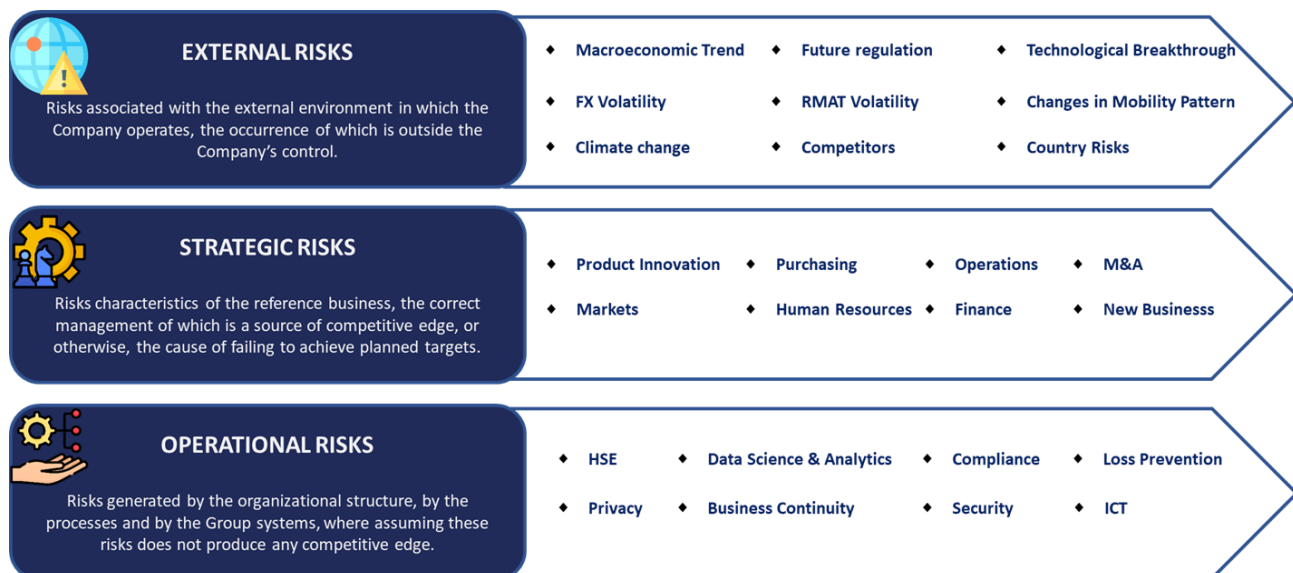
systematic and structured way before the events take place by setting ahead a specific strategy for this end; or rather to take advantages of potential additional opportunities by aligning business strategy with event identified. Prometeon Risk Model systematically assesses three categories of risks:

1. External Risks: Risks associated with the external environment in which the Company operates, the occurrence of which is outside the Company's control. This category includes risks linked to macroeconomic trends, demand & supply evolution, competitors' strategies, technological innovation, the introduction of new regulations and country specific risks (financial, security related, political and environmental risks), as well as the impacts linked to climate change.

2. Strategic Risks: Risks characteristics of the reference business, the correct management of which is a source of competitive edge, or otherwise, the cause of failing to achieve planned targets. This category includes risks regarding markets, materials procurement, product innovation and development, Production processes, human resource, financial risks and mergers & acquisitions.

3. Operational Risks: Risks generated by the organizational structure, by the processes and by the Group systems, where assuming these risks does not produce any competitive edge. These types of risks are related to, Information Technology, Business Continuity, Loss prevention, Health, Safety & Environment, Legal & Compliance, and Security.

Transversal to the aforementioned risks are **Corporate Social Responsibility, Environmental and Business Ethics Risks**. These are risks related to the non-compliance with local and international law/regulations, best practices and corporate policies regarding the respect for human and labour rights, environmental and business ethics and can be generated by the organisation either as part of the relative value chain or supply chain. Those risk are mainly associated with the countries in which the Company is present with industrial footprint.



EXTERNAL RISKS

RISK RELATED TO MACROECONOMIC OUTLOOK

After the strong rebound of the global economy following the recession caused by the pandemic, the market is characterized by significant volatile market conditions, high energy prices and the continuation of a higher and more persistent inflationary scenario than expected, especially for the countries in which the Company operates. In addition to the global scenario, there are also specific elements of individual economies have to be considered, such as hyperinflation happened in Turkey, election in Brazil, importation constraints in Egypt. Further elements of uncertainty and instability also persist with reference to geopolitical tensions, with particular focus on contingency situation of Russian-Ukrainian crisis.

COUNTRY RISK

The Company is willing to adopt, where is appropriate, local-for-local strategy in order to respond to demand at local level with competitive industrial and logistical costs. The aim is to increase the competitiveness and to allow the Group to overcome potential protectionist measures, such as customs barriers or any other measures such as technical prerequisites, product certification and administrative costs & antidumping related to importation, etc. In this context, the Group constantly monitors the evolution of general politico-economic situation, tax regimes and related risks from political, economic/financial and security point of view, regarding the countries in which it operates, aiming to adopt continuously and timely (if possible) measures to mitigate the potential impacts of any changes arising at local level. Furthermore, in order to follow local-for-local approach, production capacity increase investment is foreseen.

RISKS RELATIVE TO THE RUSSIA-UKRAINE CONTINGENCY SITUATION

The outcomes and implications of the Russia-Ukraine contingency situation remain uncertain. The restriction of international sanctions is also having repercussions on the Russian economy in terms of growth expectations, the currency market and the sustainability of the domestic economic and financial system. Under this context, with those complications the situation is also bringing about rising prices for energy, metal and agricultural commodities, with repercussions on price pressure and growth prospects for the Eurozone. These elements of uncertainty could impact significantly normal market dynamics and, more generally, of business operating conditions.

The situation and its developments of the Russia-Ukraine crisis is monitored constantly by Risk Committee and the Company has defined mitigation measures and a contingency plan.

RISKS ASSOCIATED WITH THE EVOLUTION OF LONG-TERM DEMAND

Mobility is undergoing an unprecedented evolution due to technological changes (smart mobility, electrification of propulsion, driving automation and digital connectivity) and regulatory changes, with the aim of improving the society from sustainability points of view. The Company constantly monitors these trends, both by analyzing studies and data available at global and local level and by participating in national and international *webinars/conferences*, as well as members of various category association, in order to anticipate potential impacts on the market and sector.

RISKS LINKED TO CLIMATE CHANGE

Today Climate Change is an undeniable fact and it brings significant changes in ecosystems of our Blue Planet, for example, the expansion of drier climate zones, posing serious risks to wellbeing of all species living on Earth, as well as regulatory points of view (possible effects on business and cost). For instance, the risks are very likely to cause negative impact on living conditions of human life in all its aspects i.e. economic, social and cultural life.

As the risk may have financial and business impacts (risks and opportunities) to the Company, Prometeon monitors elements of uncertainty related in order to put in place appropriate prevention and mitigation measures to protect its business, adopting therefore pro-active approach for this end. Lastly, the Company is committed to develop the most sustainable product with lower environmental impact as much as possible throughout their life cycle.

Moreover, specific focus has to be put on water management as water is the most vital resource for life and living on the Earth, the Company has set strategy and target aiming to have an efficient and responsible use of water in Production processes and workplace, therefore Prometeon is committed to improve continuously in this field taking into account both internal and external risks related. For example, in relation to local water resources where the Company has manufacturing plants, risks with reference to water absence, scarcity, drought, local law restriction, etc. were identified, dedicated alternative projects and action plans is developed and foreseen, as well as related investment.

RISKS RELATED TO RAW MATERIALS AVAILABILITY AND PRICE TRENDS

Given the global macroeconomic situation and their impact on the cost of the finished product as well as the strong volatility recorded in recent years, synthetic rubber, natural rubber and oil related raw materials would continue to represent a factor of uncertainty. Considering different scenarios, sales price increases and/or the different internal cost efficiency recovery measures, such as use of alternative raw materials, switch of source/supplier, process quality improvement and waste level, would be relevant to protect the Company's asset and profitability.

RISKS LINKED TO THE COMPETITIVE POSITIONING

The Company operates in the market characterized by the presence of numerous operators, some of which with meaningful financial and considerable industrial resources and brands that enjoy a significant level of international or local notoriety. Prometeon is the only tyre company solely focused on the Industrial sector (transport of goods and people), the Agro and OTR segments, “Tire solutions for professionals”. This may bring high barriers to entry in terms of technology and production. Added to this, continuous research and investment is the heart of the technology development to create and product innovative offers, products and services.

STRATEGIC RISKS

EXCHANGE RATE RISK

The Company is exposed in exchange rate risk as manufacturing and commercial activities are performed in diverse geographic areas, receivables and payables are in foreign currency. Company's operations and profitability may be affected by changes in the exchange rates volatility between currencies, due to the conversion into euro of the assets and liabilities of local companies operating in currencies other than the euro. Currencies fluctuation and related exposures to exchange rate risk are constantly monitored by the Company.

Specifically, Prometeon has industrial footprint in the countries (Brazil, Egypt, Turkey) which suffer fluctuation of the currencies. For instance, in order to minimize the impact, dedicated actions and projects were studied and developed aiming to neutralize the economic and financial impacts.

CREDIT RISK

Credit risk is defined as the potential loss arising from the non-fulfilment of commercial and financial obligations and undertaken by counterparties, as foreseen in agreements.

In order to limit the risk, the Company has put in place dedicated procedure to define credit limit to be assigned to customers, to monitor expected cash flows and to take any recovery action if necessary. Moreover, other instruments are used for this end, for example other typology of guarantee (authorization is requested), master agreement has been put in place with insurance company for worldwide coverage of credit risk, periodic review and renew are performed aiming to have the coverage in line with the business model as well as the macroeconomic outlook.

RISKS ASSOCIATED WITH HUMAN RESOURCES

The risk of loss of human resources in key positions or in possession of critical know how is in place for the Company. Prometeon develops and adopts retention plan considering general macroeconomic scenario and salary benchmarks of each country, related updates are periodic performed due to

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continuous changes of the latter to address the risk. Moreover, skill & knowhow mapping is foreseen to manage it properly. Incentive plans and specific non-compete agreements are set and defined taking into account the risk profiles of the activities of the business. Lastly, specific talent program is planned to be developed and implemented to motivate and retain talent.

OPERATIONAL RISKS

RISKS RELATED TO ENVIRONMENTAL ISSUES

The Company's activities and products are subject to various and numerous environmental laws that vary between the countries in which the Company operates. Considering the latest trend, probably these regulations would evolve in an ever more restrictive manner, as concerns in the international community over issues of environmental sustainability are growing significantly. Gradual introduction of ever stricter laws with reference to various social and environmental aspects in terms of atmospheric emissions, waste generation, impacts on soil and water use, etc. is expected. For instance, the Company monitors the evolution of related laws/regulation constantly by participating category associations, webinar as well as with support of experts in this field, aiming therefore to study and analyze in advance and make investments correctly where is necessary, in order to be prepared to face the future challenges and difficulties.

EMPLOYEE HEALTH AND SAFETY RISKS

Charges and costs for the measures necessary to ensure full compliance with the obligations foreseen in the regulations on health and safety in the workplace are incurred to the Company for its everyday activities. For example, after the pandemic contingency, the Company has adopted hybrid working model, in order to provide best and comfortable workplace, Prometeon has decided to give a smart kit to all employees who is adequate for this working model aiming to support the employees in 360°C of view. Specific suggestion and training were given to advise employee the best way to organize working environment at home. Regarding activities performed in production plant, dedicated procedure is foreseen, related training is periodically carried out in order to guarantee health and safety of all employees.

DEFECTIVE PRODUCT RISK

All tyres produced are subjected to careful quality analysis before being placed on the market and the entire Production process is subjected to specific quality requirements and assurance procedures. For this topic, specific procedure is developed and defined for its proper management. However, as all manufacturers of goods for sale to the public, Prometeon could be subject to liability actions with reference to the alleged defectiveness of products sold and for instance required to take up product recall campaigns. Although recently no significant cases have been detected, the Company has a dedicated insurance coverage for this end.

LITIGATION RISKS

The Company may be involved in commercial, trade, fiscal, legal or labour law disputes in carrying out its activities. Prometeon define and assume the necessary measures to prevent, avoid and mitigate any consequences and negative impacts that may arise from such proceedings.

RISKS RELATED TO INFORMATION SYSTEMS AND NETWORK INFRASTRUCTURE

Information and Communication Technology (ICT) systems is relevant in supporting business processes, evolution and development.

Analysis and assessment of ICT security were planned and initiated in order to detect any security gaps and define specific corrective actions, aimed at increasing the Company's overall security, protecting therefore information assets and upgrading the security systems against unauthorized access and data management. On the other hand, by improving processes and technologies used for this end, these measures allow the Company to be prepared for future audit activities as well as to be compliant to the international standard and related regulations in this field. Particular attention has been paid to technological obsolescence in relation to the renewal of infrastructural, it could lead to risk of breakdowns and accidents having significant impact on business and production activities. Dedicated remediation plan is developed to mitigate the risk.

With NewWay 2.Work, hybrid working model implemented in 2021, in light of changing working habits, it emerges cyber security risk and risks connected to the capacity and resilience of technological systems. The risks and their evolution are closely monitored, periodically meetings were set up between ICT security function and Risk Committee to share and update risks and initiatives on the subject.

Moreover, particular focus has been put in place for cyber security awareness, information sections (e.g. phishing campaigns), trainings and updates on the main cyber security risks were provided to users.

BUSINESS INTERRUPTION RISKS

As Prometeon operates internationally and with presence around the world, the Group is exposed to the risk scenarios that could lead to the interruption of its business activities for periods which could be significantly prolonged, with relevant consequent impact on operational capabilities and results. Risk scenarios like natural or accidental events (fires, floods, earthquakes, etc.), principal and auxiliary plants breakdowns, willful misconduct (vandalism, sabotage, etc.) or utilities supply interruptions, can cause dramatically serious property damage and product reduction and/or interruption, particularly in cases of which it concerns different crucial activities of the value chain, high volume or specific product production sites. Prometeon monitors their vulnerability to catastrophic natural events (flood, hurricane and earthquake) and estimates potential damage and business discontinuity (based on the given probability of occurrence) for all buildings, especially for all production sites. Security measures,

business continuity plans, as well as the insurance policies are in place to cover property damage and any business interruptions which the production sites might suffer.

SOCIO-ENVIRONMENTAL RESPONSIBILITY RISKS

RISKS RELATIVE TO SOCIAL AND ENVIRONMENTAL RESPONSIBILITY AND BUSINESS ETHICS

Enterprise risk management is enterprise-wide aiming to identify, analyze and monitor risks in different areas linked to everyday activities of the Company, therefore also environmental, social, economic/financial and business ethics risks that are directly or indirectly attributable to the Company. Assessments and monitoring activities are conducted on possible and potential political, financial, environmental and social risks, including those related to the respect of human rights and labour laws. Regarding this the Company monitors continuously the application of internal regulations in relation to financial, social (particular focus on human and workplace rights), environmental and business ethics on Company's offices and sites, it occurs through the periodic control activities and audits performed by Internal Audit Department. On top of that, in keeping with its sustainability principles, Prometeon has put into place a program of second-party audits along the supply chain via third companies. The audit inspections on the raw material supplies (natural rubber, carbon black, chemicals etc.) are carried out on an annual basis and ensure compliance with the established standards, mitigating risks linked to outsourced activities. For instance, the Company checks the conformity of its products and services by monitoring and assessing the performance of its suppliers. The goal is to assess their level of sustainability and compliance along the entire supply chain by analysing the policies and procedures which allow these suppliers to conduct responsible and sustainable procurement. In order to extend its due diligence, Prometeon has also decided to carry out audits on its cobalt and mineral suppliers.

Responsible management by Prometeon Tyre Group runs through the entire value chain. Every operating unit integrates economic, social and environmental responsibility in its own activity, while cooperating constantly with the other units, implementing the Group strategic guidelines.

The main management systems adopted include **ISO 9001, IATF 16949, ISO 14001 and ISO 45001 certifications**. Moreover, the Company is inspired by the requirements of Standard **SA8000®** as a reference tool for managing Social Responsibility at its Affiliates and along the supply chain.

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)

OUR POLICIES

The Sustainable Management Model throughout the value chain is reflected in the main Group Policies. All policies are approved by the General Manager and directors of departments concerned by the specific policy. Following their approval, policies are made available to the stakeholders (published on the Company's Intranet and Corporate Website) in English and communicated to all employees operating in countries where the Company operates in local languages. Implementation of policies is entrusted to department directors who are responsible with ensuring the correct application of policies by their respective department. Through the implementation and observance of policies, Prometeon Tyre Group ensures the remediation of negative impacts caused by its business activities which are discussed under paragraph "Analysis of Materiality and Identified Risks" in the present chapter of the report.

All stakeholders pertaining to both external (business partners, suppliers, shareholders, locals living in the areas where the Company conducts business activities) and internal (employees) communities have the possibility to communicate to the Company their concerns regarding the business conduct of Prometeon Tyre Group via dedicated whistleblowing channel. Moreover, the praxis of communication of demand for help and support for the implementation of the policies provides the stakeholders also with the possibility of entering in direct contact with Internal Audit Department employees without compromising the confidentiality of the communication. For detailed information please refer to

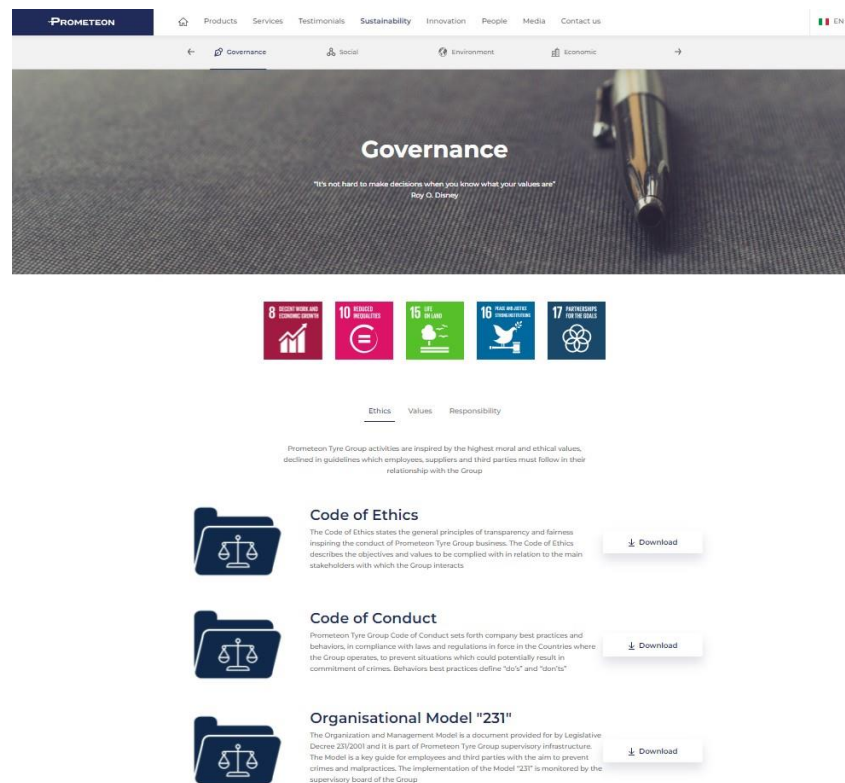
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“Focus: Reporting Procedure - Whistleblowing Policy” paragraph discussed below in this section of the present chapter.

Prometeon Tyre Group acts in full compliance with laws and regulations applied in the countries where the Company conducts business activities. In 2022, no cases of non-compliance have emerged as well. For detailed information reference should be made to “Compliance within Customer relationships” paragraph in Economic Dimension of the present report.

Report on the Company’s sustainability activities is prepared on annual basis and approved together with the consolidated financial statements by the Board of Directors. General Manager of Prometeon Tyre Group, who is a member of the Board, is responsible with reporting to the Board about the corporate sustainability activities. Detailed information on the role of the highest governance body in sustainability reporting is discussed under the paragraph above “Prometeon Tyre Group Business Strategy, Integrity and Transparency”.

All policies (new or modified) are communicated to all employees in all the languages where the Company operates and via corporate intranet always available. With specific reference to new hired employees specific training process are organized by HR through an induction program of 3 days.



The relevance of the following Policies is continuously considered mandatory within the scope of Company's sustainability activities, available to all stakeholders and can be reached via https://www.prometeon.com/US/en_US/sustainability/governance - ethics, values and responsibilities:

- the "Ethical Code";
- the "Code of Conduct";
- 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 Natural Rubber" Policy;
- the "Conflict Minerals and Cobalt Sourcing" Policy;
- the "Global Quality" Policy;
- Conflict of Interest;

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- the “Social Media” Policy;
- the “Tax Governance” Procedure;
- the “Global Tax” Policy;
- Tax Monitoring.

The “**Ethical Code**” formulates the general principles of **transparency** and **fairness** inspiring the conduct of business. It indicates the **objectives** and the **values** informing business activity in relation to the main stakeholders with which Prometeon Tyre Group interacts on a daily basis: amongst other investors, environment and subjects affected by it, the financial market, customers and staff. This document provides all the Company affiliates with cogent and uniform guidelines for the professional practices to be followed by anyone who works for or on behalf of the Prometeon Tyre Group or has business dealings with it (“Addressees of the Code”) including agents and other intermediaries.

The principle, objectives and values of the **Code of Ethics** are specified in operational terms in the “**Code of Conduct**” in operational terms, identifying, by way of example only, “do’s” and “don’ts”, referring in particular to relations with Public Administrations, third parties, and to the company’s activities and obligations.

The **Group Anti-Corruption Program** was adopted in 2017 and its implementation is currently on-going in the main countries in which Prometeon Tyre Group operates. With reference to Italian employees, specific trainings are carried out with regard to the Organization and Management Model and the Decree, including anticorruption matters. Such trainings are planned in case of amendments of the Organization and Management Model and are constantly supplied for new employees. Likewise, specific training has been implemented in Spain in connection with the applicable Ley Orgànica 1/2015.

The Group Anti-Corruption Program, available in English and in Italian on the Prometeon Tyre Group’s intranet and website, is the corporate reference for the prevention of corruptive practices and represents a collection of principles and rules aimed at preventing or reducing the risk of corruption. In the document, the principles already set out in the Ethical Code and the Code of Conduct are deployed, including zero tolerance of “*corruption in any guise or form, or in any jurisdiction, or even in places where such activity is admissible in practice, tolerated, or not challenged in the courts*”. For this reason, Group entities are prohibited from offering complementary gifts or other benefits that could constitute a breach of rules or are in conflict with the Group’s Code of Ethics, or might, if brought to public notice may damage Prometeon Group or even just its reputation. Among the provisions of the Group Anti-Corruption Program are a prohibition in respect of recipients of the Ethical Code from offering gifts and other utilities that might meet conditions of a breach of rules, or which are in conflict with the Ethical Code, or may, if made public, constitute prejudice even only to the image of the Company. Moreover in 2019, specific internal instructions were provided to Prometeon Employees, then reviewed in 2020,

stating that employees are not entitled to accept gifts or any other benefits from third parties who supply (or may supply) goods and/or services to the Company if such gift or benefit has a material estimated value. Any gift/benefit received having a material value must be delivered to the relevant HR function. Gifts/benefits so received will be re-allocated to external community for Charity Association (*Social Dimension – External Community*). In 2020, 2021 and 2022 there were no cases of corruption.



Prometeon Tyre Group has been and remains firmly committed to comply with the principles of **Equal Opportunities** in the workplace, without any form of discrimination on the basis of gender, marital status, sexual orientation, religious or political beliefs, union membership, color, ethnic origins, nationality, age or disability. Moreover, the Company seeks the active support of all Group employees in putting the principles into practice.



As laid down in the **“Global Human Rights” Policy**, the Company’s activities are based on respect for global human rights, **which are a non-negotiable fundamental value if its culture and corporate strategy**, in line with the sustainability model foreseen in the international standard SA8000.

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Prometeon Tyre Group promotes respect for human rights and adherence to applicable international standards with its Partners and Stakeholders and bases its governance model on the recommendations contained in the United Nations Guiding Principles on Business and Human Rights, implementing the “Protect, Respect and Remedy” Framework. Additionally, the Company is opened to cooperation with governmental, non-governmental, sectorial and academic bodies for the development of global policies and principles aimed at protecting human rights. The latest developments, activities carried out and the performance achieved by the Company are regularly shared with the Stakeholders, primarily through Prometeon Tyre Group’s annual report and the corporate website.



Prometeon Tyre Group’s adherence to the UNGC and inspiration for the SDGs are indeed the result of the Company’s loyal commitments to both the promotion and protection of respect for universal human rights and to openness to cooperation. The policies and principles adopted by the Company are not just in line with the Ten Principles of the UNGC but also instrumental for achieving the SDGs set under the Agenda 2030. In particular, the “Ethical Code”, the “Principles of Equal Opportunities in the workplace” and the “Global Human Rights Policy” combined with the Company’s enthusiasm for cooperation, are of significant importance to Prometeon Tyre Group in offering its humble contribution to achieve the SDGs for “*Decent Work and Economic Growth*”, “*Reduced Inequalities*”, “*Partnerships for the Goals*” by 2030.

Prometeon Tyre Group is committed to compliance with the rules laid down by domestic and international laws and regulations put in place to protect free competition. The Company recognizes and promotes fair and loyal competition as a key element for the development of both its own business and the market in general. The “**Global Antitrust and Fair Competition Policy**” defines the principles which must be followed by all the Company employees and persons who operate on behalf of Prometeon Tyre Group in carrying out business activities.

In matter of Antitrust and Fair Competition, in 2022 Prometeon Tyre Group issued a **Competition Compliance Manual** with the purpose to helping employees understanding basic competition law

issues and what is expected to in order to comply with the Laws. The Manual has been circulated worldwide and in 2023 training sessions on this subject will be scheduled timely in 2023. In Brazil training sessions for employees working in the Marketing Department were held with the participation of Internal Audit Department in 2022.

In 2022 an administrative proceeding was instituted against Prometeon Tyre Group in Brazil by the Administrative Council for Economic Defense (CADE) for an alleged anticompetitive behavior affecting tyre resale market in several regions of Brazil. Currently the proceeding is in the phase of fact-finding. A civil lawsuit originating from the same alleged facts that gave rise to the administrative proceeding was brought against the Company. The proceeding is in the fact-finding phase.

Specific responsibilities for requesting, formalizing, approving, and disseminating the Company policies and procedures are defined by the **Group Regulations**. In order to provide for clear and consistent policies and procedures, the regulations ensure that the contents and forms of the Company policies and procedures are uniform, and do not lead to any gaps, overlapping or duplication in regulatory terms.

Integrity and Transparency are two fundamental ethical principles governing Prometeon's conduct, success and capacity to generate long-term growth. For this reason, in December 2022 Prometeon issued **Political Involvement and Lobbying Policy** aimed to set out its commitments with regards political involvement and responsible lobbying. The Company does not spend corporate funds in order to contribute to candidates, political parties and political committees and does not have any related political recipients or objectives. At the same time, Prometeon supports the citizens' civic commitment, including political activity as private citizens and with the guarantee that conflicts of interest with the Company are avoided and/or duly identified and handled.

When in the best interest of the Company, Prometeon may engage in discussions with public decision makers through Prometeon's employees, consultants or associations always in accordance with all applicable laws.

Concerning the "**Compliance with limitations on relationships issued by authorities**", Prometeon Tyre Group is committed to the utmost promotion and protection of respect for Universal Human Rights, Global Peace and Justice. In line with its commitment, the Company complies with the provisions issued by national, international and supranational authorities such as the United Nations, European Union, and the United States of America on the limitations of relationships with governments and/or natural and legal persons based in Countries where gross human rights violations and armed conflicts are currently taking place such as Syria, Sudan, North Korea, Iran, Cuba and Libya. Therefore, Prometeon Tyre Group is not engaged in business activities with the aforementioned countries and subjects thereof. Moreover, Prometeon Tyre Group constantly verifies and monitors, and support its subsidiaries to verify and monitor, the integrity of its clients and collaborators also in the non-

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sanctioned countries or in those countries subject to less invasive restrictions to ensure that the business is always operated in compliance with applicable sanction and export control laws. In fact, before starting business relationships, the Company verifies if the entity itself and the entity's legal representatives are included in any sanctions lists. Only in the event of a negative outcome of the analysis, Compliance Department gives greenlight to proceed with the registration of the client.

For the purposes of ensuring compliance thereof, the functions involved are also requested to verify – before the contracting phase - the presence or absence of restrictions on the type of product/service offered or to be purchased in the country in which the marketing/purchasing is to take place. The Chief Financial Officer of each company within the Prometeon Tyre Group must ensure compliance with any restrictions that may have an impact on the management of banking and treasury services (e.g. termination or suspension of payments to an entity/country), and to report any breach or suspected breach of the provisions in this Policy without delay to the Compliance Group and to the Chief Financial Officer of the Group for the necessary and appropriate audits and resulting actions, without prejudice to the civil, administrative and criminal liability of the entity that has carried out the violation of such requirements.

In 2021 Prometeon Tyre Group issued an Operative Instruction regarding Sanctions against Belarus. Following the systematic violations of human rights by Belarus and according to the Executive Order (E.O.) of 9 August 2021 “Blocking Property of Additional Persons Contributing to the Situation in Belarus”, the introduction by the UK and Canada of trade, financial and aviation sanctions Compliance Department of the Company asked its subsidiaries to stop all new business involving Belarus and/or Belarus black-listed nationals.

European Union, OFAC, United Nations and other national and international Authorities at worldwide level have imposed sanctions against Russia in response to the invasion of Ukraine on 24 February 2022 and the annexation of Ukraine's Donetsk, Luhansk, Zaporizhzhia and Kherson regions.

In particular, new targeted restrictive measures (individual sanctions), economic sanctions and visa measures have been imposed in addition to the existing measures already imposed on Russia since 2014 following the annexation of Crimea and the non-implementation of the Minsk agreements.

At the same time, new sanctions have been imposed against Belarus in response to its involvement in the invasion of Ukraine.

Throughout 2022 the European Union adopted nine packages of sanctions. The Company analyzed the European and international applicable legal framework, carefully identifying the risks arising from every transaction involving the Russian Federation and adopted an “enhanced due diligence” approach in order to neutralize the risks, avoiding every possible negative impact for the Company and the group.

During 2022 Prometeon was not involved in any proceedings or investigations as consequence of sanctions and export controls laws' violations.

FOCUS: REPORTING PROCEDURE – WHISTLEBLOWING POLICY:

The procedure governs the manner of reporting breaches, suspected breaches and inducement to breaches in the matter of law and regulations, principles ratified by the Code of Ethics, including reports relating to equal opportunities, discrimination and mobbing, in addition to all that is dealt with in the aforementioned Group Policies, internal auditing principles, corporate policies, rules and procedures, and any other behaviour involving commission or omission of acts that might directly or indirectly lead to economic-equity detriment, or even one of image, for the Group and/or its companies.

The Whistleblowing reporting channel is also expressly referred to by the **Sustainability Clauses** included in each order/supply contract as well as by the Group Policies published on the Company's intranet and website.

In compliance with the Directive UE 2019/1937, the national regulations, and the best practices, Prometeon Tyre Group launched its new digital whistleblowing platform, substituting the "ethics@prometeon.com" e-mail address previously for whistleblowing. Accordingly, in December 2022 a revision of the whistleblowing procedure was carried out. The reviewed procedure together with the new platform enhance the overall management of the process particularly in terms of independence and reliability of the procedure.

It is a multilingual platform, accessible from the Company's Intranet and Website, allowing employees, customers, suppliers and other external stakeholders to raise concerns about unethical, inappropriate or illegal behaviour they are aware of.

The new platform guarantees the confidentiality of the identity of the whistleblower and complies with the highest privacy and security standards.

In addition, the employees of the Italian company can report to the Supervisory Body through the dedicated e-mail odv.ptg@prometeon.com any illicit conduct and irregularities regarding the violation of the Legislative Decree 231/2001.

Finally, concerns can be submitted sending regular letter to the company's address.

All concerns raised are properly assessed and investigated by the Internal Audit & Sustainability department, within the timeframe provided by the abovementioned Directive and in full compliance with the requirements set out therein.

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In any event, the Company ensures to protect whistleblowers from any kind of retaliations and discriminations.

Internal Audit & Sustainability Department has the task of analysing all reports received, even involving corporate functions deemed concerned for the activities necessary of verification, in addition to scheduling specific action plans. In the event of a report being found to be grounded, adopting adequate disciplinary and/or legal actions is foreseen for the protection of the Company.

In respect of reports received in the 2022, a summary table is provided here below, along with further details about the reported instances. During 2022 the Whistleblowing procedure was activated 28 times.



| | 2021 | 2022 |
|--|---|---|
| Total reports | 26 | 28 |
| of which confirmed | 21 | 11 |
| of which filed not confirmed and/or closed being absolutely generic | 5 | 14 |
| of which on-going | 0 | 3 |
| Countries of provenance of the reports ascertained | Brazil, Egypt, Ethiopia - (managed by AFME TEAM), Turkey | Egypt, Italy Turkey, Brazil and Germany |
| Matter alleged in the reports ascertained | Management misbehaviours, complaints on business processes, bribery, others. | Management misbehaviours, complaints on business processes, bribery, others. |
| Outcome of cases investigated | Undertaken appropriate actions, including both disciplinary actions and corrective interventions in order to improve the processes and strenghten the internal control system; and resignation/removal. | Undertaken appropriate actions, including both disciplinary actions and corrective interventions in order to improve the processes and strenghten the internal control system; and resignation/removal. |

2022



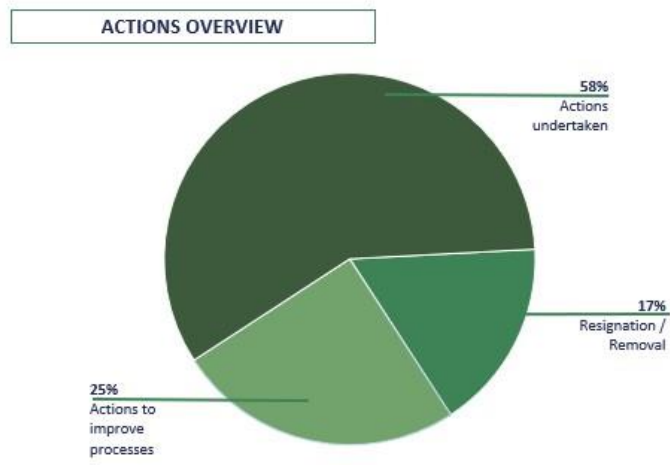
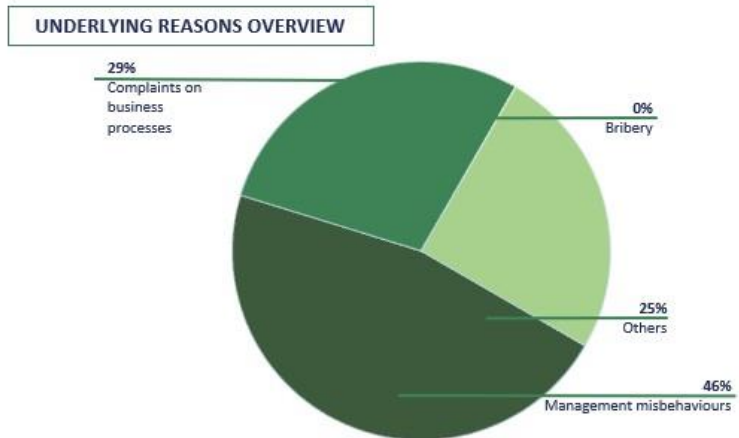
In particular:

- the 28 reports referred to 5 different Countries (Brazil, Egypt, Turkey, Germany and Italy as shown above);
- 65% of the reports (18 cases) were submitted using the email address ethics@prometeon.com, whereas 35% (10 cases) were addressed to management which dealt with informing Internal Audit & Sustainability Department as per corporate rules;
- 35% of the reports (10 cases) were signed, whereas the remaining 65% (18 cases) were received in anonymous form. Specifically, with reference to the 10 nominal cases, 1 was activated by external stakeholders and the remaining 9 were reported by internal stakeholders;

With regards to all 28 reports for which the analyses were completed involving the competent corporate functions, based on the activities carried out and the documentation made available during the assessment, it emerged that:

- Reported facts were confirmed in 11 cases, and in 14 cases, matter reported was generic and were assessed to be not founded or were not founded;
- The 11 cases mentioned above are mainly related to these instances: management misbehaviors, complaints on business processes and other types of misbehaviors. Appropriate countermeasures have been undertaken, including both disciplinary actions and corrective interventions aimed to improve the processes and strengthen the internal control system.

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The Internal Audit & Sustainability Department periodically reported the reports received and the progress of the analyses carried out to the management.



With reference to **Privacy**, in 2022 a privacy assessment at European level was coordinated and carried out by HQ Compliance in order to assess the adequacy of the European data protection architecture to the applicable legal framework. The large majority of the detected gaps has been covered and in October 2022 a Global Privacy Policy was issued in order to provide employees, directors and all those who represent the company when dealing with third parties with indications regarding the key

principles of conduct that must be adhered to within the context of the data processing operations carried out.

During 2022, Prometeon was not involved in any proceedings, investigations or inspections by data protection authorities, either within the European Union or elsewhere.

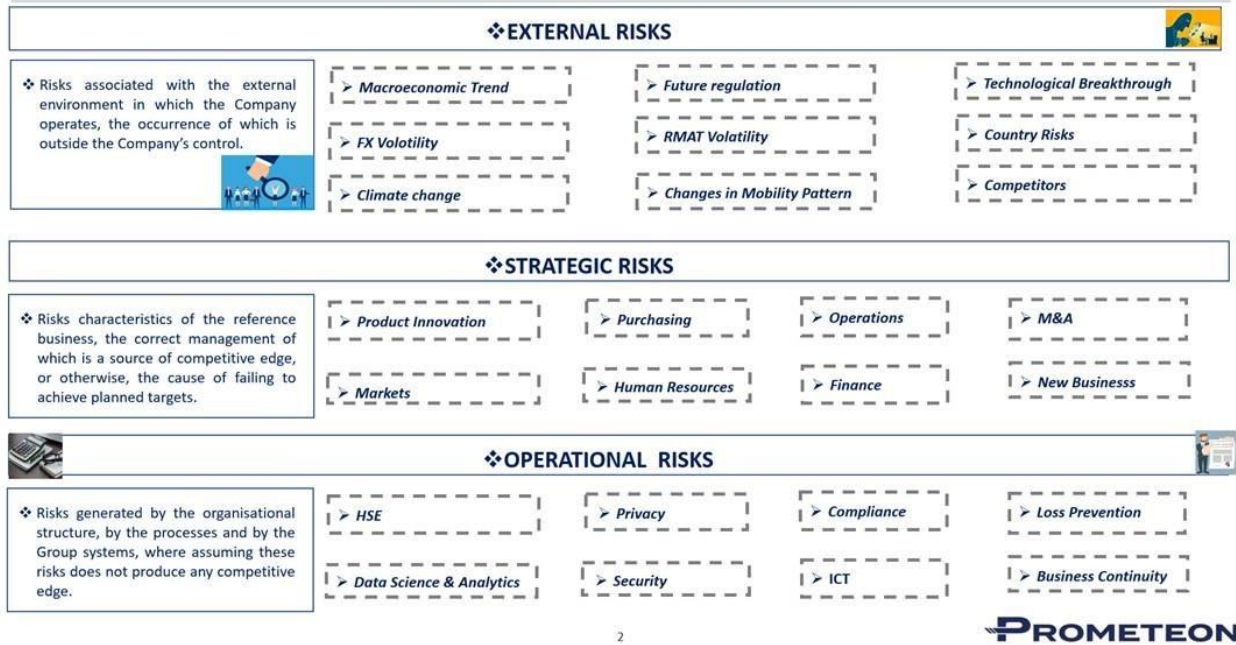
The “**Operating Procedure Regarding Personal Data Breach**” defines the implications of personal data breaches in order to allow Prometeon Tyre Group and its Controlled Companies (branches and subsidiaries) in Europe to set an effective and consistent approach on how to manage personal data breach cases.

Over and above that, the Company leads towards an initiation of Enterprise Risk Management. The year 2022 saw further consolidation of the **Risk Committee** created at the end of 2021 in order to identify, monitor and assess risks which could affect the Company’s value and goals achievement. The aim of the Committee is to ensure that risks identified within all the Group Companies are managed properly through prevention and neutralization of the risks in a systematic and structured way or rather seizure of advantages of potential additional opportunities by aligning business strategy with event identified. The “**Operative Instruction on Internal Risks Monitoring**” published in 2022 states the instructions regulating composition of both HQ and local risk committees, frequency of the meetings and activities that should be performed by the committees. At HQ level, the Group Risk Committee discusses and analyzes monthly the information and report provided by Local Risk Committee. In detail, risks are categorized in 3 typologies: external, strategic, and operational, for each risk identified event probability and impact have to be studied as well as related provision and remediation plan. In other words, it allows the Company to have an overview of risk position across the functions and countries. The activities mentioned were fully and operatively carried out in 2022.

The Risk Committee reports monthly to the main shareholder on the most relevant risks within the requirements and criteria defined by the shareholder. As for the connection between the risks committee and the board, it is ensured thanks to the presence of the General Manager in both bodies, which ensures the alignment of activities. Further procedures will be developed to assess the Board’s performance in terms of risk management in a structured manner.

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PTG Risk Management Framework



2



In 2020 due to COVID-19 pandemic the Company created a COVID-19 committee. This latest was created in order to identify a common and multidisciplinary space in which to deal with any issue related to or resulting from the COVID-19 health emergency. The Committee had its first meeting in August 2020. Since then, meetings have been held monthly with Responsible of functions involved such as HRO, HSE, Procurement, Internal Audit & Sustainability, AF&C and Corporate Affairs & Compliance and every meeting is chaired by the Chief Human Resources and Organization.

The Committee is responsible for discussing and deliberating on issues related to the COVID-19 pandemic emergency. The Committee is in charged to:

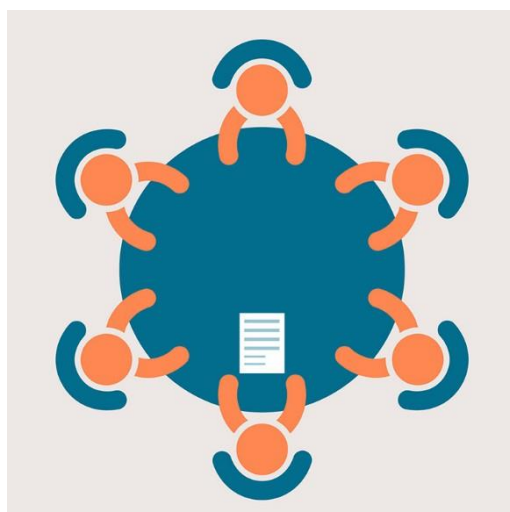
- monitor the compliance with local regulations and guidelines received from HQ;
- establish the minimum requirements to be met at group level;
- monitor the related budget and the expenditure borne by the dedicated cost centers;

The topics on the agenda managed by the Committee are the following:

- **Update on positive cases** in HQ and Countries;
- **Update on emergency costs:** to this end, the head of the AF&C function regularly report the expenditure incurred at both Headquarter and local level and the statement of future expenditure. Moreover, the internal audit carried out by the Internal Audit and Sustainability function is essential in order to verify the adequacy of the modalities of supply of goods and services necessary to respond to the health emergency;
- **Updates on the approaches** adopted by the Company regarding **diagnostics, Health and Safety protocols, as well as vaccination campaign** promoted by Prometeon;

- **New company layout**, in consideration of the "New Way 2Work" and the sublocation of the business areas located on the first floor.

The meeting of the Committee provides for an opportunity to share and discuss any other issue related to the COVID 19 emergency, even if not expressly indicated as an item on the agenda. The Company continued to carry out all the activities mentioned above and to monitor the developments about the situation through the Committee in 2022 as well.



The “**Health, Safety and Environment Policy**” lays the Company’s foundations for ensuring the wellbeing and protection of people’s health, safety and environment in conducting and developing business activities.

Prometeon Tyre Group **pursues and supports compliance with internationally proclaimed human rights**. The Company’s sustainable development strategies pursue various objectives, including continuous improvement in the environmental and occupational health and safety conditions affected by its own activities, in firm compliance with and support of the “Universal Declaration of Human Rights”, the “International Labour Organization’s Declaration on Fundamental Principles and Rights at Work”, the “Rio Declaration on Environment and Development” and “the “United Nations Convention against Corruption”. The Company’s firm belief is that through the application of the policy Prometeon Tyre Group can offer a humble contribution to global commitment for ensuring present and future generations conditions and tools for a better quality of life.

As far as the “**Sustainable Natural Rubber**” policy is concerned, with global demand for natural rubber expected to rise, a sustainable governance of the natural rubber supply chain is essential in order to preserve forests and biodiversity, and to allow long-lasting development for local communities and economies. In this context, the Company strives to be an active player in global efforts towards natural

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rubber sustainability and is committed to ensure the conservation, restoration and sustainable use of ecosystems, promoting the implementation of sustainable management of all types of forests as stated by the SDG for “Life on Land”. For this purpose, the Company works together with its value chain and industrial sector to enhance transparency and further develop processes and instruments to enhance traceability.

The current problems concerning global peace, justice, and rule of law as well as ending all forms of violence and torture against children and adult persons remain as one of the most difficult challenges to overcome for creating a sustainable world and ensuring a bright future for all of us. The Ten Principles of the UNGC and the SDGs require urgently from Global Business Community to take concrete steps and implement efficient solutions. As the cause at stake is directly related to the fundamental values of both the humanity and Prometeon Tyre Group, the Company is endeavoring to achieve the SDG for “Peace, Justice and Strong Institutions” through cooperation with national, international and supranational authorities.



Regarding the “**Conflict Minerals and Cobalt Sourcing**” Policy, Prometeon Tyre Group shares international concerns about the conflict in the Democratic Republic of the Congo (here in after DRC) and adjoining countries and is working to ensure that the mining of the minerals that end up in its products does not contribute to human rights violations in the region.

Indeed, the Company recognizes the existence of significant risks which are also associated to negative impacts regarding the extraction, trade, handling and export of minerals and metals from conflict-affected or high-risk areas. Such risks include contributing to serious human rights violations (i.e. use of child labor or enslavement), financial crimes, as well as the financing of armed conflicts.

As law requires certain US-listed companies to disclose the use of conflict minerals (Tin, Tungsten, Tantalum or Gold) in their products. Prometeon Tyre Group is not a US-listed company but complies with requests from customers conducting country of origin verification or due diligence in their supply chains.

Regarding Cobalt is important to highlight that this latest gained notoriety as a conflict mineral following concerns about other minerals mined in the DRC. Although cobalt is not explicitly defined as a “conflict mineral”, Cobalt mining in DRC has seen frequent cases of child labor and accidental deaths thus not respecting and violating Human Rights. Prometeon Tyre Group is committed by its Corporate Responsibility to respect all operation in its global supply chain respecting the Human Rights. Moreover, it is Prometeon Tyre Groups’ goal to: do not use any of the conflict minerals and cobalt mentioned in the Policy in its products and to do not directly or indirectly finance or benefit armed groups in the regions outlined in the list. Due to the over mentioned reasons, Prometeon Tyre Group decided to extend its due diligence activities to the Cobalt mineral, reinforcing its Policy and procedure.

No businesses have been carried out with customers in Democratic Republic of Congo.

The Company supports, and expects its suppliers to comply with, the Responsible Business Alliance (RBA) Code of Conduct and the Responsible Minerals Initiative (RMI). Although Prometeon Tyre Group does not directly source conflict minerals or cobalt, this latest requires each of its suppliers to have in place conflict minerals and cobalt sourcing policies. Furthermore Prometeon Tyre Group organize annually audit on suppliers of raw materials, through third party audit company to verify their level of compliance on supply chain, policies and procedures that enable these suppliers to conduct responsible sourcing not providing to Prometeon Tyre Group materials that contain conflict minerals or cobalt from conflict areas of the DRC or adjoining countries.



* The main conflict minerals are gold, tantalum, tungsten, and tin (3TG metals).

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The Company sets Quality at the heart of its "Global Footprint Industrial Strategy" through the recently reviewed **Global Quality Policy** and ensures the implementation of this approach for example through:

- a cooperate mindset in order to enable quality excellence;
- the synergy with partners driven by the principles of internationalism, multiculturalism and networking;
- commitment to continuous innovation of products, services, processes and systems;
- promotion of a corporate and sustainable culture and vision oriented to Governance and business ethics, Social, Environmental and Economic dimensions;
- protection of people's health, safety and wellbeing in the workplace, as well as safeguarding the environment throughout the best practices;
- specific learning and development activities aimed to empower and strength internal competences.

Referring to the **contribution made to the External Community**, Prometeon Tyre Group has adopted internal procedures defining the roles and responsibilities of the function involved, and the operational process of planning, achieving, monitoring and control of results of initiatives supported. The Prometeon procedure specifies that initiatives may not be promoted for the benefit of beneficiaries in respect of whom there is direct or indirect evidence of failure to abide by the human rights, workers, the environment, or business ethics. The Prometeon Code of Conduct and Ethical Code set forth in their turn that the Company *"does not give contributions, advantages, or other benefits to political parties or trade union organizations, or to their representatives or candidates, without prejudice to its compliance with any relevant legislation"*.

In terms of prevention and control, the audits carried out by Internal Audit & Sustainability Department at Group affiliates include monitoring of crime risks, among which also the risk of corruption and fraud figure.

Moreover, in Brazil, the Company continued with the implementation of the project **"Culture Evolution"**, which is based on three main pillars: **Safety, Quality and Compliance**, with the aim to plan and deliver a sustainable future. To achieve it, Prometeon Tyre Group is engaging the teams on Culture Evolution journey, reinforcing the way to do things.

As mentioned above, Safety (*please refer to Social Dimension in this report*), Quality (*please refer to Economic Dimension of this report*) and Compliance are the key pillars to keep the workplace and employees safe, and products and services well recognized, keeping the image and brand with flawless reputation.



Compliance is based on the principle that the Company’s processes, within a good Corporate Governance process, and the actions of employees, must be ethical, in line with procedures and laws. Specifically, Compliance project has been organized by the end of 2020 and implemented in 2021, guiding employees in the behavior that should be adopted in the performance of activities, seeking adherence to the Code of Ethics and Group policies demonstrating the Company’s image of ethics and transparency, internally and externally.



As mentioned above, Safety (*please refer to Social Dimension in this report*), Quality (*please refer to Economic Dimension of this report*) and Compliance are the key pillars to keep the workplace and employees safe, and products and services well recognized, keeping the image and brand with flawless reputation.

To ensure that decisions taken at any level are not influenced by personal interests and/or relationships but are made in the exclusive interest of Prometeon Tyre Group, **Conflict of Interest Policy** was issued in 2022 and communicated to all stakeholders (published on the Company’s Intranet and Corporate

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Website) in English and to all employees in local languages of the countries where the Company operates.

The policy sets out specific procedures aimed at preventing the occurrence and correct management of potential or existing conflict of interest situations concerning the employees, suppliers and other business partners. All new employees are requested to sign a declaration and to disclose any existing or potential conflict of Interest and to disclose any conflicts which may arise during the employment relationship. Similarly, commercial agreements with suppliers or customers are to be signed or renewed solely on the basis of objective criteria, including quality, price and reliability of the business partner in question.

According to the Group's Code of Conducts, Code of Ethics and Conflict of Interest Policy any situation that could generate a potential or actual conflict of interest must be communicated to the Chief Internal Audit & Sustainability Officer and/or the Group Chief Human Resources Officer.

Furthermore, directors shall inform the Board of Directors and the Board of Statutory Auditors of any conflict of interests with the company and with the representatives of the Public Administration, specifying its nature, details and seriousness.

Should a conflict of interest be detected, the corrective actions are implemented by the company and, in consideration of its nature and seriousness, a report to the Board of Directors is made. According to such principles, no conflict of interest was reported to the Board of Directors throughout 2022.

in 2022 Prometeon issued a "**Social Media**" Policy aimed to provide guidance on how employees are expected to use Company's and personal social media accounts while working for Prometeon to the extent that such use may affect the business of Prometeon. In fact, whether on one hand Prometeon recognizes the benefits which may arise from an appropriate use of Social Media, at the same time it is also aware of the risks connected with an improper use of them, including disclosure of confidential information and intellectual property details, damage to Prometeon's reputation and the risk of legal claims. The Policy stipulates the rules applying to the use of Social Media to minimize these risks. The contents of the aforementioned Policies and the related methods for implementation are addressed in the sections of this report that deals with the related issues additionally; a specific focus has been put on programs of Compliance "231", "Anti-corruption", and on the "Whistleblowing Policy".

Regarding **Tax Evasion** according to the Ethical Code adopted, Prometeon Tyre Group establishes organizational mechanisms aimed at preventing infringements by its employees and external staff of the rules and principles of transparency, propriety, and fairness, and checks that these rules are complied with and implemented.

In line with the foregoing as well as in light of the Group Tax Policy, our group conducts all of its business in an honest and ethical manner. Prometeon Tyre Group takes a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the laws of any jurisdiction in which Prometeon Tyre Group operates.

The Company is committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter tax evasion facilitation.

FOCUS: PROMETEON TYRE GROUP'S APPROACH TO TAXATION

In line with the "OECD Guidelines"² (to which Prometeon adheres), Prometeon believes that a coherent and responsible approach to Tax is an essential element of its sustainable business development. Consistently, Prometeon tax governance, outlined by the Group Tax Policy, is aimed to:

- ✓ set up a tax governance system with the purpose of:
 - ✓ promote a general tax culture within the Group;
 - ✓ mitigate possible tax risks¹;
 - ✓ enhance the control over the Group tax situation;
 - ✓ outline the guidelines to be followed, assign the related roles and responsibilities, as well as define the authorization processes in order to ensure:
 - i) the compliance with the relevant local and international tax laws and regulations;
 - ii) the transparency, honesty and fairness in managing tax activities;
 - iii) the complete and accurate fulfilment of tax obligations;
 - iv) the adequate information flows towards management and stakeholders;
- ✓ ensure that the tax affairs are managed in an efficient, effective and sustainable manner;
- ✓ establish a collaborative, constructive and transparent approach towards local tax authorities, in order to develop and sustain a fair and honest relationship and prevent possible tax disputes.

The Group tax strategy is defined by the **HQ Tax Department**, yearly accordingly with Board of Directors' vision.

The HQ Tax Department oversees and coordinates each local Tax Departments, CFO and Administration Departments, defining applicable guidelines and supporting the personnel in managing all the local tax matters.

² "OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations" – January 2022 Edition and any subsequent updates.

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In order to assure visibility and information, enhance the control over the Group tax situation, timely identify any tax risk and put in place any necessary actions, local Tax Departments, CFO and Administration Department is responsible to:

- i) formalize computation results in a dedicated form in order to represent the situation related to corporate income taxes and deferred taxes and analyze and explain any discrepancy compared to the previous tax situation. In particular, it has to be outlined any tax efficiency/inefficiency achieved, reporting related explanations and identifying any possible action of improvement;
- ii) share the year-end tax calculation with in-charge tax advisors, in order to assess its consistency with applicable tax laws and regulations, as well as the accuracy of the computation;
- iii) send the tax calculation form to HQ Tax Department and HQ Financial Statements Department;
- iv) account for tax items in compliance with approved computations and accordingly to deadlines provided for both local financial statements and reporting package sent to HQ.
- v) verify that transfer pricing documentation complies with local applicable laws and regulations and to report to HQ Tax Department any possible local obligation (requested by law) or opportunity (suggested by tax advisors) to prepare transfer pricing documentation;
- vi) draft the Transfer pricing report and transmit to HQ Tax Department on a yearly basis;
- vii) report to the HQ Tax Department the profitability situation related to cross-border infra-group transactions on a quarterly basis (except for the Brazilian, Turkish and Egyptian subsidiaries which shall perform and share the profitability computation on monthly basis).
- viii) monitor that prices applied to intra-group transactions are “market prices” and consistent with the applicable local transfer pricing policies and report to HQ Tax Department.
- ix) assure the traceability and availability of the intercompany prices applied and resulting profitability for at least 5 years (or for the extended period provided by the local Statute of Limitations), for the case of tax audits or incoming requests by the tax administrations.
- x) promptly notify by e-mail the HQ Tax Department of any other ad hoc tax information, as well as of any possible exceptions or missed deadlines related to tax return preparation and submission and/or tax payments, along with resulting payable fines /delay interest.
- xi) monitor, with the support of in charge tax advisors or in-house tax attorney tax laws and regulations changes, non-routine operations planned/started by the Company and changes in accounting records, in order to promptly detect significant impacts on corporate income tax or other current and deferred taxes. In case a significant change or a non-routine operation occurs or is expected to occur within the next 12-month period, it shall be promptly reported to HQ Tax Department.
- xii) monitor, with the support of in charge tax advisors, the availability of tax credits, tax exemptions or tax incentives allowed by local tax rules and/or Government Regulations. In case of any benefit is potentially available and inform and get approval from HQ Tax Department ahead of using /accounting for such tax incentives/exemptions or credits.

- xiii) manage relationships with tax or Customs authorities, in coordination with the HQ Tax Department, which shall be timely and fully briefed, with a collaborative, transparent and fair attitude.
- xiv) in case of audits by the competent authorities, provide full, accurate and truthful answers to the authorities' queries, through the coordination of in charge tax advisors. In addition, they have to inform immediately the HQ Tax Department, that may require further details and provide instructions to be followed during the audit.
- xv) not conclude any agreement and not sue with tax authorities without HQ Tax Department's prior authorization.

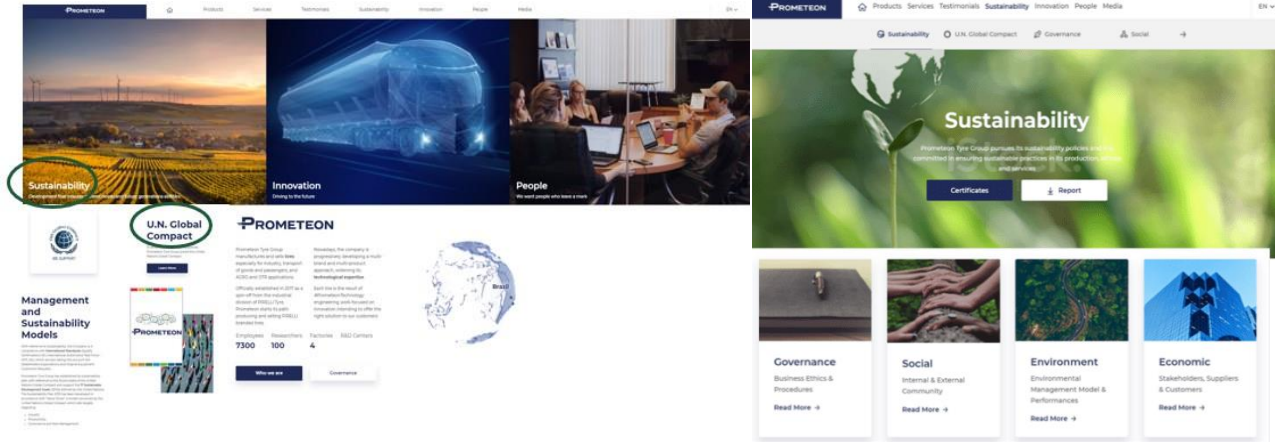
COMMUNICATION AT THE SERVICE OF THE END-USERS

Prometeon Tyre Group's communication with its stakeholders is characterized by two essential elements: truthfulness and honesty. The Company is very active in communication and constantly providing information regarding product and related initiatives to customers, distributors and end-users via different communication tools, therefore through main social channels i.e. Facebook, Instagram, LinkedIn and targeted paper communication activities. Specifically, the Company issues Press Releases in connection with Corporate and Product Communication to the main industrial sector media and general press. Prometeon Tyre Group is also proud to use its communication to share sustainability initiatives, with the aim of inspiring the entire business community at an international level.

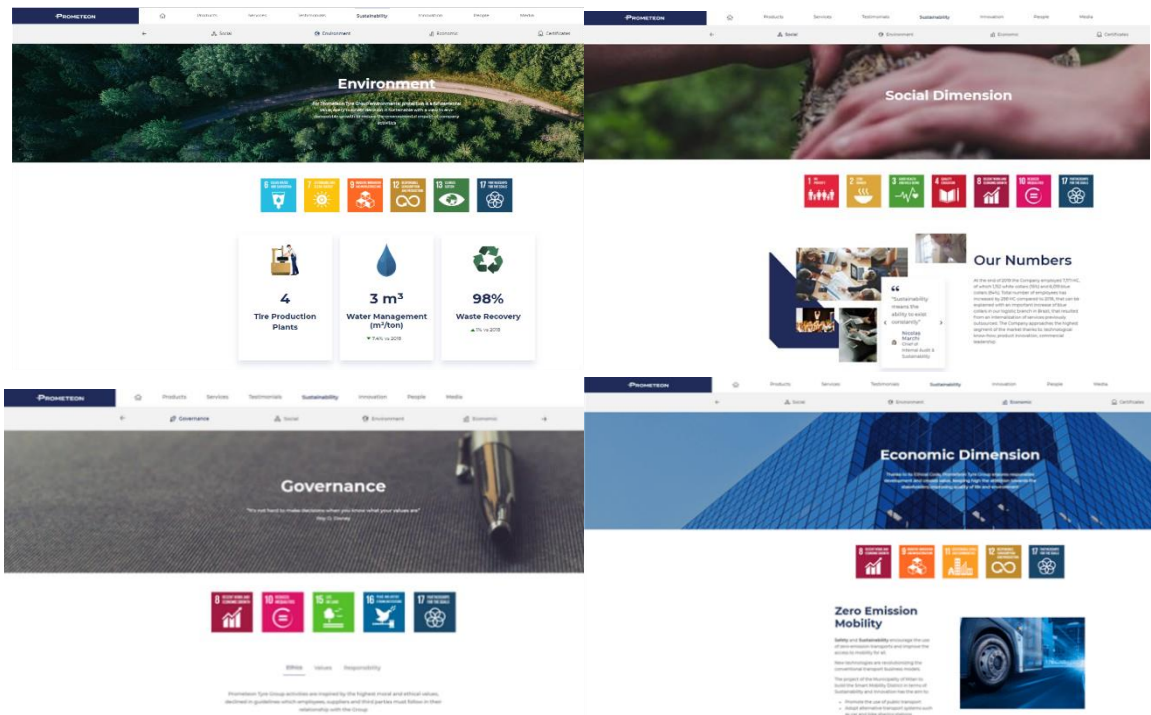
Starting from 2021 the Prometeon Tyre Group's official corporate website, www.prometeon.com is a key touchpoint for all the stakeholders. The website was redesigned by an in-house team of communication, graphics and programming experts according to accessibility and immediacy of use principles and hosts many new features. The homepage is designed, also graphically, with the aim of better reflecting the company's philosophy while the Sections dedicated to Sustainability, People, Innovation and Testimonials - embody the Company's approach.

Regarding Sustainability, setting of graphics, layouts and contents have been created highlighting the activities of the Company regarding its adherence to the UNGC and the support of the SDGs; the Governance and Business Ethics publishing all Sustainability Policies followed by the Company; environmental KPIs defined, and all the activities that Prometeon Tyre Group carries out for the Internal and External community.

SUSTAINABILITY REPORT



** Homepage of Prometeon's website and Sustainability section*



** Company's website – Sustainability section*

The product pages are conceived to provide clear information about the offer in terms of tyre range and product features and performances. The PRO Services section features a dedicated area emphasizing Prometeon's synergy as a Solution Provider for Professionals, while the Innovation section explores the topics related to simulations, partnerships with universities and digital universe.



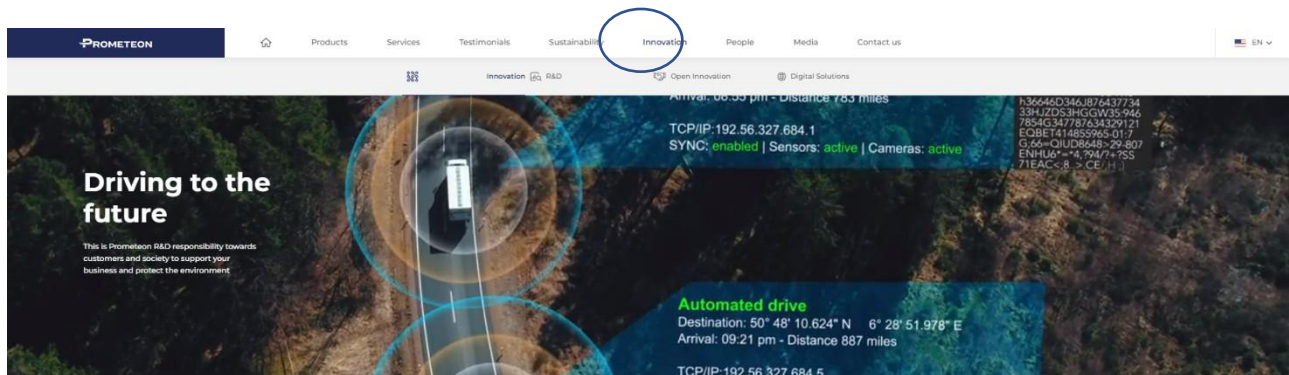
Tire Solutions for Professionals

Prometeon Tyre Group is the only tyre manufacturer specialized in goods and people transport also active in agro and off-road tyres field. Our products and services are the result of passion and commitment for quality, safety, sustainability, and innovation. Continuous investment in R&D is at the heart of Prometeon Technology, offering the market integrated and multi-branded technologically innovative products and services. These maximize efficiency and reduce costs, thanks to our strong partnerships with major Original Equipment Manufacturers and our collaboration with dealers and service partners.

- Products
- Services
- Brands



**Products section on the new website*



Research & Development

Thanks to the expertise collected in over 100 years in designing tires, R&D team developed a high technological and performance level to meet the specific needs of the professionals

[Read More →](#)

Open Innovations

Innovation is the Prometeon drive force: thanks to collaborations between companies, startups and universities, it's possible to develop new technological solutions and new engineering-mindsets

[Read More →](#)

Digital Solutions

It's a team of young minds, experimenting with no boundaries, embracing the latest technologies and relentless learning

[Read More →](#)

**Innovation section on Prometeon's website*

Visitors can easily find the correct product for their needs and, thanks to the dealer locator, find the nearest tyre dealer offering Prometeon Tyres.

SUSTAINABILITY REPORT

PROMETEAON

Products Services Testimonials Sustainability Innovation People Media Contact us

EN

Find your Tires Dealer Locator Brands Eu Tyre Labelling Regulation

Truck Agri OTR

Application: Highway, Regional, Coach, Urban, Construction, Quarry & Mine, Special Use

Axle: (S) Steer, (D) Drive, (T) Trailer, (M) Multi-axle

Dimensions: 3PMSF, M+S

Showing 40 results Clear filters



***Dealer Locator on website**

PROMETEAON

Products Services Testimonials Sustainability Innovation People Media Contact us

EN

Find your Tires Dealer Locator Brands Eu Tyre Labelling Regulation

Search for a dealer near you

Map Satellite

Milan

***Dealer Locator on website**

Testimonial

risparmio-carburante silenziosità visibilità
 resa-chilometrica usura-regolare affidabilità

Visualizzazione di tutti risultati Rimuovi Filtri

| | | |
|--|--|---|
|  BUS COMPANY | Bus Company rappresenta una delle più importanti realtà per il trasporto persone in Piemonte. Da alcuni anni utilizziamo i prodotti a marchio Pirelli FH:01 Coach e FW:01 durante il periodo invernale. |  Discover more (PDF) |
|  GOMMA srl | La nostra Azienda opera nel settore del trasporto merci su strade, su tutto il territorio nazionale e internazionale. Le coperture a marchio Pirelli garantiscono un'ottima tenuta di strada e un'usura di battistrada regolare. | Leggi di più |
|  PNEUMATICI BELLISARIO | La società BELLISARIO PNEUMATICI S.r.l. opera nel settore delle vendite e della ricostruzione da oltre 40 anni e commercializza pneumatici a marchio Pirelli da circa un decennio. | Leggi di più |

***Testimonials on website**

PROMETEON TYRE GROUP PRESENCE ON SOCIAL MEDIA



In 2022, Prometeon social media presence counts 10 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, with the aim of increasing Prometeon corporate brand awareness as well as a global vision of the products and related services offered, as well as Company initiatives (i.e. 2022: launch of the brand new Serie02, sponsorship

SUSTAINABILITY REPORT

activities, employer branding initiatives...), experience of clients testimonials, and safety & technical tips for end users.



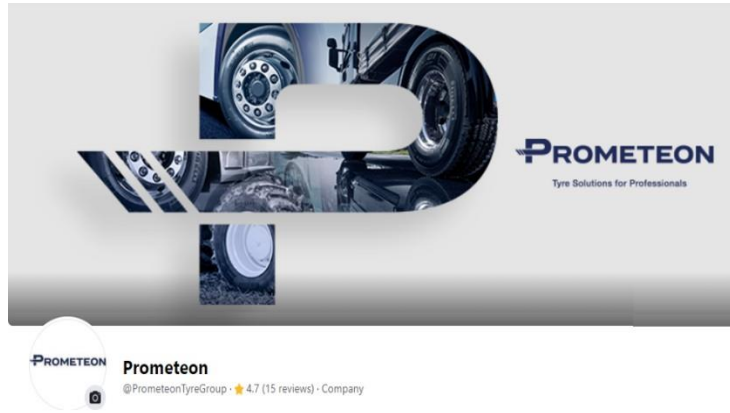
prometeontyregroup Meet our client. Today we talk to you about Zarapeco, Spain. We hear from manager Alfredo Peco.
#Prometeon #trucktyre #Spain

prometeontyregroup Today is the day: Ready for the future & for the LAUNCH. Prometeon in Venice.
#PrometeonSerie02 #tyres #thefutureisnow

prometeontyregroup Roberto Righi, Direttore Generale di Prometeon Tyre Group e Kyle Krause, presidente di Parma Calcio, al termine della conferenza stampa a Parma in cui è stato ufficialmente annunciato l'accordo che vede Prometeon Tyre Group come nuovo Main Sponsor di Parma Calcio.

***Technical tips, events and customers focus**

The Company activities on Social Media allowed an enhancement of global exchange of information and tight cooperation among all the Countries for a consistent and coordinated global presence. The news and topics shared were both of common interest, whilst also offering contents specifically designed for local audiences.



**Prometeon Tyre Group Facebook cover*

The research for continuous innovation, electric mobility, technology as well as those related benefits brought to environment were among the numerous topics covered during the year supported with posts related to health, tyre labels,

In 2022 the HQ Facebook and IG profiles could benefit of a coverage of around 12mln accounts.³

Regarding the LinkedIn channel, the Company continued to consolidate its editorial strategy consistent with what was implemented in 2021, with a particular and greater focus on Employer Branding and Brand Awareness.

During 2022 Prometeon Tyre Group continued to work to enhance its identity, visibility and presence on the platform, sharing posts and information regarding the Company, its employees, results achieved during the year and to promote the main initiatives carried out.

The hashtags that support all post publications are #PrometeonFamily, #Prometeons #PrometeonFuture and #PrometeonTyreGroup.



PROMETEON TYRE GROUP

Tyre Solutions for Professionals

Fabbricazione di autoveicoli · Milan · 53.574 follower

**Prometeon Tyre Group LinkedIn page*

³ Source: Business Meta

SUSTAINABILITY REPORT

Moreover, LinkedIn Editorial Plan has been enlarged and implemented, in particular regarding the theme “**OUR PRODUCTS**”, new contents were included, and new communication has been set providing institutional business information to the community and followers of LinkedIn. Particular attention was paid to the launch of the Series02, which took place precisely in 2022.



At the end of 2022 Prometeon Tyre Groups page counted more than 53,000 followers, almost 15,000 more than the previous year. The Company considers that LinkedIn has the ambition and the usefulness to share with all the followers a year of challenges, innovations and initiatives with an engaging and charming way, looking towards the future. The goal for 2023 is to continue to grow on social and communicate in an increasingly structured way through the continued implementation of the editorial plan.



**Quality Day published on LinkedIn*

Moreover in 2022, through the use of social media such as Facebook, LinkedIn and Instagram, Prometeon Tyre Group supported and published posts related to Sustainable activities, recurrency and initiatives to support the external community, where all Companies are committed to sustain their own and local community in all the countries where these latest operates.



**World Food Day supported by Prometeon Tyre Group*



SOCIAL DIMENSION

Prometeon Tyre Group has a dedicated channel to reports, also anonymously, of any situations that constitute or may constitute a risk of violation of laws and regulations, provisions set out in the “Ethical Code”, internal control principles, corporate regulations and procedures. (“Whistleblowing Policy - Group Reporting Procedure” published on Prometeon Tyre Group’s website https://www.prometeon.com/US/en_US/sustainability/governance. A section in this report is dedicated to the “Whistleblowing Report Procedure”, to which reference is made for further information on reports received in 2022. In terms of materiality in the corporate value chain, the respect for human rights and labour rights assumes particular importance in human resources and the supply chain management).

The management of human rights in the supply chain is reported in the section “Our Suppliers” of this report, to which reference is made for more details.

The survey was submitted to the function managers, with regards to the perception of internal risk at the Company sites and connected to supply chain aspects.

Meanwhile, risk perception in the external context of Prometeon Tyre Group was submitted to **both** the function managers and to non-governmental organizations locally.

The feedback received from each operating site did not reveal any significant risks perceived.

OUR PEOPLE

Prometeon Tyre Group activities, related to Company responsibility, follow the Values of transparency and fairness. The specific commitments are stated in the “Code of Ethics”, “Health, Safety and Environment Policy”, communicated to all employees in English available on the website.



EMPLOYEES AROUND THE WORLD

Prometeon Tyre Group employees on December 31, 2022 - expressed in Full Time Equivalent - amount to 7,880 resources (vs. 7,777 in 2021), recording a net increase of **103** resources compared to the previous year.

BREAKDOWN OF EMPLOYEE BY GEOGRAPHIC AREA AND GENDER

| 2022 | | | |
|--------------|--------------|------------|--------------|
| | Male | Female | Total |
| HQ - EUROPE | 229 | 111 | 340 |
| AMERICAS | 4,258 | 220 | 4,478 |
| MEA - AFME | 2,968 | 82 | 3,050 |
| APAC | 10 | 2 | 12 |
| TOTAL | 7,465 | 415 | 7,880 |

| 2021 | | | |
|--------------|--------------|------------|--------------|
| | Male | Female | Total |
| HQ - EUROPE | 224 | 100 | 324 |
| AMERICAS | 4,291 | 212 | 4,503 |
| MEA - AFME | 2,861 | 72 | 2,933 |
| APAC | 14 | 3 | 17 |
| TOTAL | 7,390 | 387 | 7,777 |

| 2021 VS 2022 | | | |
|--------------|-----------|-----------|------------|
| | Male | Female | Total |
| HQ - EUROPE | 5 | 10 | 15 |
| AMERICAS | - 33 | 8 | 25 |
| MEA - AFME | 107 | 10 | 117 |
| APAC | - 4 | 1 | 5 |
| TOTAL | 76 | 27 | 103 |

SUSTAINABILITY REPORT

BREAKDOWN OF EMPLOYEES BY GENDER 2022

| FEMALE | MALE | OTHER* | NOT DISCLOSED | TOTAL |
|--|------|--------|---------------|-------|
| Number of employees (head count) | | | | |
| 415 | 7465 | - | - | 7880 |
| Number of permanent employees (head count) | | | | |
| 392 | 6728 | - | - | 7120 |
| Number of temporary employees (head count) | | | | |
| 23 | 737 | - | - | 760 |
| Number of non-guaranteed hours employees (head count) | | | | |
| - | - | - | - | - |
| Number of full-time employees (head count) | | | | |
| 403 | 7448 | - | - | 7851 |
| Number of part-time employees (head count) | | | | |
| 12 | 17 | - | - | 29 |

*Gender as specified by the employees themselves

BREAKDOWN OF EMPLOYEES BY GENDER 2021

| FEMALE | MALE | OTHER* | NOT DISCLOSED | TOTAL |
|--|------|--------|---------------|-------|
| Number of employees (head count) | | | | |
| 387 | 7390 | - | - | 7777 |
| Number of permanent employees (head count) | | | | |
| 374 | 6836 | - | - | 7210 |
| Number of temporary employees (head count) | | | | |
| 13 | 554 | - | - | 567 |
| Number of non-guaranteed hours employees (head count) | | | | |
| - | - | - | - | - |
| Number of full-time employees (head count) | | | | |
| 377 | 7379 | - | - | 7756 |
| Number of part-time employees (head count) | | | | |
| 10 | 11 | - | - | 21 |

*Gender as specified by the employees themselves

BREAKDOWN OF EMPLOYEES BY GEOGRAPHIC AREA 2022

| HQ - EUROPE | AMERICAS | MEA - AFME | APAC | TOTAL |
|--|----------|------------|------|-------------|
| Number of employees (head count) | | | | |
| 340 | 4478 | 3050 | 12 | 7880 |
| Number of permanent employees (head count) | | | | |
| 325 | 4051 | 2732 | 12 | 7120 |
| Number of temporary employees (head count) | | | | |
| 15 | 427 | 318 | - | 760 |
| Number of non-guaranteed hours employees (head count) | | | | |
| - | - | - | - | - |
| Number of full-time employees (head count) | | | | |
| 336 | 4453 | 3050 | 12 | 7851 |
| Number of part-time employees (head count) | | | | |
| 4 | 25 | - | - | 29 |

BREAKDOWN OF EMPLOYEES BY GEOGRAPHIC AREA 2021

| HQ - EUROPE | AMERICAS | MEA - AFME | APAC | TOTAL |
|--|----------|------------|------|-------------|
| Number of employees (head count) | | | | |
| 324 | 4503 | 2933 | 17 | 7777 |
| Number of permanent employees (head count) | | | | |
| 302 | 4079 | 2815 | 14 | 7210 |
| Number of temporary employees (head count) | | | | |
| 22 | 424 | 118 | 3 | 567 |
| Number of non-guaranteed hours employees (head count) | | | | |
| - | - | - | - | - |
| Number of full-time employees (head count) | | | | |
| 320 | 4486 | 2933 | 17 | 7756 |
| Number of part-time employees (head count) | | | | |
| 4 | 17 | | | 21 |

SUSTAINABILITY REPORT

HC NOT EMPLOYEES 2021

| | Intern | Maintenance | Consultant | *Other | Total |
|--------------|------------|-------------|------------|------------|--------------|
| EMEA* | 74 | 119 | 29 | 819 | 1,041 |
| AMERICAS | 70 | - | 98 | 99 | 267 |
| APAC | - | - | - | 8 | 8 |
| TOTAL | 144 | 119 | 127 | 926 | 1,316 |

*Employees of suppliers in which the Company has service contract with for various services such as security, cleaning, external apprenticeship etc.

HC NOT EMPLOYEES 2022

| | Intern | Maintenance | Consultant | *Other | Total |
|--------------|------------|-------------|------------|------------|--------------|
| EMEA* | 92 | 47 | 29 | 896 | 1,064 |
| AMERICAS | 75 | - | 136 | 92 | 303 |
| APAC | - | - | - | 8 | 8 |
| TOTAL | 167 | 47 | 165 | 996 | 1,375 |

*Employees of suppliers in which the Company has service contract with for various services such as security, cleaning, external apprenticeship etc.

2022 PERCENTAGE OF EMPLOYEE BY CATEGORY GENDER AND AGE PER REGION

EMEA*

| | Executive | | | Cadre | | | Staff | | | Blue collar | | | Totals | | |
|-------|-----------|------|-------|-------|------|-------|-------|------|-------|-------------|------|-------|--------|------|-------|
| | M | F | Total | M | F | Total | M | F | Total | M | F | Total | M | F | Total |
| <30 | 0% | 0% | 0% | 1% | 3% | 2% | 21% | 37% | 25% | 20% | 67% | 20% | 19% | 26% | 19% |
| 30-50 | 53% | 71% | 57% | 75% | 78% | 76% | 59% | 55% | 58% | 70% | 0% | 70% | 69% | 62% | 69% |
| >50 | 47% | 29% | 43% | 24% | 18% | 23% | 20% | 8% | 17% | 10% | 33% | 10% | 12% | 12% | 12% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

AMERICAS

| | Executive | | | Cadre | | | Staff | | | Blue collar | | | Totals | | |
|-------|-----------|------|-------|-------|------|-------|-------|------|-------|-------------|------|-------|--------|------|-------|
| | M | F | Total | M | F | Total | M | F | Total | M | F | Total | M | F | Total |
| <30 | 0% | 0% | 0% | 1% | 0% | 1% | 13% | 24% | 17% | 19% | 43% | 20% | 18% | 29% | 19% |
| 30-50 | 50% | 100% | 57% | 79% | 100% | 83% | 70% | 70% | 70% | 72% | 55% | 72% | 72% | 67% | 72% |
| >50 | 50% | 0% | 43% | 20% | 0% | 16% | 16% | 5% | 13% | 9% | 2% | 9% | 9% | 4% | 9% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

APAC

| | Executive | | | Cadre | | | Staff | | | Blue collar | | | Totals | | |
|-------|-----------|------|-------|-------|------|-------|-------|------|-------|-------------|----|-------|--------|------|-------|
| | M | F | Total | M | F | Total | M | F | Total | M | F | Total | M | F | Total |
| <30 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| 30-50 | 100% | 100% | 80% | 100% | 83% | 100% | 100% | 100% | 92% | 0% | 0% | 0% | 90% | 100% | 92% |
| >50 | 0% | 0% | 20% | 0% | 17% | 0% | 0% | 0% | 8% | 0% | 0% | 0% | 10% | 0% | 8% |
| Total | 100% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 0% | 0% | 0% | 100% | 100% | 100% |

2021 PERCENTAGE OF EMPLOYEE BY CATEGORY GENDER AND AGE PER REGION

EMEA*

| | Executive | | | Cadre | | | Staff | | | Blue collar | | | Totals | | |
|-------|-----------|------|-------|-------|------|-------|-------|------|-------|-------------|------|-------|--------|------|-------|
| | M | F | Total | M | F | Total | M | F | Total | M | F | Total | M | F | Total |
| <30 | 0% | 0% | 0% | 2% | 4% | 2% | 20% | 34% | 23% | 15% | 50% | 15% | 15% | 23% | 15% |
| 30-50 | 46% | 67% | 50% | 70% | 76% | 72% | 61% | 56% | 60% | 71% | 0% | 71% | 69% | 63% | 69% |
| >50 | 54% | 33% | 50% | 28% | 20% | 26% | 19% | 10% | 17% | 14% | 50% | 14% | 16% | 14% | 16% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

AMERICAS

| | Executive | | | Cadre | | | Staff | | | Blue collar | | | Totals | | |
|-------|-----------|------|-------|-------|------|-------|-------|------|-------|-------------|------|-------|--------|------|-------|
| | M | F | Total | M | F | Total | M | F | Total | M | F | Total | M | F | Total |
| <30 | 0% | 0% | 0% | 0% | 9% | 2% | 12% | 28% | 17% | 19% | 41% | 19% | 18% | 31% | 18% |
| 30-50 | 67% | 100% | 71% | 81% | 91% | 84% | 71% | 66% | 69% | 72% | 55% | 71% | 72% | 65% | 71% |
| >50 | 33% | 0% | 29% | 19% | 0% | 14% | 17% | 6% | 14% | 9% | 4% | 10% | 10% | 4% | 11% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

APAC

| | Executive | | | Cadre | | | Staff | | | Blue collar | | | Totals | | |
|-------|-----------|----|-------|-------|------|-------|-------|------|-------|-------------|----|-------|--------|------|-------|
| | M | F | Total | M | F | Total | M | F | Total | M | F | Total | M | F | Total |
| <30 | 0% | 0% | 0% | 43% | 100% | 50% | 100% | 100% | 100% | 0% | 0% | 0% | 57% | 100% | 65% |
| 30-50 | 100% | 0% | 100% | 57% | 0% | 50% | 0% | 0% | 0% | 0% | 0% | 0% | 43% | 0% | 35% |
| >50 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Total | 100% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 0% | 0% | 0% | 100% | 100% | 100% |

*EMEA (included HQ)



BREAKDOWN OF FULL TIME AND PART TIME EMPLOYEE BY GEOGRAPHIC AREA AND CONTRACT

| | 2021 | | | | 2022 | | | |
|-------------|-----------|-----------|--------|-------|-----------|-----------|--------|-------|
| | Permanent | Temporary | Agency | Total | Permanent | Temporary | Agency | Total |
| HQ - EUROPE | 302 | 22 | - | 324 | 325 | 15 | - | 340 |
| AMERICAS | 4,079 | 424 | - | 4,503 | 4,051 | 427 | - | 4,478 |
| MEA - AFME | 2,815 | 118 | - | 2,933 | 2,732 | 318 | - | 3,050 |
| APAC | 14 | 3 | - | 17 | 12 | - | - | 12 |
| TOTAL | 7,210 | 567 | - | 7,777 | 7,120 | 760 | - | 7,880 |

SUSTAINABILITY REPORT

Additionally, the following data refers to incoming/outgoing employees:

EMPLOYEE FLOWS BY GEOGRAPHIC AREA

| | 2021 | | 2022 | | 2022 Outgoing | |
|-----------------|--------------|--------------|--------------|--------------|----------------------|--------------------------|
| | Incoming | Outgoing | Incoming | Outgoing | Of which Temporaries | Of which Temporaries (%) |
| EMEA* | 834 | 585 | 665 | 525 | 254 | 48% |
| AMERICAS | 1,149 | 575 | 660 | 726 | 161 | 22% |
| APAC | 1 | 4 | 2 | 3 | - | 0% |
| TOTAL | 1,984 | 1,164 | 1,327 | 1,254 | 415 | 33% |

2022 EMPLOYEE FLOWS BY GEOGRAPHIC AREA, GENDER AND AGE: PERCENTAGES VALUE

| | Incoming | | | | | | | | | Outgoing | | | | | | | | |
|-----------------|------------|------------|-----------|-------------|-----------|-----------|----------|--------------|----------------|------------|------------|------------|-------------|-----------|-----------|----------|--------------|----------------|
| | Male | | | Total Male | Female | | | Total Female | TOTAL INCOMING | Male | | | Total Male | Female | | | Total Female | TOTAL OUTGOING |
| | <30 | 30-50 | >50 | | <30 | 30-50 | >50 | | | <30 | 30-50 | >50 | | <30 | 30-50 | >50 | | |
| EMEA* | 469 | 130 | 14 | 613 | 28 | 21 | 1 | 50 | 663 | 253 | 147 | 94 | 494 | 12 | 17 | 1 | 30 | 524 |
| AMERICAS | 293 | 303 | 16 | 612 | 25 | 23 | 0 | 48 | 660 | 198 | 427 | 58 | 683 | 18 | 22 | 1 | 41 | 724 |
| APAC | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 2 | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 2 | 3 |
| TOTAL | 762 | 434 | 30 | 1226 | 53 | 45 | 1 | 99 | 1325 | 452 | 574 | 152 | 1178 | 31 | 40 | 2 | 73 | 1251 |

*EMEA (included HQ)

2022 EMPLOYEE FLOWS BY GEOGRAPHIC AREA, GENDER AND AGE: PERCENTAGES VALUE

| | Incoming | | | | | | | | | Outgoing | | | | | | | | |
|-----------------|------------|------------|-----------|---------------|------------|------------|-----------|--------------|----------------|------------|------------|------------|---------------|------------|------------|-----------|--------------|----------------|
| | Male | | | Total Male | Female | | | Total Female | TOTAL INCOMING | Male | | | Total Male | Female | | | Total Female | TOTAL OUTGOING |
| | <30 | 30-50 | >50 | | <30 | 30-50 | >50 | | | <30 | 30-50 | >50 | | <30 | 30-50 | >50 | | |
| EMEA* | 76% | 21% | 2% | 92,53% | 56% | 42% | 2% | 7,47% | 100% | 51% | 30% | 19% | 94,27% | 40% | 57% | 3% | 5,73% | 100% |
| AMERICAS | 48% | 49% | 3% | 92,69% | 52% | 48% | 0% | 7,31% | 100% | 29% | 63% | 8% | 94,40% | 43% | 54% | 3% | 5,60% | 100% |
| APAC | 0% | 100% | 0% | 50,00% | 0% | 100% | 0% | 50,00% | 100% | 100% | 0% | 0% | 33,33% | 50% | 50% | 0% | 66,67% | 100% |
| TOTAL | 62% | 35% | 2% | 92,54% | 53% | 46% | 1% | 7,46% | 100% | 38% | 49% | 13% | 94,20% | 42% | 55% | 3% | 5,80% | 100% |

*EMEA (included HQ)

2021 EMPLOYEE FLOWS BY GEOGRAPHIC AREA, GENDER AND AGE: PERCENTAGES VALUE

| | Incoming | | | | | | | | | Outgoing | | | | | | | | |
|-----------------|-------------|------------|-----------|-------------|-----------|-----------|----------|--------------|----------------|------------|------------|------------|-------------|-----------|-----------|----------|--------------|----------------|
| | Male | | | Total Male | Female | | | Total Female | TOTAL INCOMING | Male | | | Total Male | Female | | | Total Female | TOTAL OUTGOING |
| | <30 | 30-50 | >50 | | <30 | 30-50 | >50 | | | <30 | 30-50 | >50 | | <30 | 30-50 | >50 | | |
| EMEA* | 582 | 212 | 6 | 800 | 10 | 24 | 0 | 34 | 834 | 316 | 175 | 66 | 557 | 11 | 16 | 1 | 28 | 585 |
| AMERICAS | 496 | 556 | 27 | 1079 | 39 | 31 | 0 | 70 | 1149 | 165 | 303 | 62 | 530 | 27 | 16 | 2 | 45 | 575 |
| APAC | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 3 | 0 | 3 | 4 |
| TOTAL | 1078 | 769 | 33 | 1880 | 49 | 55 | 0 | 104 | 1984 | 481 | 479 | 128 | 1088 | 38 | 35 | 3 | 76 | 1164 |

*EMEA (included HQ)

2021 EMPLOYEE FLOWS BY GEOGRAPHIC AREA, GENDER AND AGE: PERCENTAGES VALUE

| | Incoming | | | | | | | | | Outgoing | | | | | | | | |
|-----------------|------------|------------|-----------|---------------|------------|------------|-----------|--------------|----------------|------------|------------|------------|---------------|------------|------------|-----------|--------------|----------------|
| | Male | | | Total Male | Female | | | Total Female | TOTAL INCOMING | Male | | | Total Male | Female | | | Total Female | TOTAL OUTGOING |
| | <30 | 30-50 | >50 | | <30 | 30-50 | >50 | | | <30 | 30-50 | >50 | | <30 | 30-50 | >50 | | |
| EMEA* | 73% | 26% | 1% | 95,92% | 29% | 71% | 0% | 4,08% | 100% | 57% | 31% | 12% | 95,21% | 39% | 57% | 4% | 4,79% | 100% |
| AMERICAS | 46% | 52% | 2% | 93,91% | 56% | 44% | 0% | 6,09% | 100% | 31% | 57% | 12% | 92,17% | 60% | 36% | 4% | 7,83% | 100% |
| APAC | 0% | 100% | 0% | 100,00% | 0% | 0% | 0% | 0,00% | 100% | 0% | 100% | 0% | 25,00% | 0% | 100% | 0% | 75,00% | 100% |
| TOTAL | 57% | 41% | 2% | 94,76% | 47% | 53% | 0% | 5,24% | 100% | 44% | 44% | 12% | 93,47% | 50% | 46% | 4% | 6,53% | 100% |

*EMEA (included HQ)

During 2022, the Company has performed a significant increase in terms of **tons produced (+4% Vs 2021)** and **Net sales (+40% Vs 2021)**. The production growth has been in part covered with an increase of Blue Collars employees. The other part has been covered by more efficiency indeed the Company is growing without losing focus internationally on actions to be carried out to strengthen internal know how and efficiency.

At the end of 2022 the Company employed **7,880** HC, of which **1,249** white collars (**16%**) and **6,631** blue collars (**84%**).

The total number of employees has increased by **103 HC** compared to the same period of 2021, which means a variation of around +1% vs last year.

In particular this growth of employees is equally split between white and blue collars (+51 and +52 HC vs 2021). This increase is due in part to high increase of production level in Turkey (**+7% vs 2021**) where blue collar population increased **+7% Vs 2021**. Out of 103 (**net increase**) the major rises are: 42% comes from Plant Operations, 43% HSE & Security, 30% Research and Development. This percentages are counterbalanced by a decrease in other functions. Temporary workforce is included and increase 37% compared to 2021 Headcount end of period (745 reported in 2022 vs 542 in 2021).

DIVERSITY MANAGEMENT

Prometeon Tre Group is characterized by a multinational context where individuals manifest a great diversity, whose conscious management simultaneously creates a competitive advantage for the Company and a shared social value. Prometeon Tyre Group's commitment to compliance with equal opportunities and the enhancement of diversity in the workplace is expressed in the main group sustainability document: the "Ethical Code" approved by the Board of Directors and signed by the Chairman. This document has been distributed to all employees in English and published in intranet of the Company.

While respecting the cultural differences of each country, all Prometeon Tyre Group affiliates share and commit to common corporate values, policies and rules, applicable at Group level and communicated in English to all employees.

In order to manage equal opportunities and prevent risk breach thereof, employees, suppliers and the External Community can anonymously report any suspected violation, through Group Whistleblowing Procedure.

In 2022, Prometeon Tyre Group continued to improve its Governance simplifying the access to the procedures with a particular focus on the Whistleblowing procedure which has been reviewed and adapted to the new requirements made by the current regulations. The new online platform will be launched in 2023 and will be confidential and available in different languages. For further information on whistleblowing process and the Company's commitment to communication with its stakeholders for reporting of non-compliance cases received in 2022, reference should be made to the paragraph

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"Focus: Reporting Procedure - Whistleblowing Policy". In 2022, no incidents of discrimination were reported.

Internationality and multiculturalism are important elements of Prometeon Tyre Group: being a Company that operates in over 20 countries, cultural differences and inclusion are fundamental to create its Company identity. Such identity is reflected not only in the "Ethical Code" but also through the SDGs "10 Reduced Inequalities" and "8 Decent Work and Economic Growth", that inspired Company vision. In line with this inspiration, Prometeon Tyre Group is dedicated to provide "equal opportunities" for all employees (gender, culture, religion etc.) offering international mobility and training.

The table below shows the breakdown of gender in terms of employees' age categories in 2021 and 2022:

EMPLOYEE BY GENDER AND AGE

| Employees' Age Categories | 2021 | | | 2022 | | |
|---------------------------|------|--------|-------|------|--------|-------|
| | Male | Female | Total | Male | Female | Total |
| <30 | 1243 | 108 | 1351 | 1381 | 114 | 1495 |
| 30 - 50 | 5424 | 250 | 5674 | 5290 | 270 | 5560 |
| >50 | 723 | 29 | 752 | 794 | 31 | 825 |
| Total | 7390 | 387 | 7777 | 7465 | 415 | 7880 |

EMPLOYEE BY GENDER AND AGE (%)

| Employees' Age Categories | 2021 | | | 2022 | | |
|---------------------------|------|--------|-------|------|--------|-------|
| | Male | Female | Total | Male | Female | Total |
| <30 | 17% | 28% | 17% | 19% | 27% | 19% |
| 30 - 50 | 73% | 65% | 73% | 71% | 65% | 71% |
| >50 | 10% | 7% | 10% | 10% | 8% | 10% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |

Regarding gender diversity, Prometeon Tyre Group treat all people equally, constantly monitors the KPIs, possible issues and is always committed to embrace diversity.

With reference to this specific target, in 2021 Human Resources Department and Top Management agreed to investigate on the growth and career paths of the Organization's female population.

Prometeon Tyre Group decided to launch a gender equality assessment (GEA project). The project was aimed to measure, with qualitative and statistical elements, the effective gender equality in Prometeon understanding which kind of concrete support the Company can bring and which actions can be improved during the next three years to reach the expectations.

At a methodological level, it has been defined that countries considered relevant for the aim of the analysis were Brazil, Egypt, Turkey and HQ (managers and white collars employees were selected). The assessment has been divided in 4 different phases, one for each country, collecting and analyzing Company's structural and organizational data, interviewing key corporate people and scheduling Focus Group. The assessment has been completed at the end of 2021. Moreover, during 2022 these analysis activities continued, with the goal of increasingly improving gender equality within our organization.

With regards to standard salary paid to new hired during the first year in the Company, it must be highlighted that the total amount provided to the employees is higher than the minimum prescribed by law and no difference between gender are made.

The following procedures and activities to promote equal opportunities have been established as it follows:

- introduction of new initiatives aimed at respecting cultural and religious diversity (e.g. different and clearly marked diets in canteens, kitchens typical of different cultures from that of the host country...);
- welfare and work-life balance initiatives (refer to the paragraph “Employee experience and Internal Community);
- “Welfare” in this report.

NEW IDENTITY AND MINDSET OF PROMETEON TYRE GROUP

The last months of 2022 have been crucial, the Company worked on a dedicated project regarding the new Employee Value Proposition, allowing business strategy to be actionable through people.

Here below the focus points analysed:

2. set the value that the company can offer to current or future employees gaining a competitive advantage in the campaign for talents;
3. establish the contribution of each employee clearly specifying key objectives and goals;
4. empower people to express strong engagement unleash their Innovative potentials;
5. generate maximum Operational Effectiveness which makes a company sustainable aligning people's and company's expectations.

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In 2022, a new People Strategy, to set the new DNA of Prometeon, has been defined applying three main drivers and new dimensions:

- **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.

The three main drivers defined were the following:

- 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

Moreover in 2022, the Company communicated the new purpose, the set of values, the behaviors related to specific declaratory:

PURPOSE

"Together we make right things happen"

VALUES:

- Result-focus;
- Passion;
- Openness;
- Responsibility;
- Courage.

BEHAVIOURS

- Aiming for excellence;
- Motivating people;
- Enjoying change;
- Promoting trust & inclusiveness;
- Transforming ideas into reality;

BEHAVIOURS

Aiming for excellence

Motivating people

Enjoying change

Promoting trust & inclusiveness

Transforming ideas into reality

DECLARATORY

Excellence is part of our DNA and is deeply present in our culture, upon which we rely to work as a **team**, energetically committing ourselves to short- and long-term **goals**.

Motivating people and generating **passion** through **collaboration** among teams, through **active listening** that integrates everyone's different **perspectives**

Promote, encourage, and follow a spirit of **accepting and promoting change** and adapting to evolving or limited-information work circumstances. Foster changes as opportunity to grow and strive.

Promoting trust by embodying value and **ethical examples** for the whole organization, **stimulating everyone's contribution** through the **integration** of everyone's different perspectives

Making things happen by having the courage to **take risks** on both **people and ideas**. Being accountable for the implications of one's own choices and fostering a culture of error.

NewWay2.Work

The project, started in September 2020 working on a structured approach to the future of working, defined as "Blended", where employee can work 50% of their working time at the office and 50% in a different place. The NewWay2.Work of Prometeon Tyre Group is based on 3 leading principles and can be applied thanks to 4 enablers.

Here below the 3 Leading Principles and the 4 Enablers defined for the NewWay2.Work:

Leading Principles:

- ✓ Flexibility: a new approach that makes possible to transform time management in an innovative way;

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- ✓ Responsibility & Trust: creating a new relationship between Managers and Employees, and so, between the Company and “Prometeons”;
- ✓ People Caring & Continuous Learning: focusing on the development of new soft skills considering always the well-being of employees.

Enablers:

Enabler n°1: NEW EMPLOYEE EXPERIENCE: contains all the initiatives that aim to support the management of daily activities wherever they are carried out;

Enabler n°2: NEW SET OF COMPETENCIES: contains training initiatives that aim to develop the new skills necessary to face out the blended situation;

Enabler n°3: WORKPLACE: contains a new approach of working space in the office; the Company decided to give more flexibility to the open space also in support of the concept of hygiene and cleaning for desks and collaboration spaces shared by the employees;

Enabler n°4: CULTURE and LEADERSHIP: contains a new cultural approach starting with the new Prometeon Tyre Group Identity.

New Way.2Work Around the World

In 2021 the Company started to apply officially the blended model and during 2022 the NewWay2.Work continued to be applied in all the countries where the Company operates, taking in consideration local needs, cultural approaches and application of local legislation.

The model is structured according to 3 key dimensions defining salient and characterizing features:

1. **"Blended" & "Structured" model** (Hybrid and Structured): the concept of flexibility is no longer solely based on individuals but becomes a principle and an integral part of the working context, also affecting the idea of spaces, times and working methods. The new “Blended” & “Structured” model therefore necessarily becomes hybrid and the new work organization takes place partly in the office and partly remotely;
2. **Trust and Responsibility:** the new approach enables to transform time management in an innovative and substantial way, which becomes flexible and manageable with new rules, making “bringing objectives” and “achieving results” as the main function of the Company’s productivity. The Blended & Structured model also redefines the relationship between manager and employee in a new way, where the concepts of trust and responsibility become more tangible;

3. **Leadership:** a new leadership model that has more focus on the soft skills is necessary for team and relationship management, considering the “Blended” & “Structured” model of the New Way2Work.

It has to be highlighted that aspects related to physical and psychological well-being became key themes inside of the new integrated model helping employees to improve their personal skills and strengthening their performances.

The New Way2Work at **Headquarter** level has been structured on three enabling factors, which are the following:

1. **Training:** investment in training considered as a strategic factor, especially in the light of the change in organizational and leadership models underway;
2. **Flexy Card:** (Ticket Restaurant) for each day worked by the employee, whether it is done remotely or on site, the Company provides a ticket of a total amount of € 7;
3. **Smart Kit:** all colleagues enabled to work in Smart Working received computer equipment and ergonomic workstations (professional office chair) to better support employees’ daily work, providing for the best conditions to carry out professional activities.



The Smart Working has been defined in line with the tasks and conditions that can allow it to be practiced. In Italy the application of the New Way 2.Work consists in applying 50% of the time in the office and 50% in a free space where smart working activities can be done, respecting the security guidelines that have been communicated during the training session. After signing the trade union agreement in December 2020, the Company provided from March 2021, training sessions which involved more than 200 employees, IT Settings, Learning and Competences, HSE Regulations and People Caring tool have been presented and explained to all participants.

The **New Way 2.Work** agreement included also employee’s health and safety. In order to carry out working activities from home applying best practices, the Company organized training sessions to employees explaining them how to follow the guidelines (correct illumination of the room, volume of headphones etc) provided by Health and Safety and Environment Department and how to use the Smart Kit properly (chair, monitor, mouse and keyboard).

The employees received a “**Smart Kit @ Home**” composed by an ergonomic chair, monitor, wireless keyboard, mouse and headphones. Moreover Prometeon Tyre Group decided to provide to all

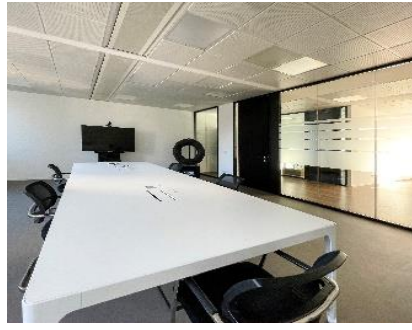
employees that subscribed New Way 2.Work agreement, a **Flexi Card** which provides (for each worked day) tickets with a defined amount, giving the possibility to the employees to spend it for lunch or other needs through the partners adhering to method of payment provided by this card. Furthermore, employees received by the Company an amount allocated on the **Welfare on TOP** (*further details will be given in the section “Welfare”*).



****New Employee Experience in Italy***

At Headquarter level, the Company decided to review the layout of the offices making several changes that can be in line with the **New Way 2.Work and the New Employee Experience**. The intention was to bring forward a new layout foreseeing more spaces dedicated to collaboration, sharing and flexibility. After the Covid-19 pandemic, Prometeon Tyre Group with the review of the layout, focused on the **clean desk approach**. The idea was to give the possibility to the employees to book (through an app on their mobile phone) their own desk for the date they have planned to come to the office. Coming to the office the employee needs to do a check in of its desk and leave it clean at the end of the day. Supporting the idea of clean desk approach the Company decided to provide to all employees a personal Locker where they can keep personal objects or IT tools needed during the day at the office (keyboard, mouse etc).





**New Layout in Italy*

In order to continue guaranteeing confidentiality and privacy for certain roles and/or activities, **Confidential Hubs** have been set. These spaces consist of a closed and soundproof office that can be reserved only by a maximum of two people and gives the possibility to have a confidential meeting. Together with Confidential Hubs the Company decided also to provide to employee another private space, the **Phone Booth**, only one person can have access to this room. The aim is to give the assurance to make short call that cannot be done in the open space area respecting an adequate level of privacy. Due to the **New Way 2.Work** and the blended situation, Prometeon Tyre Group decided to optimize the meeting rooms which have been equipped with **Teams system call conference** and **IT tools have been renewed and empowered.**



During 2022, in order to better manage the return of employees to the office, further changes have been made regarding the layout and the organization of offices. Specifically, the number of meeting rooms have been increased giving the possibility to all employees to carry out internal meetings, receive clients, suppliers and external people. Moreover, all the equipment of the meeting rooms have been empowered with last generation digital devices improving the quality of the virtual meetings.

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CONFIDENTIAL HUBS & OPENSACE

DESK 007 OPEN SPACE
COME PRENOTO: Le postazioni in OpenSpace possono essere prenotate attraverso la APP ZWorkspace o il portale Zucchetti. È necessaria una prenotazione per ogni singola giornata lavorativa in presenza.

CONFIDENTIAL HUB CONFIDENTIAL HUBS | Dedicati alle singole funzioni
COME PRENOTO: Le postazioni possono essere prenotate dai People Managers di ogni funzione attraverso la APP ZWorkspace o il portale Zucchetti.

MEETING ROOMS

2° Piano
Argo (5 pax)
Diamante (4 pax)
Itineris (4 pax)
Eracle (4 pax)
Anteo (A - B) (6 pax) **
Amaranto (4 pax)

3° Piano
SuperTruck (5 pax)
Board (8 pax) **
Atlante (3 pax)
Formula (3 pax)

COME LE PRENOTO: Le meeting rooms sono sempre prenotabili attraverso il calendar Outlook.
*Per utilizzare le meeting rooms Anteo e Board è necessario verificare la disponibilità scrivendo a nadia.delaio@prometeon.com

PHONE BOOTH
Il Phone Booth può contenere massimo 1 persona, non è prenotabile, ed è utilizzabile per brevi telefonate o video call che necessitano di privacy.

SALA BREAK
All'interno della sala coffee break, possono sostare max 4 persone contemporaneamente.

LOCKERS
Il Locker è lo spazio privato dedicato ad ogni Prometeon e che permette il CleanDesk approach! È disponibile doppia chiave e relativo gadget portachiave. È possibile lasciare all'interno la propria tastiera, mouse, e oggetti personali.

QUANDO LE UTILIZZO: 1. Per svolgere i meeting dove tutti i partecipanti sono in presenza rispettando sempre la capienza massima indicata su ogni porta.
2. Per svolgere i meeting blended, dove alcuni dei partecipanti si trovano in sede e parte da remoto: infatti tutte le sale sono state attrezzate per permetterle lo svolgimento di un meeting virtuale in maniera ottimale.

**Guidelines for employees in Italy*

In **Turkey**, for the application of Blended Model which officially started on September 2021, employees working remotely signed an additional agreement contract. Smart kit@home has been provided to all “Prometeons’ smart workers” including ergonomic chair, headphones, mouse, keyboard and monitor.

Regarding **Workplace enabler** some initiatives have been put in place, the Company in Istanbul reviewed the lay out of the office applying a **New Way 2.Work**. Employees can access to a link and make reservation for the desks and a new application for shuttle reservation has been provided. This new system allows employees to book their place and follow the shuttle routes and stops interactively.



**Example of Smart Kit@home in Turkey*

In **Europe**, the new model has been implemented following the main guidelines defined by Headquarter. The Smart Kit@Home has been structured following three enabling factors with the aim to better support employees’ daily work providing the best conditions to carry out professional activities.

Here below the activities carried out:

- ✓ all colleagues enabled to work in Smart Working received IT equipment (monitor, keyboard, mouse);
- 4. Benefits for an ergonomic workstation (professional office chair and table);
- 5. A fixed allowance to cover costs of Mobile Phone (calls and internet line).

As part of its Continuous improvement approach, in Europe, the Company provided a **survey** to all its employees regarding the implementation of NewWay2.Work. This survey enabled to better understand the satisfaction and area of improvements. The overall NewWay2.Work satisfaction has been rated to 88% in August 2021. The activities carried out in 2021 were proceeded in 2022 as well.

In **Egypt**, the implementation of the new model gives to the employees the possibility to work remotely 2 days per week. Regarding “Smart Working Policy”, the Company made it available at the beginning of 2022 and communicated to all employees.

With regards to Region **Americas**, in 2021, the new model was implemented in 4 countries and continued to be applied in 2022: Brazil, Colombia, Mexico and Argentina. The working model is based on 60% of the time of the week at the office and 40% remotely and involves 100% of the population eligible to apply smart working conditions. In Brazil, the local policy agreement was signed in October 2020, employees that subscribed the covenant received a booklet with the guidelines that need to be followed to correctly apply the “**Trabalho Remoto**” also from an IT point of view.

The image displays two pages from a Brazilian 'Trabalho Remoto' (Remote Work) policy booklet. The left page, titled 'Conexão entre sua casa e o Escritório' (Connection between your home and the office) and 'Trabalho Remoto', explains that a secure connection is established using VPN technology. It lists supported devices and software: Webcams, Webconferência, Área de rede, Altav. (T), homeoff, SoftHome etc... and PREC, Outlook, SAP, Skype For Business, OBI, MIND, Citrix, Acesso Internet, etc... The right page is the title page 'Política de Trabalho Remoto' by PROMETEON, dated March 2020 and revised in August 2021. It includes sections for 'Introdução', 'Objetivos' (improving quality of life, motivation, productivity, etc.), and 'Acesso ao Trabalho Remoto'.

**Agreement and information to support employees for “Remote Working”*

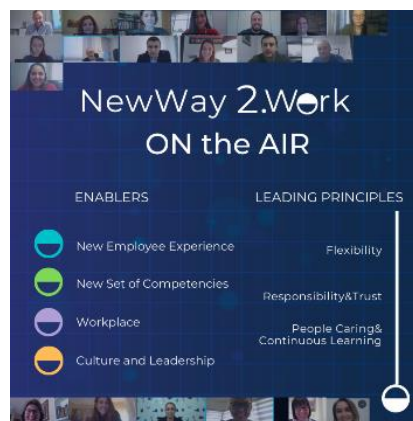
Regarding the Smart Kit @home in Brazil, employees received an equipment containing IT tools (mouse, keyboard wireless, headset and notebook) that can enable the remote working conditions.

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**Example of a kit in Brazil*

In 2022, all Departments allowed to apply the blended model continued to work using this hybrid system. Furthermore, to better understand the need of all employees already using the 2way 2 work method, the Company provided a survey asking them the advantages obtained from this new work approach. Regarding all new employees hired in 2022, the Company provided to all of them the same Smart Kit at home already provided to all other employees working for the Company allowed to work remotely. At a general level regarding NewWay2.Work, the Company, implemented several initiatives in 2022 to continue to promote flexibility as a key principle. The NewWay2.Work is a project that will continue to evolve in the coming years. New initiatives and projects will be developed and launched to meet the needs of the Company's internal community.



EMPLOYER BRANDING, COMMUNICATION & TALENT ACQUISITION

In 2022 in the production sites where the Company operates, such as Turkey, Brazil and Egypt, and in the offices in HQ and Europe, events, projects and meetings were organized with the aim to promote **Employer Branding initiatives**, as Career Days, Job Fairs, factory tours. These activities have been carried out thanks to the **network and partnerships with prestigious universities** in different countries. The cooperation with these universities gave to young graduate candidates the opportunity to work in collaboration with Research & Development function and Industrial Technology, such as other functions (AFC, Marketing, HR, Procurement and Supply Chain...). They had the chance to improve their knowledge, skills working in an international environment in a smart working set up.

At **Headquarter** level the Company decided to organize several activities:

1. Collaboration with the **ESCP Business School**, which started in 2021, has been renewed during 2022. **ESCP** is one of the most prestigious business schools able to train and inspire young graduates to become responsible managers and leaders for tomorrow. This partnership results in line with the Prometeon Mindset which requires to support the empowerment of People helping them to develop specific field management expertise in an international context. This partnership with a global approach permitted to several managers to participate to courses.



- Moreover, the partnership with **MIP – Polytechnic of Milano** dedicated to Italian employees, has been carried over during 2022. This cooperation gives the opportunity to have a focus on technical knowledges and skills.



- Finally, agreements with some of Italy's leading universities, including **Università Cattolica del Sacro Cuore, Università Bocconi, Università Milano-Bicocca, Università Statale di Milano, Politecnico di Milano and Politecnico di Torino**, were renewed during 2022. The collaboration with these study institutions has enabled the Company to have access to relevant job gates and activate several internships with students coming from these athenaeums.

In 2022 Prometeon Tyre Group continued to work to enhance its brand awareness and presence on the web platform, in particular on LinkedIn, sharing posts and information regarding the Company, its employees and the results achieved during the year 2022.

Prometeon at the Academy of Communication: during July 2022 Prometeon participated to the presentation of the projects of the second-year students of the postgraduate course in Digital Marketing. The aim of their projects was to expand Prometeon’s Brand Awareness, taking advantage of the sponsorship of the World Superbike Championship. The project was presented by 3 working groups that were then evaluated, they have been invited to the Company where they had the chance to meet the General Manager, the Marketing and HR Director.



One of the main communication activities conducted in 2022 was the series **NEWCOMERS** which started in 2021 and continued throughout the year. With a three-monthly cadence, all new entries' photos were published, specifying for each person the professional family and his or her main interests. The aim of the initiative was to give a warm welcome to new hired making them feel part of the Prometeon family.




Moreover, with the aim to improve retention and engagement, in 2022, **MYPROMETEON** activity was carried out on LinkedIn. This initiative was aimed to give voice directly to employees of the #PrometeonFamily. Through short interviews, the Company asked to people why they were proud to work at Prometeon Tyre Group and how their job position impacted on their personal development. To enhance this initiative, several interviews and videos have been periodically posted on LinkedIn. Due to the success, the Company decided to extend these publications also in 2023, posting other video of professional and personal experience of employees working at Prometeon Tyre Group.



It has to be highlighted that the publication of these posts and videos gave the opportunity to Prometeon Tyre Group to increase the visibility of the brand as shown in the graph here below:

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Statistiche sui visitatori 



**Engagement Rate LinkedIn Page Year 2022*

In **Europe** the Company was also worked with local organizations, for example in the UK the Company had a cooperation with *Primary School Parent & Teacher Association* and *UC Dance school*, supporting mental health for children and young adults.

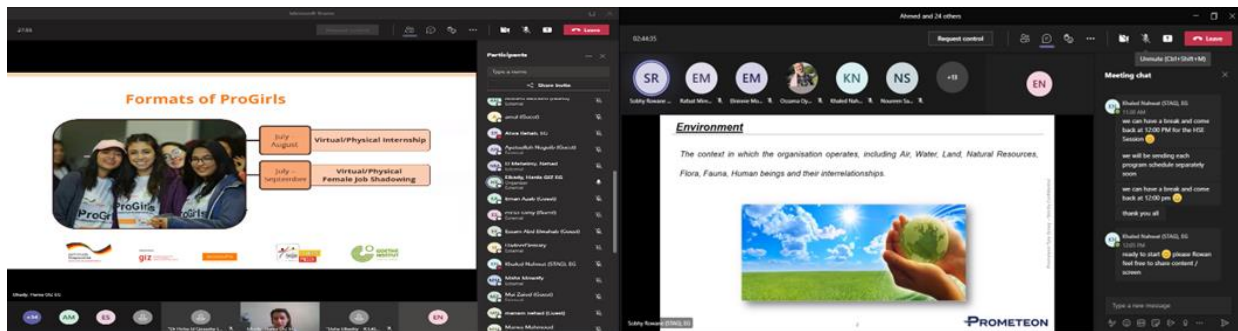
In **Egypt**, the Company organized for university undergraduate students visit of the Factory for 1 day in order to present and explain the manufacturing process of tyres, and thus involving all the departments concerned. **In 2022** 4 physical tours at the factory were organized giving the opportunity to the student to better understand a production process.



Furthermore, graduating university students were supported in their graduation projects by a team of technical experts from the Company giving them technical knowledge and practical experience. **In 2022** Prometeon Tyre Group sponsored 4 projects, in particular for the Business Management, Logistics & Supply Chain, Engineering & Industrial.



PROGirls - Women Empowerment Program: In Egypt, since 2017 the Company pursues the project **PROgirls**, aimed to enhance the professional orientation of Egyptian female 16 years old, blue-collars and white-collars of pupils, from private and governmental secondary and vocational schools. In 2019 Prometeon Tyre Group started collaboration with the **Goethe Institute** of German Embassy in Cairo giving the possibility to young women to empower themselves. The Company participated in Mentoring Girls program STEM (Science, Technology, Engineering and Mathematics) and during this project Management Leadership pillars were presented, explaining how to discover personal strengths and weakness; how to plan their own career, discovering career options based on their CVs and simulating interviews. Women Internship program took place inside the factory and through all departments, attending sessions with women already working in the Company, exploring, and showing how roles that were mainly carried out by men became accessible to women as well. Through virtual participation. **In 2022** the Company trained 25 girls through virtual sessions and physical visits to factory.



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PROGIRLS

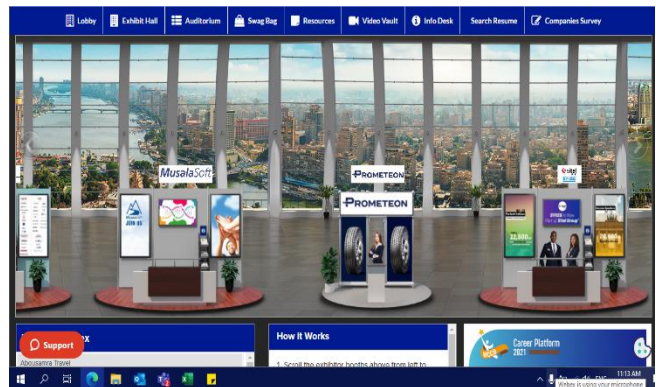
ProGirls
Professional Orientation of Girls

Prometeon Tyre Egypt

Participated in ProGirls and provided female students with insights into STEM- and managerial jobs during online mentoring sessions. We thank Prometeon Tyre Egypt and all their employees for their contribution to the successful implementation of ProGirls



During 2022, Prometeon Tyre Group Egypt carried out several activities in terms of Employer Branding. The Company participated to a virtual career day and 4 physical job fairs in Universities and clubs.



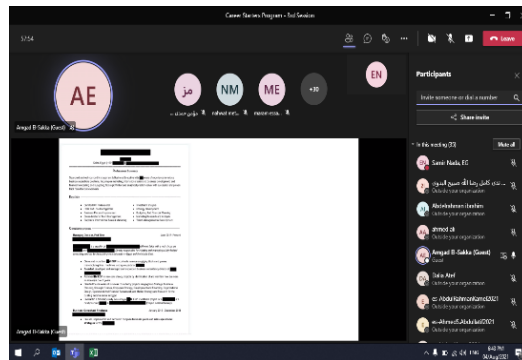
Moreover, several round tables sponsored by universities have been organized, hosting different multinational and local companies. The aim was to understand how to close the gap between the education program taught to the students and the real needs in the world of work identifying the technical knowledge required to be better introduced in the workplace. The Company participated in total to 2 Round tables and 2 Future Summits during 2022.



Egypt Universities Undergraduates Summer Program: a specific training experience dedicated for university students of 2nd and 3rd Year College was organized. The aim of the program was to show multinational work environment and explain the cooperation between different departments for the business to succeed. Students received a certificate of completion and a compensation of 200 EGP at the end of the session. **In 2022** the Company renewed its engagement and for 2 months, 120 University students were trained and supported during this journey.



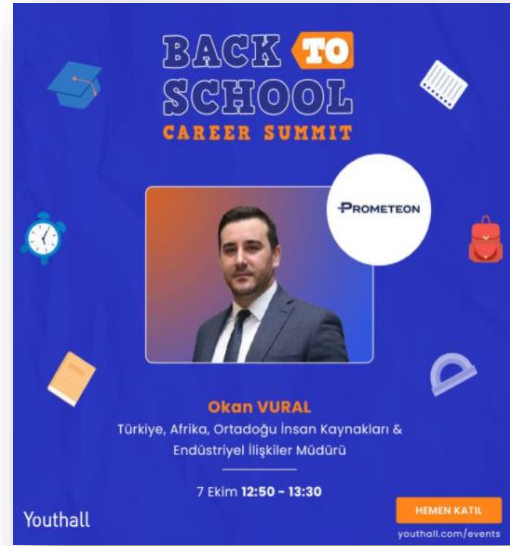
Egypt Career Starters Program: a 1-month program dedicated to young graduates' college students. Always with the aim to support young graduates, the Company organized a 1-month program to train the young graduates giving them insights on how to enter in a multinational context and company, and how to succeed in their job. Different sessions with practical workshops from HR team and from current employees have been carried out and **in 2022**, 25 young university graduates participated to virtual interactive live sessions.



Egypt Internship University Graduates Program: a dedicated project of 3 months contract with maximum renewal of 2 years, consist to train young universities graduates giving them the opportunity to participate to daily tasks and operations inside the Company, under supervision of senior employees. Their own performance has been evaluated each 3 months to identify possible hiring. To support the young graduates, the Company started to compensate them with 2.000 EGP. **In 2022** the compensation has been adjusted from 2.000 EGP to 2.500 EGP per month, a monthly compensation scheme and Prometeon Tyre Group decided to give better and new benefits. 7 new young graduates have been hired with fulltime contract and 4 others have been hired by an outsourcing University graduation program.

Outsource University Graduates Program: a program of 1-year contract selecting university graduates with high potentials or talents, in which the remuneration is higher than the basic salary with a monthly package. The aim of the assignment is to participate in daily tasks and operations under supervision of senior employees which will be evaluated each 3 months to better understand if they can be potential new full-time employees. **In 2022** the Company selected a total of 16 outsource employees in which 3 were hired as full-time employees.

In Turkey, Prometeon Tyre Group had the opportunity to introduce itself to young audiences through HR and Engineering Managers which participated to career summits through the support of a specific career platform, Youthall.



Moreover, the Company together with young talents participated to the Middle East Technical University Career Fair as well as career summits organized by other local universities. Thanks to these events university students had the opportunity to have a face-to-face time with the Company employees, getting insights about Prometeon Tyre Group's corporate culture, activities carried out at Global R&D Center and career opportunities.



In **Brazil**, Prometeon continued to support the program "leave your mark on the world" **Internship Program**, recruiting a total of 37 young people selected from a group of 3,340 candidates. The students who participated followed a development plan and guidance from skilled managers that helped them providing advice and sharing their experiences.

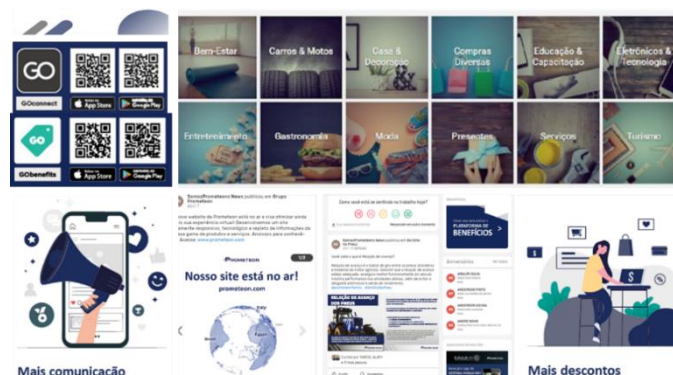
SUSTAINABILITY REPORT



**Interns in their 1st day*

In order to enhance its commitment in terms of Environment Social and Governance, Prometeon organized together with the **University of Maua** and its students a contest asking to different groups to represent a logo for Prometeon in which ESG are clearly communicated and represented. At the end of the contest the Company selected the first 3 finalist which received gadgets and t-shirts branded Prometeon. Moreover, it has been decided to consider the 3 logos in order to identify a logo ad hoc to represent the Sustainability of Prometeon. During 2023 the Company will work on the logo and the ESG Communication.

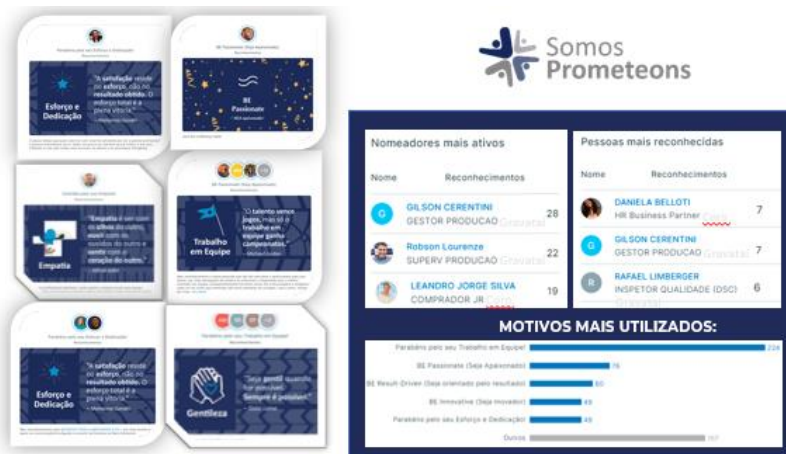
Moreover, **Somos Prometeons Platform** (local communication, benefits, and social network platform) was completed in April 2022. To celebrate this mark, the Company launched the “Somos Rock” action. During 365 days, a total of 11,000 interactions have been recorded, including likes, comments and posts made in the **GO Connect space**. Moreover, more than 5,400 discount codes for products and stores have been generated in the GO Benefits Area. To celebrate the platform’s success, employees were invited to enjoy the anniversary dancing and listening to rock’n roll music. Prometeon Tyre Group in Brazil obtained 100 tickets for a Rock’n Roll Festival in São Paulo, the concert featured many famous rock singers and bands famous at national and international level. To compete for tickets (2 per employee), the employee had to access to the SomosPrometeons platform and add a reply to the following question: “why you deserve to win the tickets?”. The aim of the initiative was to leverage the engagement of the employees on the platform. The results obtained proposing this contest was an increase of 45.58% in engagement and 18.26% in registration.





* Image of the platform home and photos taken by employees at the event

Furthermore, with the support of the SomosPrometeon platform, the **Recognition Program** has been launched. The objective of the initiative is to strengthen the culture of feedback and recognition within the Prometeon Group. Therefore, employees can publicly recognize their colleagues (peers, subordinates, and leaders) using various adjectives such as: team worker, proactivity, kindness, resilience, innovation, passion etc.



In 2022, Prometeon Tyre Group continued to support initiatives to promote engagement of employees. Regarding external audiences and the promotion to join the Company, in 2022 several investments have been made offering prestigious job position seeking to bring new and qualified people to #PrometeonFamily.

Here below some posts celebrating recurring dates dedicated to work and business such as Farmer's Day, Customer's Day, Sellers Day, Internship's Day, Truck Driver's Day among others.

SUSTAINABILITY REPORT



Vagas website: During 2022, the Company worked to provide a new visual identity for the job recruitment platform "Vagas.com". Moreover, it has been agreed to use employee's photos, which are updated every month to reinforce the proud of the employees belonging to the Company and showing the diversity among Prometeon Tyre Group.



Sestante Tyre Line Campaign: In October 2022, a communication activity has been carried out by Linha Sestante for all employees. Everyone was invited to take pictures with the tyres and post them on their social medias. In addition, a quiz was organized in which employees has to answer questions about Prometeon's new product and reward were provided to employees who gave the correct answers.

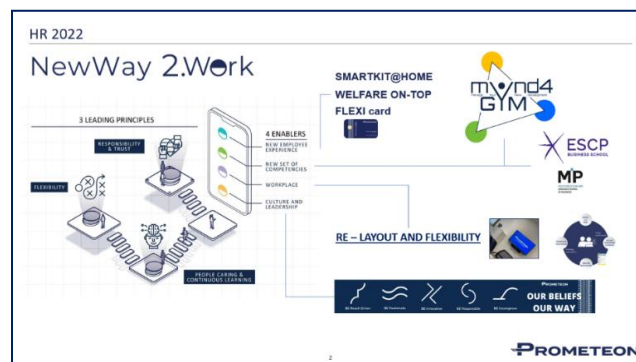


Nossa Casa Grupo Prometeon: In 2022, the program to visit the factories in Santo André and Gravataí, where employees brought their families showing them their workplace and activities continued. Two visits to each plant have been organized, one in October and the other one in November, reaching in total 250 people. The activity was aimed to promote the employee's true sense of belonging and pride in being part of Prometeon Tyre Group.



LEARNING AND DEVELOPMENT

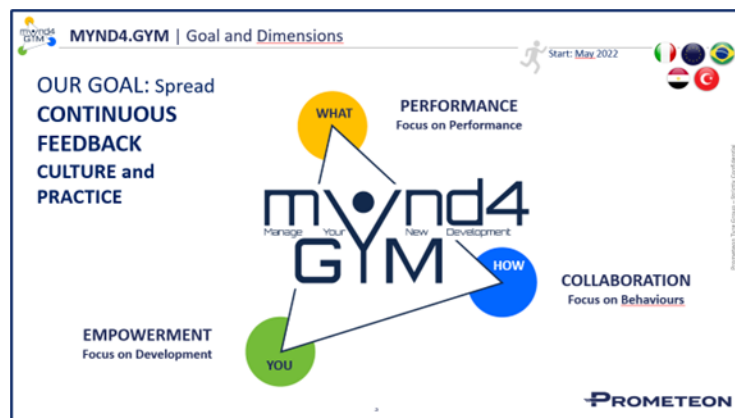
Regarding Learning and Development in 2022 new initiatives have been carried out consolidating the activities already done in 2021. All the activity involved the employees at global level, thanks to the support of the translation in different languages, such as Italian, English, Turkish, Arabic, Portuguese and Spanish.



SUSTAINABILITY REPORT

After the great success of CLOCKS in 2021 (the first global training course on the skills needed to face the important moment of change and the implementation of NW2.W), in 2022 Prometeon Tyre Group launched a new Global Learning & Development Program named **MYND4.GYM** (ManageYourNewDevelopment4.Gym).

The aim of CLOCKS was the acknowledgment of the importance of maintaining connections, as individuals in society (Human Connection) and as employees inside Prometeon. Restarting from this need and giving continuity, **MYND4.GYM** was created in order to promote the development of culture and practice of continuous feedback.



The **MYND4.GYM** program has been divided in two main waves, one for Managers and one for Employees:

The first wave which started in May and ended in December, has been articulated on 3 different dimensions:

- Performance;
- Collaboration;
- Empowerment.

Topics of each dimension have been shared during several Learning sessions; meeting of 2 hours each have been organized where trainer explained the different topics. Moreover, 8 virtual tables (1 hour each) between participants have been organized, asking them to put into practice what they learned during the first session.

The first dimension, concerning Performance, was divided into 3 Learning Session, with a focus on performance feedback, smart goals setting and Objectives and Key Results. The aim of this module was

to provide participants the tools and ways to assign goals helping them understand the importance of setting short, medium, and long-term goals.

The second- and third-dimensions regarding Collaboration and Empowerment, were divided in 1 Learning Session and 1 working group, with a particular focus on giving feedback regarding behavior and professional development.

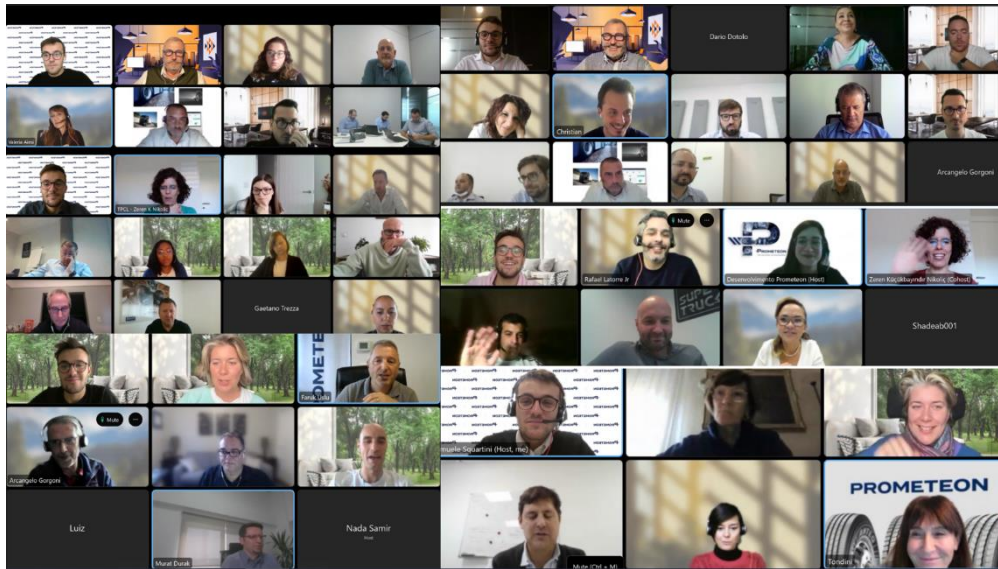
In order to optimize the communication and the flow of information 21 team works have been created. At the end of the learning path the Company recorded the participation of around 300 people. At the same time, the **MYND4.GYM People Managers** program involved from HQ to an additional pilot project, based on a digital role play activities. Through virtual conversations and the support of a dedicated digital platform, participants had the opportunity to practice on the 3 dimensions of the program. In addition to the individual training sessions for each module, others 3 virtual tables were planned: a Kick-off meeting, to introduce the topic and the digital characters; a Follow up at mid-term, to share feelings and impressions about the conversations and the path, and a Closing session based on a final moment of sharing.

The second dimension, started in September, involving the Employees in different ways through the support of different program offered in all the countries where the learning path has been applied. Employees based in Headquarter and in others subsidiaries such as in Europe, had the opportunity to train on the same digital platform used for managers' pilot project working on the same dimensions of the **MYND4.GYM program** (Performance, Collaboration and Empowerment). Thanks to this path, employees were able to practice on managing conflict conversations and setting smart goals. As for the Managers, the schedule of the path included individual trainings and 3 virtual tables with all the participants (kick-off, follow up and Closing session).



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In total, more than **1.200 White collars and Managers** have been involved in this path within December 2022. It must be noted that both the Managers and the Employees paths has been entirely followed by external trainers.



In Turkey, **MYND4.GYM for People Manager** program was rolled out at the same time of the other countries. 78 participants, Leaders and Managers, received 5 modules of training program. For 2023, practice classrooms had been already planned for February. Additionally, **Mynd4Gym Employee Program** will be provided in 2023, with the support of internal trainers.

LOCAL LEARNING & EDUCATION

| INITIATIVES OR ACTIVITIES IN THE COMMUNITIES | |
|---|-------------------|
| Internal or external initiatives on top of L&D training activities | |
| | |
| NON-VIOLENT COMMUNICATION | Participants: 42 |
| Live on the Prevention of Depression and Suicide | 135 |
| Live on Eye Health and the Importance of Eye Examination - Dr. Rafael Cunha | 62 |
| Open English Course | 58 |
| PROfessional Live - Sharepoint | 363 |
| PROfessional Live Quality Policy | 118 |
| PROfessional Live Do you know the tire cycle? | 81 |
| Participation in on-the-job actions- safety dialogue, quality dialogue, productivity guidelines | 2109 |
| | |
| Communication, Negotiation and Conflict Management Training (for support functions) | 46 |
| Competence Development Program | 66 |
| Employee Engagement Workshop | 38 |
| Proleaders | 62 |
| Sharepoint Training | 43 |
| Smart Manufacturing & Digitalization Basic Training | 15 |
| The Role of the Father in Child Development Webinar | 60 |
| TIP - Together in Prometeon | 33 |
| Warming Up - Integration and Team Building | 20 |
| | |
| Anti Smoking & Drugs Awareness Campaign | Participants: 334 |
| CMRP Technical Training | 6 |
| Commitment with pedestrian | 1298 |
| Covid Precautions | 1461 |
| Data Analysis & Reporting Techniques Using Excel | 51 |
| Engineering Mindset Awareness | 59 |
| English Language course | 12 |
| Excel Intermediate Course | 11 |
| Global SharePoint Training | 124 |
| Life saving rules | 23 |
| MBA - Trainings | 72 |
| Sharpen Your Selling Skills | 65 |
| Warehouse Operations Training | 22 |
| *Estimate data | |

Prometeon Tyre Group - Strictly Confidential



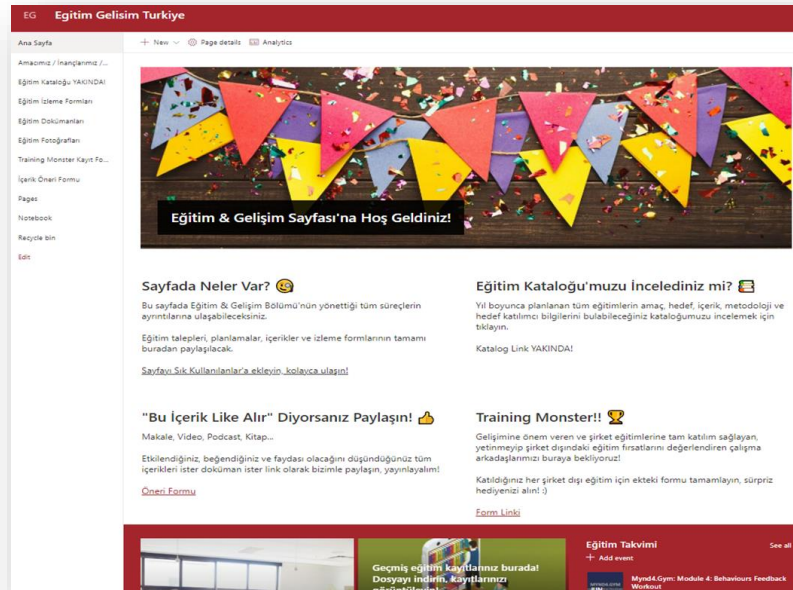
As shown in the table above it is possible to highlight that the Company provided at local level several activities for Learning & Development giving particular attention to its Prometeon people.

During 2022, at **Headquarter** and **Italy** level, the Company provided several training activities to ensure the continuous development of Prometeon Tyre Group's population. In addition to mandatory training activities related to Health Safety and Environment or Governance, the Company decided to implement through a digital e-learning platform, English and Italian courses giving the possibility to all employees to review their competences and technical skills regarding languages.

Moreover, to support employees in difficulty with the learning of the language, together with the support of HR Business Partners, the training needs of some employees have been identified and *ad personam* training plans have been provided to help the employee to improve the use of one of the two languages.

In **Turkey**, in 2022, Skill Matrix project has been completed with the Department Managers. The program enabled to define the level of skill/competencies that the role requires, identifying the current level of skill/competencies of the position holder, and finally determine learning & development plan for each individual. In 2022, approximately 12k hours of training were delivered in Turkey, including onboarding programs, technical skill development and soft-skill competencies courses.

It has to be highlighted that all training documents and processes were managed through SharePoint system instead of hard copy documents and thus with the aim to reach the target set by the Local Sustainability Committee in particular by Human Resources Department which is committed to reduce paper switching to 100% digital copy.



SUSTAINABILITY REPORT

In **Europe**, several new trainings have been put in place all over Europe, both technical (e.g. Quality, Finance, and Sales trainings) and soft (e.g. Behaviors training and others related to Human Resources). These initiatives have the aim to improve employees' skills, their satisfaction and possibility to create career paths.

In **Egypt** physical classroom trainings, from different training providers, were held for employees with specific reference to: HSE trainings, Professional trainings, Technical on-job trainings, Conceptual & Soft skills, Induction & Awareness & Events, Linguistics, Computer & digital, Continuous Development Programs. With specific reference to Commercial Team, the Company organized Commercial Academy, providing training on technical know-how and informing them, with the support of trainers from Quality and R&D departments, on the latest developments in the tyre industry. During 2022 the Company implemented professional sells techniques and methodology and provided training sessions divided in Module 1 and Module 2 for all Commercial Team.



In **Brazil**, new programs have been launched and many new competencies were developed or improved. Here below the different learning path carried out in 2022:

Leadership Development: actions were defined for all levels of leadership, starting with the **Líder PRO Program**, which aimed to develop leadership in key competencies for people management such as assertive communication and feedback; teamwork; leadership in action and emotional intelligence. The results of the program was that 110 leaders have been identified and thanks to its success this program will continue in 2023.



Santo André Factory



Headquarter Prometeon Tyre Group LATAM



Gravataí Factory

Moreover, in Brazil during 2022, it was decided to invest time and resources in the development of internal facilitators, which also included the factory trainers (who had the important mission of integrating new production operators in processes that can take more than a month). At the Gravataí plant the learning path was divided into two parts:

- Technical Training (diction, disinhibition, and oratory to improve general communication);
- Behavioral (to develop leadership skills, all the trainers acted as managers to play role situation with the employees).

At the Brazilian Headquarter and at the Santo André plant, the development learning path started with a Communication and Public Speaking training course also including an Objectives and Key Results training course.

SUSTAINABILITY REPORT



Communication and Public Speaking - Headquarter

PRO Talent, a group of initiatives focused on human development and performance enhancement, was carried out during 2022. The first was the **Mentoring Program**, for rising managers, which aims to prepare successors for strategic positions, expanding knowledge, networking, and careers. The second one was the **High-Performance Program - HPP**, oriented to coordinators, with the goal of leverage performance, increase the level of self-confidence, and support talents in developing strategies to achieve their goals. The team of coaches was composed by the HR Director, Talent and Communication Manager, two Plant HR Managers and two Human Resources Business Partners, all certified for this program.



Mentors and mentees in the Mentoring Program

Moreover, aiming to develop technical and transversal skills applied to different positions, in 2022 the Company leveraged the practice of shared training and thus not only to optimize resources but also generating interaction and integration between employees, from different departments or locations. several trainings have been carried out such as: IATF Auditor Training course that counted the participation of 12 employees, Advanced Excel training class which counted 30 participants; FMEA VDA (16 participants) and finally the Project Management which recorded 7 participants in 2022 and 30 participants are scheduled for 2023). The aim is to consolidate these practices increasing the trainings giving the opportunity to all employees to improve their technical and soft skills.



IATF Auditor



FMEA VDA



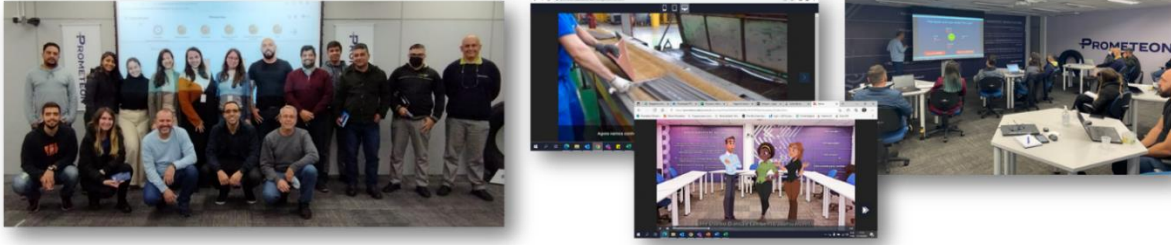
Advanced Excel

In Brazil, during 2022 the Company focused on technical, commercial training, detailed training on Prometeon products offered to internal and external audiences, including resale shopkeepers. In 2022, more than 10,000 hours of training were provided by: Technical Sales Consultants (CTCs), Technical Service Representatives (RTS) attending almost 2,000 participants coming from 79 different customers. A program dedicated to Sales Leadership, named “**High Performance Paddling**”, has been offered as per specific training in Objectives and Key Results, Sales Coaching to Managers, as well as mentoring sessions with specialized external consultants.



Although face-to-face training are coming back after the COVID-19 pandemic, it has to be noted that virtual training will continue to be part of a way to provide training. For this reason, the Company invested in the implementation of a Learning Experience Platform (LXP), which will include the Prometeon Group's new Virtual Onboarding program, as well as exclusive content developed by internal specialists and other general themes developed by large companies and market experts such as Mário Sergio Cortella, Ricardo Amorim, Angela Donaggio and many others. 2022 was the year for preparing the platform for the go live that will take place in the first quarter of 2023.

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Internal Experts

The number and percentage of employees participated to the above-mentioned training activities based on gender and employment category are summarized as in the following tables:

Average hours of training provided to employees during the reporting period, by gender and occupational category.

| | Male | Female | Total | White Collars | Blue Collars | Total |
|--------------|-----------|-----------|-----------|---------------|--------------|-----------|
| EMEA* | 25.9 | 19.8 | 26 | 28 | 25 | 26 |
| AMERICAS | 59.3 | 26.0 | 57 | 28 | 62 | 57 |
| APAC | - | - | - | - | - | - |
| TOTAL | 43 | 23 | 42 | 28 | 45 | 42 |

*EMEA (included HQ)

| | White Collars | Blue Collars |
|---------------|---------------|--------------|
| MALE | 29.9 | 45 |
| FEMALE | 23.4 | 23.7 |

INTERNAL COMMUNICATION AND COMMUNITY

In Brazil, the company paid special attention to commemorative dates, health, Diversity & Inclusion initiatives such as:

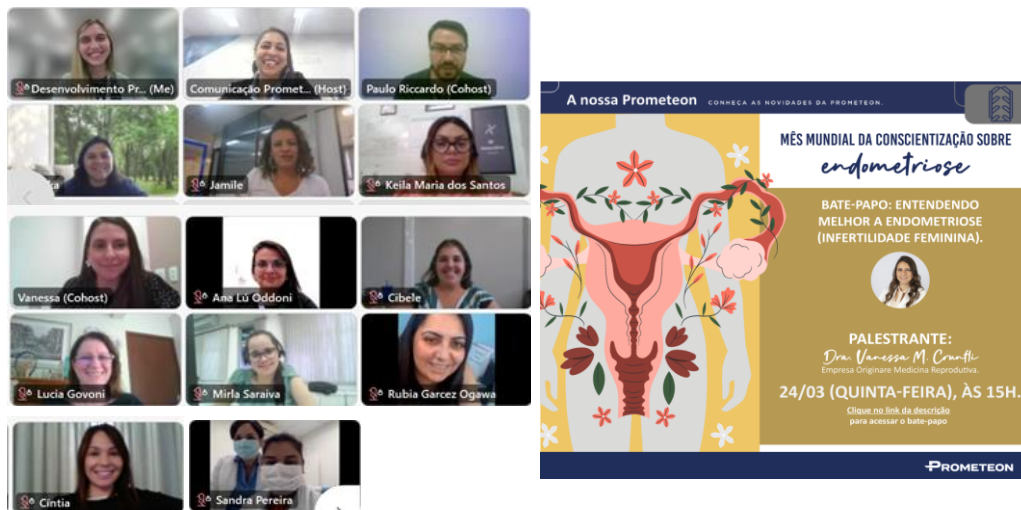
White January: The objective was to bring awareness to employees about the importance of mental health care. Awareness lectures were held and delivery of ribbons to remember not to stop taking care of mental health.



Carnival: the Company held a costume contest in which employees could post their photos on the SomosPrometeons platform, awareness actions were also carried out with the distribution of condoms, aiming at health and prevention.



Yellow March: Endometriosis Awareness Month. A lecture was held by a Professional and specific internal communication was made regarding this theme.



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Women's Day: March 8th was International Women's Day and Prometeon Tyre Group decided to thank and recognize female employees by promoting lecture about female empowerment. The book "Minute of Knowledge" was given as gift to all women working for the Company.



Vaccination campaign: All employees were invited to get vaccinated against flu and keep their health up to date.



Mother's Day: All Prometeon's mothers received a gift and quick massage sessions. The company invited them to share their emotions, feelings, and experiences of being mothers telling all these sensations in a video that has been shared internally and externally.



Environment Week: Lectures, workshops, emergency drill and waste stand and information on the topic.



Father's Day: Employees were invited to share with Human Resources, photos of them with their children or their fathers, which were subsequently used for making videos with a special communication dedicated to the occasion of this recurrence. A barbecue kit raffle was gifted to the fathers who participated to this activity.



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Anti-Smoking Campaign: Lectures, workshops, consultations, and information on the topic were offered to all employees.



Health Week: The event reinforced the importance of taking care of health on all fronts (mental and physical). Prometeon offered to all employee various actions such as consultations, exams, workshops, classes, lives, lectures, among other initiatives.



Yellow September: A special campaign dedicated to the prevention of depression diseases and consequent suicidal thoughts was held. During the month of September 2022 several informative notes were shared with employees giving them the opportunity to listen to a psychologist and share their feelings and emotions. A lecture was held by a professional for all employees.



Eye Health Campaign: The eye health awareness campaign offered actions such as: free eye exams, lecture with an ophthalmologist on preventive eye health care, discounts for the purchase of glasses or lenses, examination of visual acuity and autorefractometry and consultation with ophthalmologist.



Pink October: The campaign is dedicated to women to inform and raise awareness about the breast cancer. The event offered consultations, exams, workshops, classes, lives, lectures, etc.



Blue November: this campaign aimed at informing men on prostate cancer has been performed for the 3rd year, giving the opportunity to raise awareness on detection and treatments. The event offered consultations, exams, workshops, classes, lives, lectures, etc.

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Children's Day: All employees' children were invited to participate in a drawing contest, the theme was the importance of Environment Social and Governance in daily life. The best drawings were awarded.



Christmas Present: Prometeon Tyre Group organized for the third year a special day in which volunteers participated to set up the dedicated area, helping to distribute Christmas Kits (Christmas frozen foods)

and toys to employees and their children. In total, 4,948 Christmas Kits were delivered to the factories in Gravataí and Santo André factories.

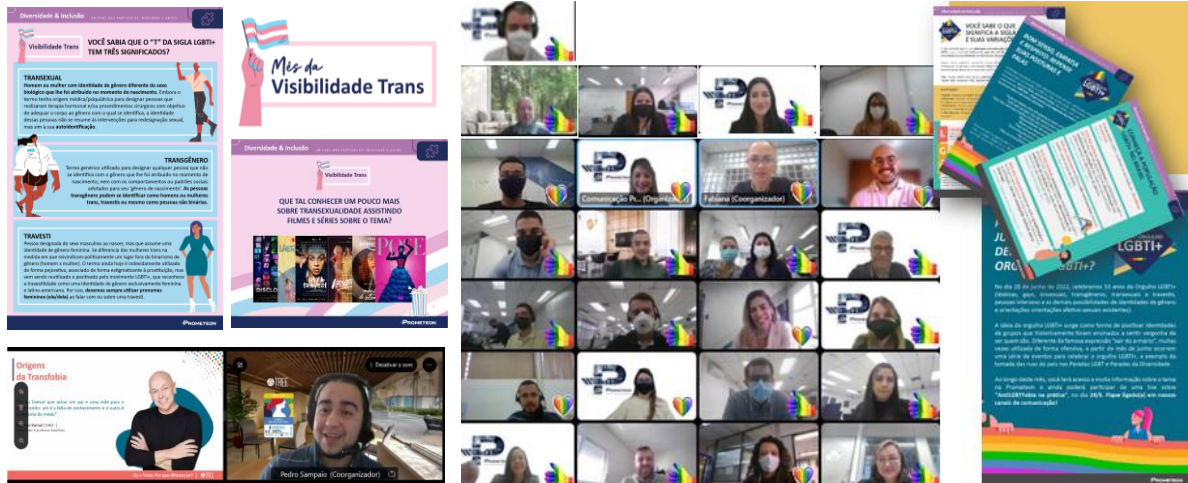


End of Year Events: Prometeon Tyre Group organized a celebration to offer its appreciation and recognition to the employees. Also, a barbecue lunch was organized in the factories' restaurants sharing with all internal community many achievements and successful challenges during 2022.



SUSTAINABILITY REPORT

Diversity and Inclusion Actions: with the objective of increasing everyone's knowledge about Diversity & Inclusion themes, Prometeon Tyre Group continued with the important work started in 2021 and continued in 2022 with the aim to reinforce the following themes: Trans Visibility Day, International LGBT+ Pride Day, National Day for The Fight Of Persons With Disabilities, Month Of Generational Diversity and Black Consciousness Month.



Trans Visibility Day / International LGBT+ Pride Day



Month Of Generational Diversity and Black Consciousness Month

World Cup 2022: Prometeon Tyre Group invited all its employees to get into the rhythm of the World Cup by participating in various actions such as betting on the winning ranking of the tournament, kicking the goal at mealtime, competing raffle with gifts and others.



Engagement Survey application and achievement of the GPTW seal: 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. The result of the survey will give the opportunity to the Company to take strategic decision and set action plans where needed. Although the Company applied for the first time, Prometeon Brazil was certified 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 is being 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.



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Egypt Social, Traditional & Religious Occasions: The Company, respecting the Egyptian traditions and festivities, provided in 2022 to its employees several gifts. For instance, sweets for the Prophet Birthday, nuts during the month of Ramadan, donuts and cakes for Eid Al-fitr, and meat distribution in the occasion of Eid Al-Adha. Furthermore, using the company ID card, the employees can receive discounts opportunities for health care, mobile phones & accessories, fashion & beauty, entertainment & educational services, food shops & restaurants.



In line with its inspiration for the SDG “**4 Good Health and Well-Being**” Prometeon Tyre Group organizes and implements various initiatives aimed at health and well-being of the Company’s employees – both at work and outside of the work and their families.



The Company provides for infirmaries in all its production units where health operators and medical specialists are available to all employees during working hours. These facilities provide counseling for health problems outside work as well as first aid care and periodic health supervision.

Prometeon Tyre Group Egypt Football tournament: In order to raise the employee engagement, Football Competition started the 12th of August for almost 3 weeks, hosting 10 teams representing each dept of the Company. This Competition was aimed to enhance Teamwork and loyalty all over the Company.



Summer and winter trips: According to the Company strategy of ensuring the importance of employee engagement, the summer trips are organized every year and thus to raise the engagement and unity between the employees.

In Turkey, Prometeon organized outdoor activities which took place for 2 days in November and December 2022 involving all the community. Gifts with Prometeon logo and medal awards to the winning teams have been provided to remember these 2 day all together sharing happy and memorable

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moments. *“The Turkish Company would like to thank each and every member of the Prometeon Family for their dedication and participation in these events where it was important to remember the value of working shoulder to shoulder enjoying socialize with the colleagues”.*



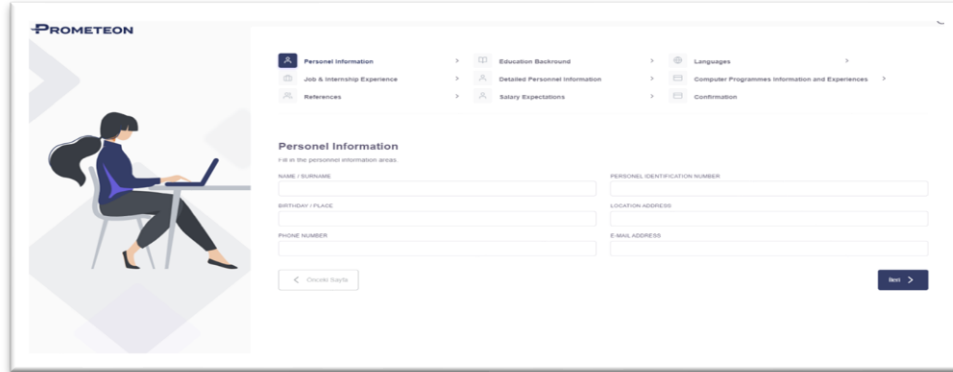
World Environment Day was celebrated at Izmit factory with the participation of Kocaeli Mayor, the employees and their families. The day saw a series of events such as tree planting and training sessions on water conservation and management. Environment and sustainability themed merchandizing (books, pens, hats) were distributed to children.



Furthermore, to reduce the use of plastic materials and to promote the importance of recycling water bottles produced from recycled materials were distributed among the employees working in both Izmit and Istanbul offices.



Within the scope of Digital HR project, hard copy job application forms were completely substituted with digital forms submitted through the Company website.



The Leave a Mark Project awards were given to the projects and teams that provided added value to the company at the townhall meetings two times in this year.



Students from Kartepe Rehabilitation Center were hosted at the Izmit factory on the occasion of International Day of Persons with Disabilities.

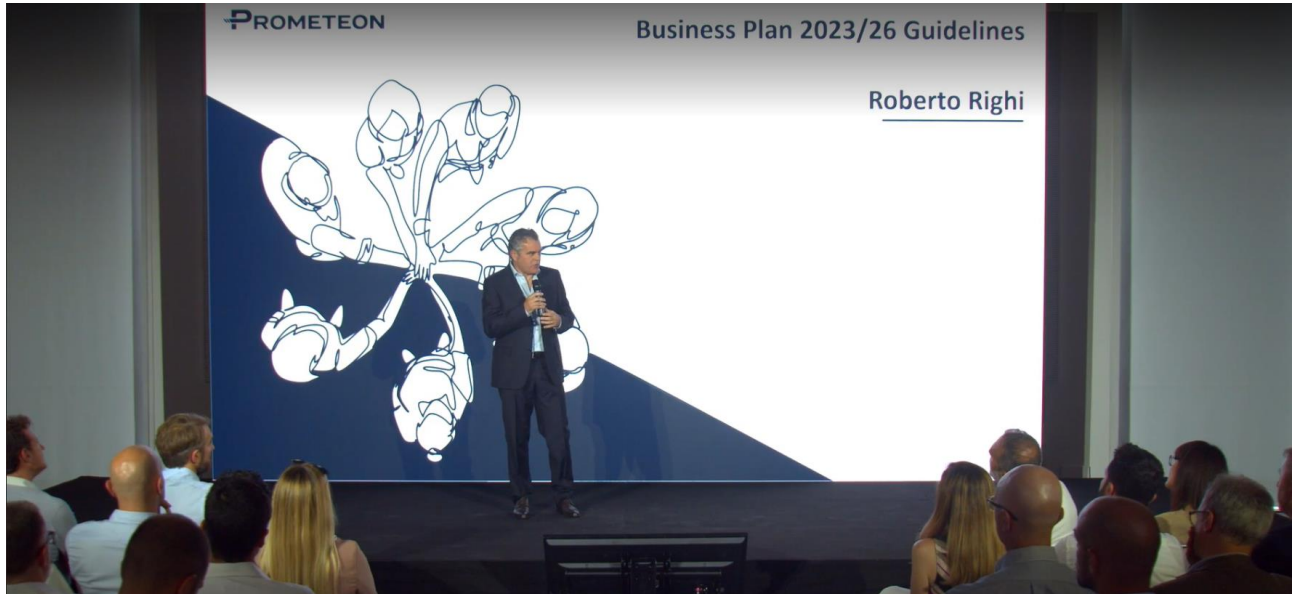


During 2022 several initiatives have been organized at Headquarter level for the internal community and the families of employees working for Prometeon.

Plenary Meeting in Milan: In Italy, during the month of July Prometeon organized in Milan a Plenary meeting involving all Directors from Regions and Countries working for the Company. For all other

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employees a link has been sent to give the opportunity to all to connect remotely and participate to the event. After the plenary meeting a dinner to the Old Fashion of Milan has been organized where people had the opportunity to share good moments and give people the opportunity to see each other face to face after of two years of virtual meetings and communication due to the Covid-19 pandemic.





Team Building Activity July 2022 Cooking class: within the week of the Global Plenary, which took place from the 25th from the 31th of July 2023, an **outdoor team building activity** was organized, which involved all the people in the management team around the world. In fact, all members of the team from HQ and all regions (Europe, MEA and LATAM) were present in Italy for the plenary.

The initiative, organized with the support of an external coach, consisted of a cooking class, and participants were divided into teams to challenge each other.

The objective of the activity was to stimulate reflection towards the value dimensions of solidarity, mutual aid, joining forces in achieving a goal and creativity in finding solutions.

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Moreover, it provided a wonderful opportunity to bring together people from all over the world who, although they often work together, rarely can meet physically.



Opera House of Milan: In November, the Company organized an event at the Opera House of Milan (Teatro Lirico); the General Manager of Prometeon interviewed the football players who won the world cup in 1982. The aim was to tell how the Italian football team which was losing the match and risked being out of the tournament managed to win to world cup with success. The message was “that even if you start from defeated, doing teamwork you can win and successfully”.



"Bimbi in Campo" the children of the Prometeon employees had the opportunity to live a unique experience, they had the opportunity to enter the field with the players of Parma Calcio, which is

sponsored by the Company, during an official championship match, accompanying them during the pre-match.



Theatre night: In December, Prometeon decided to offer to all HQ employees and their families to have tickets to go to the theater to see the show of Peter Pan.



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Gifts for Christmas: To Celebrate Christmas, Prometeon in December 2022, gifted all employees of Headquarter with a panettone a key ring shaped as a tyre and a personalized travel bag with the initials and the Prometeon Brand.



End of the year convention: in December 2022, the Company organized a convention involving all employees from Headquarter to share the results of the year and to celebrate all together the Christmas time. Results carried out by the Company have been shared during the plenary meeting and after a dinner in a special location, the radio studios of Radio Italia have been organized. A cover band on stage sang famous songs and made the Prometeons dance celebrating the moment and sharing good moments all together.



Photo Shooting Day: in December 2022 the Company organized a photo shooting day for all employees to have a profile picture to be used for the different IT Systems and Social Networks.

PROMETEON

PHOTO DAY



A GRANDE RICHIESTA RITORNA IL #PHOTO DAY RISERVATO ALLA PROMETEON FAMILY!

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THE WELLBEING OF OUR EMPLOYEES

REWARDS

The remuneration strategy of Prometeon Tyre Group is aimed at guaranteeing a fair and attractive reward package, considering the individual performance, the internal equity, the market practices, the macroeconomic and social environment in continuous evolution.

A fair and attractive remuneration is a key pillar to attract, retain and motivate key people, and, at the same time, to promote a conduct in line with the corporate culture and values.

Prometeon adopts a **total reward strategy** that includes several tools to compensate its employees who are motivated through a competitive **base salary**, a short **variable incentive** evaluated and paid annual basis, a long-term variable incentive for top management roles and a **welfare offer** that can balance personal and professional needs.

Furthermore, Prometeon total reward strategy previews career plans, **training** and **development** opportunities and **international assignments** possibilities, all aimed to foster professional growth.

The **Compensation and Benefits processes** for the Company **Top Management** are directly managed by the Headquarters Human Resources and Organization Department, specifically by the Global Compensation & Benefits function.

In July 2022, Prometeon Board of Directors approved the “*2022 Prometeon Tyre Group Executives Remuneration Policy*”, a set of principles for a remuneration strategy aimed to attract, motivate, and retain Group Management Team, and support the accomplishment of company strategic objectives, the long-term value creation, and the alignment of Executives interest with company and shareholders perspective.

The policy is proposed by the General Manager to the Board of Directors that approves it.

It describes the main component of remuneration of the company Global Executives: fixed base salary, variable remuneration (short-term and long-term incentive plans), benefits and other reward components.

It provides a reward structure pursuing the correct balance of the monetary component of remuneration and the enhancement of the non-monetary component, always ensuring the remuneration competitiveness on the labor market.

In particular, the salary market benchmarks are provided by the external consultancy company Willis Towers Watson, based on the role covered, the level and the responsibilities of each executive, referring to the following market surveys:

1. General Manager and Strategic Management: “European Western Europe Manufacturing Peer Group” by grade and role at median (P50) level.
2. Key Management and Other Executives: “Local Executives Market” at Median (P50) level.

The remuneration of Executive population is subject of review during the *Executives Salary Review Process*, performed each year by HRO department at HQ level.

The increase of base salary or variable incentive level is decided based on two elements: market positioning and performance rate, this last as result of *Performance Management process*.

The General Manager is responsible to validate any changes of the remuneration of Executive population and should inform the Board of Director regarding the remuneration of Strategic Management that is established in line with PROMETEON Remuneration Policy.

In 2022, the ratio between the annual total remuneration of the most paid employee and the median of all other employee’s annual total remuneration⁴ was 62.

Looking at the remuneration average increase, the median of company employees increases of 15% while the most paid employee remuneration has not changed. The highest paid person did not receive annual bonus in 2021 only because he was not already working for the company in 2020. The change in the ratio of total annual earnings is 0.

Regarding the **non-Executives population**, Blue Collar salary level and increase is handled in line with CLA negotiation in each country, while White Collars employees are subject to an annual *Salary Review Process* that takes place every year, following the Performance Management closing.

The salary increase is defined based on the following variables: remuneration fairness compared to local market, performance rate and inflation of the country.

The non-Executives salary review process is managed by the local Human Resources Department, following the guidelines established by HQ Compensation & Benefits.

⁴ Total Annual Remuneration includes Base Annual Gross Salary, Variable Incentives (Sales incentives, short- and long-term variable plans), Profit Sharing, other variable cash payment.

Variable incentives are considered as Actual paid during the reference year, taking into account pro-rata calculation linked to the effective presence in the company.

The ratio considers the remuneration of employees in all countries where Prometeon Tyre Group is present.

The ratio includes Blue Collars, that represent the 84% of the total company workforce and that are located in Egypt, Turkey, and Brazil, where the cost of living, the inflation and the exchange rate fluctuations have an import impact on salary situation.

WELFARE

The welfare initiatives that Prometeon Tyre Group attempt to its employees vary from country to country, in accordance with the specific needs identified in the social contexts in which the affiliates operate.

Each country implements the Group guidelines with a local approach: the affiliates adopt activities, tools and welfare processes aimed to create collaborative environments and to provide an adequate support for the needs of personal life, respecting local regulatory, social and cultural specificities.

A significant focus is always dedicated to the **employee experience**, meaning the day-to-day life of employees in and outside the office. The objective is to facilitate the sharing of information, administrative tasks, and a better balance between personal and professional life, in particular supporting health care, familiars, employees' free time and flexibility on the job.

Employee experience is more and more important in context where employees are performing their role in the new **Hybrid model**, switching between presence in the office and smart working.

Prometeon has implemented and regulated in each country, based on local requisitions and practices, an hybrid model, internally called **New Way 2.Work** (here in after NW2.W) and the reward initiatives are constantly evolving to support this new context.

In terms of welfare, one of the main focuses of Prometeon Tyre Group is a continuous contribution to support to Health, Social and Medical needs of employees and their relatives.

The Company maintains and updates, in line with local market practices and requirements, various supplemental medical benefit plans. These healthcare schemes vary from country to country in terms of allocation levels and the types of coverage provided. The social benefits recognized by Prometeon Tyre Group (including life insurance, invalidity/disability insurance and travel insurance) are furthermore recognized to all employees, regardless of the type of contract whether permanent, temporary or part-time, in compliance with company policies and local trade union agreements.

In Italy, in addition to Italian public health system, Prometeon Tyre Group ensures to all employees a high level of **health care coverage** though a medical insurance that covers medical checks, including dental care and hospitalization for employees and their relatives in addition to **Italian public health system**.

Moreover, all employees can access to specialistic medical examinations in Milan Bicocca **Polyclinic** and the related costs are completely covered.

Starting on January 2022, the health additional coverage offered by the company to all non-Executive employees has been renegotiated and a new package offered by Generali through AON is available for all Italian employees; family members can be included with a monthly contribution in charge to employees. This additional coverage offers higher caps and coverages compared to what is provided by the related National Collective Agreement.

In line with the hybrid model and to support employees working from home in their daily spending, the **Ticket Restaurant program** is in place and a lunch voucher with a 7-euro value is assigned for each working day, including if the daily working activity is performed at home. When in the office, the employees can choose if using the **canteen service** or taking advantage of ticket restaurant program. Ticket restaurants can be used in the main chains of restaurants, supermarkets, and food shops.

At Headquarter level the Company offers scholarship to children of employees for high school and Universities which are given based on their results of the school year and a **Kindergarten** for children's up to 3 years old is in place near to Bicocca office.

Concerning the **Retirement - Social Security**, the Company supports its employees who decide to allocate to the Social Insurance Fund (Fondo Gomma Plastica) the deferred compensation (Trattamento di Fine Rapporto) giving them a proportional amount which is directly deposited in Social Insurance Fund account.

As every year, to recognize the seniority and the loyalty of its employees Prometeon Tyre Group, the Company assigned **Seniority Bonus Awards** that are previewed to celebrate 25, 30, 35, 40 and 45 years of company seniority. The awards consist in an additional monthly salary in November payroll plus a company gift delivered during a celebration moment with colleagues.



SUSTAINABILITY REPORT

Prometeon Tyre Group maintains a continuous focus on the work-life balance of its employees, with initiatives aimed to improve the quality of professional and personal life.

In July 2022 a net amount of 300 € has been granted to each employee to be spent in **Welfare** services and products. The welfare services, available through a dedicated website, include scholarship and books reimbursement, culture and sport, vouchers for supermarkets, shops and public transportation pass. Moreover, it is possible also to allocate the welfare amount to Retirement fund.

Global inflation has raised in 2022 higher than seen in several decades with an extended impact worldwide.

Prometeon Tyre Group reacted with different approaches: in hyper-inflation countries, such as Argentina or Turkey, constant increases during the year have been applied to employee's base salary, in order to maintain the purchase power updated.

For counties experiencing a level of inflation impacting purchase power of employees but not so high to be considered "hyper-inflation", s countries December 2022, Prometeon Tyre put in place a dedicated initiative aimed to cover the loss of purchasing power linked to the inflation suffered in Italy.

All non-Executive employees received an **Inflation Una-Tantum Bonus** of 800 € paid in December pay slip and a **Welfare Inflation amount** of 400 € net has been granted to be spent in welfare product and services.

This initiative has been carried out also in the **European Countries**, where employees received an **Inflation Una-Tantum Bonus** between 1.000 € and 1.500 € depending on the inflation level suffered during the year. In total, more than 300 employees in Europe have taken advantage of this exceptional reward measure.

In Brazil, Prometeon Tyre Group provides for its employees a **health plan** that covers most medical examinations and services such as providing, in case of hospitalization, a private room. Employees are covered by a medical insurance which provides for healthcare coverage either at local or at national level, through an accredited network of doctors, clinics, and hospitals. In addition to that employees can also benefit a **dental care** plan which offers coverage through accredited network of doctors, clinics and hospitals at national level.

Employees can use a drugstore card to pay **purchases of medicines** which are partially reimbursed by the Company. Moreover, employees and their relatives can ask for an allowance regarding the purchase of optics and orthotics that need to be justified by a medical prescription mentioning the medical necessities. These services are guaranteed to all employees, including also retired employees of Santo André plant, which can benefit of the health plan for other 12 months after their retirement.

Along with Social Security Plan, which is mandatory by law, in Brazil, Prometeon Tyre Group offers to its employees the possibility to have access to an **additional private retirement plan** named *Previdência Privada*. The aim is to complement the old-age pension after the termination of the employment relationship. The subscription of the employee to the Private Retirement Plan is on a voluntary basis, the participation is encouraged by a contribution that the Company adds to the monthly contribution paid by the employee.

In Brazil, employees can benefit from the “shuttle bus” services provided by the Company, which makes round trips through previously defined lines and, in alternative, employees can ask for Collective Transport Ticket from the Company, which is a right provided by the present legislation.

Employees benefit from the **canteen** on site at Santo André and Gravataí plants while employees working in the Commercial Department benefit from “meal card”, through which they pay for up to 20% of the cost.

Furthermore, a several options of gym membership is offered to employees and their dependents through the partner company **Gympass** with affordable monthly fees.

Employees can purchase **Pirelli branded tyres** at discounted price for the private vehicles.

Thinking about the delicate moment that employees and their families were going through due to COVID 19, in June 2021 the **Employee Assistance Program (EAP) “Por Você”** was launched. The program provides psychological, financial and legal support to employees and their dependents.

To support the employees who have just become mothers, **childcare** is offered for their children up to 6 years of age and part of the monthly fee paid by Prometeon.

In Egypt, Prometeon Tyre Group offers to its employees, their spouses and, starting on July 2020, one child, and starting on July 2021 another child a **private medical insurance** which is completely at Company charge. The employees have also the possibility to have optional benefit which enrolls their children under the umbrella of the coverage at a competitive price. The private health insurance includes medical examination, hospitalization, medications, dental and eye care. A **life insurance** is granted to both Blue and White Collars employees, covering death and disabilities caused by injuries suffered from work accidents.

In Egypt, the **Company retirement** plan foresees a one-shot bonus for all employees at their retirement moment.

Employees working in Alexandria benefit from the canteen, where hot meal is served for both Blue and White collars. For employees (both Blue and White collar) who cannot go to the canteen due to work, it is also possible to have a "Fruit basket" and in Cairo employees are entitled to meal allowance. The

SUSTAINABILITY REPORT

Company worked on restaurant meal improvements, trying to enhance employee satisfaction, process simplification and control, and diversification of menus served to employees. Moreover, the operation method had been digitalized and supported by a new IT system and meal provision had been assigned to one of the most reputable catering companies in Egypt.

Furthermore, in Egypt, transportation between the City of Alexandria and the Company premises is organized, minibus for Blue Collars, microbus for White Collar employees. The service covers every shift and is not available in Cairo, as most of the employees working there use their own car; for this reason, the Company provides a monthly allowance to reimburse the fuel expenses.

Prometeon Tyre Group also contributes to summer and winter employees' travels, supporting 25% of the cost and install the rest in 10 equal installments, and providing the service through a travel agency contracted by the Company.

In Turkey, a Private Health Insurance ensure to employees and their family the access to health care in hospitals within the scope of ambulatory, patient treatment and a check-up package for employees up to the age of 35 years.

The Private Pension System guarantees a Company contribution that can reach the 100% of the employee's contribution and thus after 5 years enrollment.

To support family welfare, a dedicated plan contributes to the expenses of scholarship for employees' children enrolled to first school, high school and university. Specific allowances are previewed for events like childbirth, marriage, maternity and family fatality.

White collar employees can profit from of a "flexible benefits" program that consists in the possibility to choose different welfare services offered by the Company. The program includes also the option of not benefit from private health insurance made by the Company for his/her family and to allocate all the money to individual retirement plan offered and managed by the Company.

The Company assigned "points" to the employees instead of gifts for various occasions such as new years' eve, Mother's Day etc, with the accruing of the points employees will be able to purchase various goods through the online welfare system "HEDIYEMO".

Moreover, all employees in Turkey can benefit of the following services: canteen for all employees working in Izmit plant and in Istanbul; employees have a prepaid card, with this card they can eat in a partner restaurant located in the shopping center next to the offices, meals are borne by the Company. The Company provides also services of transportation to and from the Company, in Izmit, shuttle buses are provided to all employees to go from the city to the factory and Istanbul to go and get back from the office.

Employees who are working Hybrid benefit of a meal card for the home days.

Employees who are working Hybrid are also provided with office equipment: chair, earphones, keyboard, monitor, mouse.

Furthermore, workforce can buy Pirelli branded tyres at a special discount given to the employees of the Company.

Employees can purchase end-of-life Pcs and mobile telephones at fair prices in accordance with group ICT device management policies.

Employees can use 1 day paid leave on their birthdays.

Salary increases are made twice a year for white collar employees in order to support the employees' purchasing powers that is impacted by strong inflation Turkey is facing and this is in line with blue collars treatment.

In Europe (e.g. UK and Germany), the Company offers to its Managers, their spouses and children, a **private medical insurance** and Accident insurance which is completely at charge of Prometeon. The private health insurance includes medical examination, hospitalization, medications, dental and eye care.

An **Accident Insurance** is granted to Managers and Sales population, who has also a higher risk in term of travels. Such insurance is covering death and disabilities caused by injuries suffered from work and private accidents.

In each of European countries where Prometeon operates, **Company retirement plan** has been reviewed and improved if required by market practices.

Prometeon Tyre Group understood the importance of taking care of its employees through salary, medical care options and paid vacation time. For this reason, the Company decided to offer an additional retirement plan that will help employees now and in their retirement years. This initiative is aimed also to help the Company to better achieve the target of retention and it is considered an excellent tool for attracting and keeping valuable employees, as well as helping them attain a more financially sound future.

Therefore, in UK the pension plan is covering the pension of minimum 3% of the annual salary of employees where the company is increasing the pension to double (to 6%) of their contributions. Meanwhile for the first time in 2021 in Poland and Spain the Company has managed to implement the retirement plan for employees. The contributions of Pension for both countries are fully on company charge, which are contributed with 2% for their annual salary.

INTERNATIONAL MOBILITY

International mobility in Prometeon Tyre Group is highly promoted with the aim to enhance cultural and value integration, sharing of experience and professional development, an approach that the Company considers crucial to create and maintain value for the long term.

Prometeon International Mobility Policy has been standardized and shared within all the affiliates, with common treatment rules at Group level that enable a uniform management for expatriate employees.

The policy guarantees the application of a fiscal neutrality principle as well as specific benefits in order to support expatriates and their relatives ensuring the application of an equitable and appropriate remuneration package thus facilitating the international mobility within the Group.

At the end of 2022, the active International Assignment in Prometeon Tyre Group were 23.

Linked to the end of the pandemic situation, International Assignments have been considerably increased (+10) compared to previous year: 14 new international assignments have been initiated and 4 expatriations have ended. In addition, 3 International transfers and 1 Localization from Brazil to Italy after expat have been made.

OCCUPATIONAL HEALTH, SAFETY AND HYGIENE

MANAGEMENT MODEL AND SYSTEM

Prometeon Tyre Group's approach to responsible management of occupational health, safety and hygiene is based on the principles and commitments expressed in the "Ethical Code" of the Group, in the "**Health, Safety and Environment**" Policy which are issued in 2017 in the intranet of the Group and in the "**Global Human Rights**" Policy and in the "**Quality**" Policy. In particular, the "Health, Safety and Environment" Policy outlines the Company's commitment to:

- ✓ manage its activities regarding health and safety protection at work in compliance with the laws and all the commitments entered into, as well as according to the most qualified management international standards;
- ✓ pursue objectives of "no harm to people", by implementing actions for early identification, assessment and prevention of risks for health and safety at work aimed at a continuous reduction in the number and severity of injuries and occupational illnesses, activating health surveillance plans in order to protect workers from specific risks associated with their business duties;

- ✓ develop and implement emergency management programs to prevent and avoid harm to persons;
- ✓ define, monitor and communicate to its Stakeholders specific objectives of continuous improvement of health and safety at work;
- ✓ empower, train and motivate its employees to work safely involving all levels of the organization in an ongoing program of training and information, aimed at promoting a culture of safety at work;
- ✓ promote information and awareness-raising on health and safety issues;
- ✓ provide ongoing and concrete support aimed at facilitating the work-life balance;
- ✓ manage its supply chain responsibly by including issues of health and safety at work in the supplier selection criteria, the contractual clauses and the audit criteria, also requiring suppliers to implement a similar management model in their supply chain;
- ✓ make available to all its Stakeholders a channel (the “Whistleblowing Policy-Reporting Procedure” published on Prometeon Tyre Group’s website and intranet) dedicated to reporting, even anonymously, of any situations that constitute or may constitute a risk for the protection of the health, safety and well-being of people (reference is made to the Paragraph “Focus: Reporting Procedure-Whistleblowing Policy” of this Report for an outline of reports received in 2022, none of which regarding health and safety).

All the documents mentioned above are communicated to all employees and are published in the Governance section of the Prometeon Tyre Group website, which should be consulted for full display of the content.

The **occupational safety management system** was developed in compliance with procedures and guidelines elaborated centrally with the aim to consolidate a “common language” that guarantees sharing, alignment and effective management in the Group.

The Company adopts an occupational health and safety management system structured and certified according to ISO 45001:2018. All certificates are issued with ANAB international accreditation (ANSI-ASQ National Accreditation Board - US accrediting body). Moreover, the evaluation of the conformity of the health and safety management systems of Prometeon Tyre Group by RINA Services has been carried out in 2022 as well as already done in the previous year.

At local level, in each productive unit, periodical meeting with employees’ representatives (Health & Safety Committee, which is composed by both HQ and local Health, Safety and Environment Departments and local productive unit manager) are held with the aim of displaying, in respect of the

management system, the activities done and those planned, and of sharing the results of the risk assessments on workplace risks.



SAFETY CULTURE

“**The Zero Accidents Target**” is a precise and strong corporate position. The Company strongly believes that leaders play a strategic role in risk prevention. Their behavior must therefore be an example for all employees. From an industrial point of view, this objective is pursued through investments aimed at technical improvement of work conditions, while constantly insisting on the cultural and behavioral aspect of all Company players.

It is necessary to pursue the safety culture in accordance with the rules, while maintaining a very clear idea of everyone’s responsibilities to themselves, others, and their own family. This approach, together with the involvement and continuous internal dialogue between management and workers, has allowed a decline in historical injury indices.

In particular, in addition to the strengthening and consolidation of the safety culture concepts based on conduct, the focus on Leading Indicators was further developed, namely measuring what preventive measures should be implemented and how this should be done, rather than Lagging Indicators, namely reactive indicators, such as the number or frequency of accidents.

The sharing of the **Safety Culture** was also supported by the periodically newsletters like the **Safety Bulletin**, and the periodic publication of significant events through the traditional channels of internal communication.

Some of the most important areas of intervention of the “**Zero Harm**” Program are related to the improvement of governance on safety, the organizational structure, the clarity of the tasks and roles, empowering workers, improving communication within the organization, the sharing of objectives, motivation with respect to a common strategy: all substantial issues for a work environment that is

psycho-socially appropriate and stimulating, in which workers feel valued and the psychosocial risks are effectively prevented and countered.

SAFETY TRAINING

In addition to **safety training** offered locally at every local company of Prometeon Tyre Group, special mention should be made of activities and projects carried out at global level, which simultaneously target several countries by allowing an alignment of culture and vision, fully benefiting pursuit of the Company's own improvement targets.

In 2022 at Headquarter level, the Company organized refresh safety training and specific training for supervisors.

For outdoor personnel has been organized a full day of defensive driving training. Defensive driving training is a particular style of road driving that uses a variety of techniques and tactics to keep everybody safe on the road.

HEALTH, SAFETY AND ENVIRONMENT ACTIVITIES

In line with both the Company's relevant policies and inspiration for the SDGs "**3 Good Health and Well-Being**", "**8 Decent Work and Economic Growth**", Prometeon Tyre Group is committed to promote a healthy way of life and to raise awareness on environment and safety at work.

Monitoring of Performance

Alongside establishing specific guidelines and procedures for implementing management systems, the Group uses the web-based Health, Safety and Environment Data Management (HSE-DM) system, elaborated and managed centrally by the Health, Safety and Environment Department. This system makes it possible to monitor HSE performance and prepare numerous types of reports as necessary for management or operating purposes.

The HSE-DM system collects all the information on accidents, significant first aid, near miss and unsafe behavior occurred at the factories, Group fitting units, equities and logistics units managed directly by the Company (accident analysis, corrective action taken...). If the dynamics of a particular case are significant, all the plants are not only provided with the information via a system called Safety Alert but are also urged to conduct an internal audit as to whether conditions similar to the ones that caused the injury at their plants and define in case any possible corrective measures. By using this system, every site has access to the solutions adopted by other plants and can apply the best choices.

SUSTAINABILITY REPORT

Performances

The performances reported below concern the years 2021-2022 and cover the same scope of Group consolidation.

In 2022 the Company, registered 33 accidents, of which 4 high consequence work related injuries and 29 lost time incidents.

2022 closed with a value of injury Frequency Index (FI) of 2.24, a lower value compared to previous year (2021 closed with a FI of 2.59).

The Injury Frequency Index (FI),

| | 2021 | 2022 |
|----------------------|------|------|
| Frequency Index (FI) | 2.59 | 2.24 |

FI = number of injuries / number of hours worked x 1.000.000

The **Injury Severity Index (SI)** of the Group in 2022 was 170 compared to 130 in 2021. A summary of the SI values in the last two-year period is provided below:

| | 2021 | 2022 |
|---------------------|------|------|
| Severity Index (SI) | 130 | 170 |

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

With reference to commuting accidents (not included in the calculation of the FI and SI mentioned above), the following tables show the total number registered by the Group in the last two years and the distribution by geographic area of the 2022 cases.

| | 2021 | 2022 |
|---------------------|------|------|
| Commuting accidents | 12 | 19 |

| 2021 | MEA | South America |
|---------------------|-----|---------------|
| Commuting accidents | 1 | 11 |

| 2022 | MEA | South America |
|---------------------|-----|---------------|
| Commuting accidents | 1 | 18 |

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 Tyre Group employees and workers not employees but whose work and/or workplace is controlled by the Company:

| EMPLOYEES | Unit of measurement | 2021 | 2022 |
|---|---------------------|------|------|
| Number and percentage of employees who are covered by such a system; | n. | 7453 | 7540 |
| | % | 96% | 96% |
| Number and percentage of employees who are covered by such a system that has been internally audited; | n. | 7453 | 7540 |
| | % | 96% | 96% |
| Number and percentage of employees who are covered by such a system that has been audited or certified by an external party | n. | 7453 | 7540 |
| | % | 96% | 96% |
| Total number of employees | n. | 7777 | 7880 |

| WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION | Unit of measurement | 2021 | 2022 |
|---|---------------------|------|------|
| Number and percentage of workers who are not employees covered by such a system | n. | 1278 | 1334 |
| | % | 97% | 97% |
| Number and percentage of workers who are not employees who are covered by such a system that has been internally audited; | n. | 1278 | 1334 |
| | % | 97% | 97% |
| Number and percentage of workers who are not employees who are covered by such a system that has been audited or certified by an external party | n. | 1278 | 1334 |
| | % | 97% | 97% |
| Total number of workers who are not employees | n. | 1316 | 1375 |

It has to be emphasized that all four production plants where the most significant activities concerning workers' health and safety take place are certified with ISO 45001 occupational health and safety management standard certifications. The Company Headquarters located in Italy as well as commercial branches and subsidiaries located in Europe are currently excluded from the scope of application of the ISO 45001 certificate.

The Company's performance in terms of work-related injuries regarding employees and workers who are not employees instead as following:

| EMPLOYEES | Unit of measurement | 2021 | 2022 |
|---|---------------------|-------------|-------------|
| The number of hours worked | n. | 13,002,062 | 14,754,967 |
| The number and rate of recordable work-related injuries, including fatalities; | n. | 38 | 33 |
| <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. | 12 | 19 |
| The total number of high-consequence work-related injuries (recovery time days >6 months), excluding fatalities | n. | 2 | 4 |
| of which the number of fatalities | n. | 0 | 0 |
| The rate of recordable work-related injuries; | - | 2.92 | 2.24 |
| The rate of high-consequence work-related injuries (excluding fatalities) | - | 0.15 | 0.27 |
| The rate of fatalities as a result of work-related injury; | - | 0 | 0 |

SUSTAINABILITY REPORT

| WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION | Unit of measurement | 2021 | 2022 |
|---|---------------------|-----------|-----------|
| The number of hours worked | n. | 2,779,392 | 2,904,000 |
| The number of recordable work-related injuries, including fatalities; | n. | 1 | 1 |
| <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 |
| Total number of high-consequence work related injuries (recovery time days >6 months), excluding fatalities | n. | 0 | 0 |
| of which the number of fatalities | n. | 0 | 0 |
| The rate of recordable work-related injuries; | - | 1 | 1 |
| The rate of high-consequence work-related injuries (excluding fatalities) | - | 0 | 0 |
| The rate of fatalities as a result of work-related injury; | - | 0 | 0 |

The table below shows the work-related ill health cases:

| C | Unit of Measurement | 2021 | | 2022 | |
|---|---------------------|-----------|---|-----------|---|
| | | EMPLOYEES | WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION | EMPLOYEES | WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION |
| The number of cases of recordable work-related ill health | n. | 2 | 0 | 4 | 0 |
| The number of fatalities as a result of work-related ill health | n. | 0 | 0 | 0 | 0 |

Fatalities

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

Health and Safety Expenditure

In the seven-year period 2016-2022, expenditure for health and safety by the Group amounted to about Euro 18.3 million, of which about Euro 3.8 million was invested in 2022.

The expenditure made targeted improvements on machines, plants and more in general, to the whole workplace environment (ex. ergonomic improvements, dust reduction system, etc...).



Health and Safety Targets

2022: Committee for “Zero Harm” a Brazilian Cultural Program to improve sustainability performances regarding Health, Safety and Environment. From 2021 the Committee changed the method for measuring its goals, using the Performance Index, based on indicators, which are built on a basis of Cultural Programs, Frank Bird Pyramid (Near Misses report and Risk Behaviors). With a particular focus to all these preventive indicators, the Company has planned to reach higher Maturity Behavior on the next years.

Moreover, until 2025, Prometeon Tyre Group plans to extend the project to all the factories where the Company operates.



2022 was characterized by the continuation of the pandemic, where the Company assessing the risks through Covid-19 Committee settled in 2020 during the early stages of the emergency. The Company

following requirements by law and by the Government adopted actions and implemented measures explained in detail in the paragraphs below. From a macroeconomic point of view, as the pandemic continued, the Company kept monitoring and controlling the evolution of the situation during the course of the year.

COVID-19 Safety Measures

During the COVID-19 pandemic period Prometeon Tyre Group provided safety measures in all the countries where the Company operates. The decision-making process regarding the Covid-19 pandemic took place during the “Corona Crisis Management Team meetings” held regularly. The Internal Audit & Sustainability Department evaluated the governance and procurement activities in its plant and offices in Turkey, Egypt and Brazil. In order to protect the right to health of all its employees and collaborators, the Company proceeded at global level with the following actions which were verified assessed and followed by Internal Audit and Sustainability Department raising awareness of the risks associated with the pandemic and providing **information on contagion prevention** measures and techniques;

- **"smart working"** method was applied, making all the necessary equipment and technologies available, carrying out adequate coordination work, facilitating communication between remote resources; the Company enhanced video and call conference systems with the implementation of additional tools;
- encouraging employees to adopt **safe behavior** (hand sanitization, safety distance, use of medical / protective devices, etc.).



During all the year 2022, the Human Resources Department, through the Internal Communication channel, regularly disseminated information about the Coronavirus pandemic.

As mentioned earlier under Industrial Relations chapter with the adoption of the New Way 2.Work in 2022 the Company communicated to employees that the Smart Working system will be the main operation system. Nevertheless, a small part of the employees – mainly executives – organized for working in the offices in rotation. To safeguard the health of the employees, in 2022 the Company continuously carried out disinfections at the offices, distributed masks to the employees and provided Covid-19 tests that needed to be done before to have access to the office.



**Information and prevention Headquarter*

At the beginning of January 2022, the percentage of Prometeon employees vaccinated, compared to the percentage of people vaccinated in the countries where plants are located, shows that the Company has succeeded to achieve an excellent vaccination coverage for its employees.

| | | PLANTS | COUNTRIES | |
|-------|------------------------|----------------------|-----------|--------------|
| | PLANT | % PERSONS VACCINATED | COUNTRY | % VACCINATED |
| EMEA | Bicocca HQ | 98% | Italy | 82% |
| | Alexandria | 96% | Egypt | 35% |
| | Izmit | 100% | Turkey | 67% |
| LATAM | St.André | 99% | Brazil | 78% |
| | St. André HQ PTG | | | |
| | Gravatai | | | |
| | PTGL St. André Capuava | | | |

INDUSTRIAL RELATIONS

The **Industrial Relations** policy adopted by the Company is based on respect for constructive dialogue, fairness and roles. Guaranteeing and respecting **free trade union activities** is one of the key values on which Prometeon Tyre Group bases its own **Human Capital Management System**. Relations and negotiations with trade unions are managed locally by each affiliate in accordance with the laws, national and/or company-level collective bargaining agreements, and the prevailing customs and practices in each country.

The general guidelines are defined by headquarter and subsequently shared at local levels, thus the local departments follow the indications given from Headquarter. At local level, these activities are supported by the central department, which coordinate the activities and ensure that the aforementioned principles are observed throughout the Group.

Industrial Relations also have an active role in the Company's commitment in terms of health and safety, characterized by active participation on the part of the union and workers. In December 2022, 93% Prometeon Tyre Group's employees are covered by representative bodies that periodically, together with the Company, monitor and address the current issues and awareness and intervention plans/programs, aimed at the improvement of activities and to safeguard the health and safety of employees.

In accordance with the principle of constructive and timely dialogue with employees, in the event of corporate reorganization and restructuring, employees and their representatives are informed in a timeframe that varies from country to country in full compliance with local laws, collective agreements in force and trade union agreements.

Compliance with statutory and contractual obligations governing overtime, time off, association and negotiation, equal opportunities and nondiscrimination, bans on child and forced labor.

The governance to protect **Human and Labor Rights** is the subject of Prometeon Tyre Group's Ethical Code and specific Policy adopted by the Company, in particular the "**Health, Safety and Environment**" Policy. All the aforementioned Ethical Code and Policy are public and have been communicated in English and local languages to employees.

Prometeon Tyre Group's approach has always been characterized **by compliance** with all legal and/or **contractual requirements** concerning **working hours**, the use of **overtime** and the right to regular **days of rest**. These requirements are often the subject of agreements with **trade unions**, in line with the regulatory context of each country. There are no restrictions on workers' right to use their total number of holidays and the period is generally agreed between the employee and the Company.

In addition to the trade union dialogue and coordination between Headquarter and local functions, Prometeon Tyre Group verifies the application of the law, rules and regulations of each country at its affiliates through periodic audits organized and performed on multi-annual basis by the Internal Audit & Sustainability Department, in compliance with the audit plan.

LABOR AND SOCIAL SECURITY LAWSUITS

In 2022, as in previous years, the level of work and social security litigation at Group level remained low. Just as in previous years, Brazil remains one of the countries most affected for litigations, to the point of representing about 92% of all the labor lawsuits currently pending against Prometeon Tyre Group. Labor lawsuits are extremely common in this country and depend on the peculiarities of the local culture. As such, they affect not only Prometeon Tyre Group but also the other multinational companies operating there. Labor lawsuits are generally initiated when an employment contract is terminated, and they usually involve the interpretation of regulatory, legal and contractual issues that have long been controversial. The Company has made a major commitment to prevent and resolve these conflicts – to the extent possible – including through settlement procedures.

UNIONIZATION LEVELS AND INDUSTRIAL ACTION

The Company is not able to measure exactly the consolidated percentage of union membership at Group level, due to the fact that this information is not legitimately available in all countries where Prometeon Tyre Group operates.

However, it is estimated that over **93% of Prometeon Tyre Group employees are trade union members**. This figure is associated with the historical, regulatory and cultural differences between each country. Collective agreements in Turkey and Brazil were renewed during 2022 for 2 years without conflicts and strikes, satisfying all parties involved. It should be noted that the Collective Bargaining Agreement in Egypt was renewed in 2021 for three years.

Moreover, the second Level agreement signed on 4th of December 2020 with the Italian Trade Union and the Company RSU, introducing the “NewWay2Work”, has been successfully rolled out during 2021 and 2022 with different Learning and Development initiatives to support the Blended Model (*please refers to paragraph New Way.2Work around the world*) and with the full satisfaction of the employees, all adhering to the new way of working

SUPPLEMENTARY PENSION PLANS, SUPPLEMENTARY HEALTH PLANS AND OTHER SOCIAL BENEFITS

Prometeon Tyre Group has defined contribution and benefit funds, the benefit plans at Group level are:

- **Health plans:** accident insurance for Company users and the management, full medical tests for the management twice a year, life insurance also for the family (e.g. dental plans, optic, vaccine, etc.), invalidity/disability insurance, additional parental leave and pharmacy discount;
- **Social benefits:** canteen, internal polyclinic based in Milan Headquarter (instrumental examination, therapies etc.), family support as scholarships, summer camps for employees' children, flexible working hours, plenary meeting, funeral expenses support, social security complementary subsidy, and educational school kit (granted to kids up to 14 years old). The Company makes available to employees a dedicated internal website: benefits, discount with many external partner and provider like a company nursery at discounted prices as well as schoolbooks with discount for the employees' children. Moreover, in house doctor visits and, private retirement plan and local pension plan are calculated yearly according to the annual salary, saving schemes.

The Company also maintains various supplemental medical benefit plans at its affiliates according to local requirements. These healthcare schemes vary from country to country in terms of allocation levels and the types of coverage provided. The social benefits recognized by Prometeon Tyre Group for employees (including life insurance, invalidity/disability insurance and additional parental leave) are generally recognized to all employees, regardless of the type of contract whether permanent, temporary or part-time, in compliance with company policies and local trade union agreements.

INITIATIVES IN FAVOR OF LOCAL COMMUNITIES

INITIATIVES FOR EXTERNAL COMMUNITIES

In Brazil the year 2022 began with heavy summer rains that caused many devastating floods in different regions of Brazil. Families were living in a precarious conditions and Prometeon Tyre Group to support the local communities through the following actions and donations:

State of Bahia: Donations of 2,000 Food Baskets;

State of Rio de Janeiro: Donation of 12,600 Liters of water (Action made in partnership with the reseller Genial Vehicles).



Agro Tyres Donation to the São Miguel Do Arcaño Institute: In partnership with CNH Industrial, which donated a tractor, Prometeon Tyre Group gifted Agro tyres. The initiative, with the support of the institution, was aimed to help a farm who has a factory capable to produce 50,000 protein bars per day.



Donation of Tyres in Partnership with Customers: In partnership with Transportadora Phênix, located in Jabotical (SP), Prometeon Tyre Group donated 4 tyres for a fundraising event for the Nutras Institution (Center for Social Transformation). In partnership with Usina Colorado, the Company donated 6 tyres that were used to support the “Feijoada do Bem” project, created by Instituto Oswaldo Ribeiro De Mendonça.

SUSTAINABILITY REPORT



Warm Clothing Campaign: Prometeon Tyre Group promoted the activity inviting employees to donate. HR team collected 440 kg of clothes and 34 new blankets that have been donated to people in need.



Donation of Toys and Computers: 81 toys were donated to 2 institutions in Santo André and 40 computers to the City Hall of Gravataí. The furnitures have been distributed to the institution in need which help and support local communities.



In Egypt, during 2022, the Company cooperated with IECD, an NGO organization, initiating a program named: “SEEDS OF HOPE TECHNICAL INTERNSHIP PROGRAM”. During the program 5 students have been hosted and trained in the Electrical Maintenance department for 2 months providing them all the facilities (PPE’s-daily meal- transportation). Moreover, to receive a full training, acquiring all the information to be properly trained.

In Colombia in September 2022, Prometeon supported with much happiness and responsibility the donation to Juanfe which is committed to one main objective: breaking the poverty cycles of marginalized young mothers, improving their living conditions and building a better future for them and for future generations. Through the creation of educational and employment opportunities, Juanfe transform these young mothers living in extreme poverty and vulnerability, into women with self-confidence, who are fully integrated both into society, acquire economic autonomy, and join the middle class; thus, providing human capital into the country and creating sustainable value. Prometeon together with Juanfe will continue to improve their lives, their children and their families. In addition, thanks to their contribution young women have a safe space in Juanfe, promoting spaces of well-being and healthy coexistence with their families and their immediate surroundings.

PROMETEON

Model 360: a path to equity and sustainable development

PROPOSAL FOR PROMETEON
SEPTEMBER 2022

Fundación Juanfe
Modelo de desarrollo social

The solution - 360° model

Juanfe addresses this problem through an innovative socio-economic development model that deals with curbing poverty and vulnerability in a disruptive way, called the 360 Degree Model. We address this invisible problem in a multidimensional and comprehensive way for adolescent mothers. Through investment in health (physical, mental and emotional), sexual and reproductive rights, training in social skills and values, strengthening the affective bond and maternal role, technical education, and formal labor inclusion, among other components; The 360 Degree Model turns these young women in vulnerable situations into empowered women, graduated from a work technique, with social skills and a structured life project, who are integrated into formal, stable and dignified productive activities, acquire economic autonomy and join to the middle class, injecting human capital and creating sustainable value. In a period of two years, this strategy succeeds in transforming the vulnerable adolescent mother, with low self-esteem and little projection, into a responsible mother who owns her life, breaking the vicious circle of poverty.

The great objective of the 360 Degree Model is to ensure that adolescent mothers have the capacities and opportunities to obtain and sustain a formal, dignified and stable job; and to develop their maternal role in a responsible manner, thus improving her quality of life and that of her families and children.

Result

Middle class
Poverty

Intervention Model - 360 degrees

- Professional training and empowerment
- Education in financial literacy
- Social and emotional support on health and life
- Responsible labor inclusion

Adolescent mothers outside the development pyramid in extreme poverty and in biological, human, and social vulnerability. With a high risk of repeating pregnancy and perpetuating cycles of poverty.

The 360° Model contributes to 9 of the 17 Sustainable Development Goals.

Dignity
Mental health Psychosocial care
Sexual and reproductive health and rights
Technical education and transversal skills
Social and labor inclusion

With education, psychosocial stability, a strengthened maternal role, and a decent and stable source of income, they break the cycle of poverty and invest their income in their family and community.

The 360° Model integrates adolescents into the development pyramid in a sustainable way.

In Egypt young students have been trained during the learning path and became qualified and the end of the coaching, thanks also to the Supervisors which have trained the students.



In 2017, Prometeon Tyre Group decided to construct a **Youth Building Center** for its employees and family and for the local community. The project started in Alexandria, (Egypt) where the Company operates with its production plants. The aim of this project is to support the local community with the construction of a new social building entirely dedicated to family and children where they can have the opportunity to spend time playing sports and doing activities inside and around the building. During 2022 the Company accelerated the work to finish the center and the inauguration will take place in 2023.



In addition to the over mentioned activities, in 2022 the Company, with the reuse of the light system, continued to illuminate the cemeteries in Alexandria in cooperation with the Ministry of Health.



In cooperation with the Ministry of Health, the Company supported the governmental campaign of Infantile paralysis with tools and equipment.



SUSTAINABILITY REPORT

During 2022, In Egypt, the Technical Education Dual System Project for Blue Collars continues supporting Al-Amerya Industrial Secondary School within Dual Education System, providing technical learning and training to prepare qualified youth for professions directly related to the actual market needs. This project established a new specialization referring to the Company needs, mechanics for maintenance and fixation, which Prometeon Tyre Group completely equipped a new workshop for this new specialization. The Company hosts on yearly basis a total number of 60 students, offering them technical training with high level of experience, thus in accordance with the educational contents designated and required by the Ministry of Education since. To participate to this project, the Company also provides to the students, transportation (from and to the factory), uniform, personal protection equipment, accidents insurance, daily meal and monthly training allowance.



**Technical Education Project in Egypt*

DONATIONS

In Turkey, the employees participated to the Istanbul Marathon in order to raise donations for TEMA, a local NGO with a particular focus on the wildfires and reforestation protecting the nature. Thanks to the contribution of 67 employees who participated to the marathon, a total of 277.000 TL (approximately 15 k€) have been collected and donated to TEMA.



Moreover during 2022, the Company organized a Blood donation campaign where the employees on a voluntary basis donate to the blood bank to help people in need.



Moreover during 2022, in Turkey, Prometeon realized a long-term training program managed by Ford Company for its all suppliers. For their own corporate responsibility, Ford asked to donate to a foundation named Mikader. The foundation is supporting children with Children’s Houses, Houses of Affection and Rehabilitation Centres in several cities in Turkey.



Donation to Italian Embassy: in October 2022, Prometeon donated to the Italian Embassy due to National Unification and Armed Forces Day 2022 in Italy. The Embassy collected money on behalf of the Italian arm forces.

During 2022, at Headquarter level several donations have been made. In Italy the Company donated tyres to the “Banco Alimentare” an NGO which provide food around the city of Milano helping people suffering from hunger.

To support the external community, Prometeon Tyre Group decided to support an Italian NGO, ADMO which help through blood donation for bone marrow transplant. A webinar has been held by ADMO and Prometeon Tyre Group to present the NGO to the Company and the colleagues and a form to adhere to the donation has been sent by Human Resources. After the webinar, the Company asked to the employees to adhere in a voluntary basis to the blood donation which has been organized in an ambulance provided by ADMO, parked near the building of the Company.

SUSTAINABILITY REPORT



Caro Collega,

Grazie per aver partecipato al **webinar informativo** in collaborazione con **ADMO**.

Se sei interessato a partecipare all'**arruolamento** ed **iscriverti** al registro donatori di midollo osseo **[clicca qui](#)** e **compila il form**.

Completata la registrazione, ti aspettiamo il **14 novembre** presso i nostri uffici Prometeon per la giornata del **Donor Day**.

Se non sei riuscito a partecipare al webinar, troverai in allegato le **informazioni** condivise durante l'incontro e gli eventuali **contatti** ADMO

PROMETEON

In 2022 Prometeon Tyre Group, applying the Car Policy procedure, calculated the CO2 emissions of the cars considered pollutants allocated to the executive working for the Company and donated to replant trees in the Parco Nord of Milan which is near the Headquarters of Prometeon Tyre Group.



Moreover, in Italy, during 2022 the Company supported the professional school of Fano in collaboration with a NGO named Adriano Assandri. The aim of the project was to support young students during a specific learning path. Different themes have been discussed such as:

- The world of tyre dealers has great difficulty in finding specialized or professional staff, particularly in the heavy vehicle sector;
- The Don Luigi Orione Institute offers young people a training program that meets the needs of companies to allow graduates to quickly enter the world of work.

The education of the young students is divided into classes of Mechanics and Electronics and is structured as follows:

- 1st year: scooter, knowledge, and repair;
- 2nd year: suspension, bodywork, tyres, tarpaulins (laboratory hours: 7h weekly);
- 3rd year: electrician with qualification from the third year the boys can decide to pass to the ITS becoming in two years authorized to be revisers. (hours of laboratory: 7+7h weekly);
- 4th year: you reach the higher technical diploma repairer motor vehicles (24h weekly in Company with Alternation School - Work and 13h in the institute) and other topics related to Tyres.

In the afternoon, the institute also organizes remedial courses for children in school with serious difficulties and thanks to these courses and support 60% of the students arrive to the 4th year.

Here below all the proposal for training support made by Prometeon Tyre Group:

Training courses:

1. Heavy vehicle tyre analysis - product characteristics and peculiarities, labels, etc;
2. Main applications;
3. Possible Analysis Tyre anomalies on Truck;
4. Monitoring of the heavy-duty tyre for proper maintenance and efficiency of the tyre;
5. Agriculture part will be evaluated in a second step.

The purpose of this partnership is specified here below:

1. Orienting young people towards possible professional job position to tyre dealers specialized in industrial tyres (in particular SuperTruck);
2. Collaboration with the Don Luigi Orione Institute and with Onlus Need You to promote the social commitment of Prometeon Tyre Group;
3. Starting to enhance Prometeon Tyre Group to the retailers as a professional reference in training support (possible future collaborations in Tyre Accademy).



SOS CHILDREN'S VILLAGES

As a commitment to the external community, in 2021 Prometeon Tyre Group, at Headquarter level started a new partnership with an NGO called SOS Villaggi dei Bambini Italia known at international level as SOS Children's Village which operates globally. The first SOS Children's Village was founded by Hermann Gmeiner in Tyrol, Austria, in 1949. The organization was committed to helping them by building loving families and supportive communities. With the generous support of donors, child sponsors, partners and friends, Gmeiner's vision of providing loving care in a family environment for children without parental care, and of helping families stay together so they can care for their children, has grown steadily over six decades.

Today, SOS Children's Villages is active in 136 countries and territories around the world, helping hundreds of thousands of children each year through alternative care, family strengthening, schools, health centers, and other community-based work. Children all over the world are growing up without the care, protection and guidance they need. SOS Children's Villages is there, working with children, young people and families to tackle this global issue on a local level.

The mission of SOS Children's Village is to build families for children in need, helping them shape their own futures, and sharing with them the development of their communities. Over the last 70 years, SOS Children's Villages has supported 4 million children through alternative care and family strengthening.

With this activity the Company supported SOS Villaggi Bambini Italia helping them to sustain children and family in need. Furthermore, with this first initiative Prometeon Tyre Group wants to establish a lasting relationship and is already planning activities in the coming years with SOS Villaggi Bambini Italia.



Our vision

Every child belongs to a family and grows up with love, respect and security.

Our mission

We build families for children in need, we help them shape their own futures, and we share in the development of their communities.

Our values

Courage

We take action.

Commitment

We keep our promises.

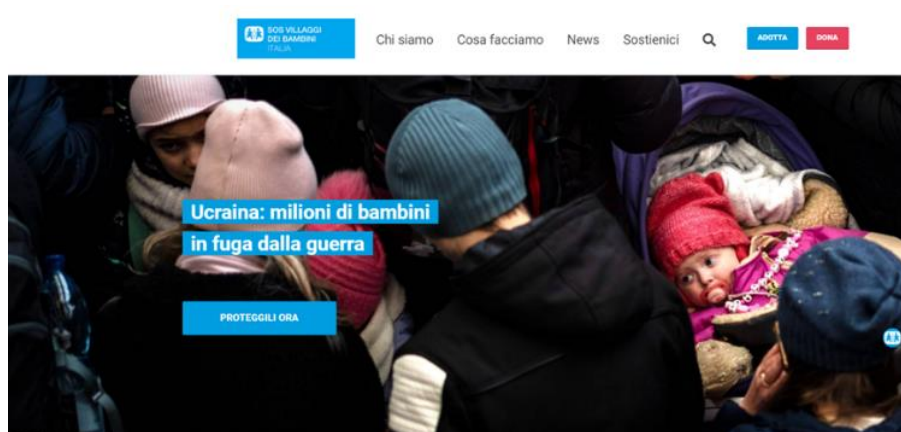
Trust

We believe in each other.

Accountability

We are reliable partners.

In March 2022 Prometeon Tyre Group decided to support SOS Villaggi dei Bambini Italia with a specific donation regarding the war in Ukraine. The Company donated helping the association to support the children and their families.



OUR RESPONSE

SOS Children's Villages has launched an emergency programme to support 177 children and families in SOS Children's Villages programmes, as well as the many thousands of children in foster care, kinship care, boarding schools and residential institutions.

Our regional Ukraine emergency response and longer-term actions are:

- **Immediate support to children - and their families - in foster, kinship care and state residential institutions.** Some 80 children and their foster parents supported by SOS Children's Villages in Ukraine have been relocated to SOS Children's Villages in Poland. Efforts are now underway, in cooperation with local partner organizations, to provide food, supplies, psychosocial support, and relocation of other children in state residential institutions, as well as in foster and kinship care families.
- **Aid to refugees.** Teams in neighbouring countries, including SOS Children's Villages Poland and SOS Children's Villages Romania, are scaling up efforts to receive refugees.
- **Strengthen families in the future.** In the long-term, we will work with partners to support families to recover and rebuild.

During September 2022 Prometeon Tyre Group together with an Italian Client, Fintyre, decided to support SOS Villaggi dei Bambini Italia with a donation made by each Company. The aim of the donation campaign was that for each Prometeon tyre purchased by Fintyre and Franco Gomme a part of the proceeds will be donated to the non-profit organization SOS Villaggi dei Bambini that supports children in difficulty in Italy.



Moreover, during the same period, **September 2022** SOS Villaggi dei Bambini launched a mentorship program with the aim to help women in difficulty to find a job. Prometeon Tyre Group decided to participate involving employees. A dedicated webinar has been organized to inform the employee about the association and the activity proposed. After the webinar Internal Audit & Sustainability Department sent to all employees who participated to the webinar the possibility of applying to be a Mentor. Employees who decided to participate sent the CV to the NGO and have been selected to participate. The NGO organized 2 webinars in order to inform and prepare the mentor selected. The mentor will be trained to understand the real needs of the women assigned and try to reach the goal, find a job.



To continue to give support to this NGO, Prometeon Tyre Group decided also for the year 2022 to renovate the sending of the e-card furnished and customized by SOS Villaggi dei Bambini Italia, to be sent to all employees (white collars and blue collars), clients and suppliers working with the Company.



PROMETEON
TYRE SOLUTIONS FOR PROFESSIONALS supports **SOS VILLAGGI DEI BAMBINI ITALIA**

Prometeon wants to renovate its commitment for People and **External Community** reminding to all of you that

«The family is not the sum of the people who make it up, but a community of people».

We wish to all Prometeons, an extraordinary 2023

SOS Children Villages in Italy promotes the rights of over 39,000 children and young people without family care or at risk of losing it and takes care of more than 700 people, which include children, youth and families who experience serious moments of hardship.
www.sositalia.it

In full alignment with the HQ initiative to support the SOS villages, the Company started at the end of 2022 to communicate the needs of the SOS village in Alexandria noting that the full execution and completion of the project will be at the 1st quarter of 2023.





ENVIRONMENTAL DIMENSION

Prometeon Tyre Group considers environmental protection as a fundamental value in the exercise and development of its activities.

Prometeon Tyre Group “Ethical Code” states that: “Investment and business decisions are anchored to environmental sustainability, with a view to eco-compatible growth, also through the adoption of special technologies and production methods where operationally feasible and economically viable that allow for a reduction of the environmental impact of operations, in some cases even below statutory limits”.

The environmental management model adopted is detailed in Group policies such as the “Health, Safety and Environment” Policy and the “Quality” Policy, based on which Prometeon Tyre Group undertakes to:

- assess and reduce the environmental impact of its own products and services throughout their entire life cycle, as of products and services purchased;
- develop products and production processes that are safe and designed to minimize polluting emissions, waste generation, consumption of natural resources available and the causes of climate change, in order 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;
- monitor and communicate to its stakeholders the environmental performance associated with processes, products and services throughout the entire life cycle, promoting its culture of environmental protection;
- monitor the environmental impacts of its suppliers by requesting them to adopt the same business model along the related supply chain;
- support customers and end consumers in understanding the environmental impacts of its products, informing them of the safest use and disposal methods, facilitating recycling or re-use where possible;
- empower and train its workers in order to extend adequate culture of environmental capital conservation.

All the documents mentioned above are communicated to the employees and published in the intranet, as well as made available on the website to the external community from 2018.

Prometeon Tyre Group in line with its commitment to the UNGC and its focus on environment through principles which require Business to:

- Principle 7: support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility;
- Principle 9: encourage the development and diffusion of environmentally friendly technologies;

and with its inspiration for the SDGs 6. “Clean Water and Sanitation”, 7. “Affordable and Clean Energy”, 9. “Industry, Innovation and Infrastructure”, 12. “Responsible Consumption and Production”, “13. Climate Action”, the Company decided to review the KPIs of the following sections, trying to improve its production process supporting the sustainable environmental plans. The review of the KPIs was supported by all the production plants where the Company operates.

In line with its commitment for the UNGC principles and inspiration for the Sustainable Development Goals mentioned above, which make part of the core of the 2030 Agenda for Sustainable Development, the Company defines and sets goals on environmental KPIs for medium to long term future, i.e. for 2025 and 2030.

OUR COMMITMENT TO FIGHT CLIMATE CHANGE

PROMETEON TYRE GROUP ENVIRONMENTAL STRATEGY

The reporting of the emissions impacts complies with the provisions of the GHG Protocol and GRI Standards Guidelines. All impacts listed by the standards that are not mentioned, both upstream and downstream of the industrial activity of Prometeon Tyre Group, either do not apply or are not significant.

The main environmental impacts are generated by various activities related to the different stages. In the case of raw materials procurement, the main impact derives from the related production and distribution. In the case of tyre production, the main impact is related to the **consumption of electricity and natural gas**: in particular, the main pressure in terms of emissions into the atmosphere and water consumption is attributed to the production of the latter. In the case of the distribution of new tyres and their use by customers, the impact derives from the fuel consumption of vehicles (only the fuel consumption related to the power absorbed by the rolling resistance of the tyres is allocated to the customers).

SUSTAINABILITY REPORT

The Global Warming Potential concerns the effect on the climate of anthropic activities and is calculated, as mentioned, in tons of CO₂ equivalent (the greenhouse effect potential of the gas considered is assessed in relation to CO₂, considering a residence time in the atmosphere of 100 years).



ENVIRONMENTAL MANAGEMENT SYSTEM AND FACTORY'S PERFORMANCE

MONITORING

All the production sites of Prometeon Tyre Group have **Environmental Management Systems** and are certified under **International Standard ISO 14001**, which was adopted as a reference in 2015. All the certificates have been issued with international accreditation ANAB (ANSI-ASQ National Accreditation Board: accrediting entity of the United States).

As the Group policy mandates implementation and certification in accordance with ISO 14001, it is also applied to new facilities. The certification activity, together with control and maintenance of previously implemented and certified systems, is coordinated on a centralized basis by the Health, Safety and Environment Department.

All the production sites of Prometeon Tyre Group have Quality Management Systems and are certified under International Standard ISO 9001:2015 and IATF 16949:2016; in which part of their mandatory requirement is to determine, provide and maintain the environment necessary for the operation of its processes and to achieve conformity of products and services.

The environmental, health and safety performance of every tyre manufacturing site is monitored with the web-based Health, Safety and Environment Data Management (HSEDM) system, which is processed and managed centrally by the Health, Safety and Environment Department.

SCOPE OF REPORTING

The **performances** described concern **2021 and 2022** and cover the same scope of Group consolidation.

The amount of finished product regarding only industrial production (car production excluded) was approximately of **319.111 tons** in 2021 and **335,100 tons** in 2022, where recorded **an increase of approximately 5%** compared to the previous year.

TREND IN ENVIRONMENTAL PERFORMANCE INDEXES

The 2022 environmental performance indicators, calculated on tons of finished product, show a general consolidation, despite the year being impacted by the increasing production capacity in production plants, of all the specific indices reported: energy consumption, waste recovery, water withdrawals and greenhouse gas emissions.

It is noted that the trend of the above indexes was significantly impacted by the production focus adopted. The Company production is focused on Premium tyres and production processes are characterized by higher energy intensity, more stringent quality specifications, more complex processing and smaller production batches compared to production processes for medium-low end tyres. In the aforementioned context, the reduction of indexes highlights strong environmental and economic value, in terms of consumption, costs and emissions avoided, unused resources, and avoided costs.

The tables showed in the following paragraphs, including car production for (even if after invoiced to Pirelli) reports total quantity of finished products produced in the scope of reporting.

In 2022 the total amount of finished product was **345.278 tons**, which compared to 2021 recorded an increase about **4%** where the total amount was **331.999 tons**.

Thanks to numerous investments that the Company makes every year in its production plants to achieve its predefined sustainability objectives, environmental performance results presented in this

report, highlighting an improvement in terms of consumption (energy, water,) and emissions (CO₂, waste) in 2022 compared to 2021.

ENERGY MANAGEMENT

The Company monitors, manages and reports its energy consumption through three main indicators:

- absolute consumption, measured in GJ, which includes the total consumption of electrical energy, thermal energy, natural gas and petroleum derivatives;
- specific consumption, measured in GJ for ton of finished product, which indicates the energy used to produce one ton of finished product;
- specific consumption, as measured in GJ per euro of Operating Income.

The Sustainability Plan adopted before the split, in 2009, required a reduction of 19% in terms of specific energy consumption by 2020. After the split in 2016, Prometeon Tyre Group keeping in mind the targets already set back in 2009, decided to define and to consequently adopt its own specific targets starting from 2020 until 2030.

During 2022 the energy efficiency plan continued at all Prometeon Tyre Group plants, already initiated in the previous years and characterized by actions aimed at:

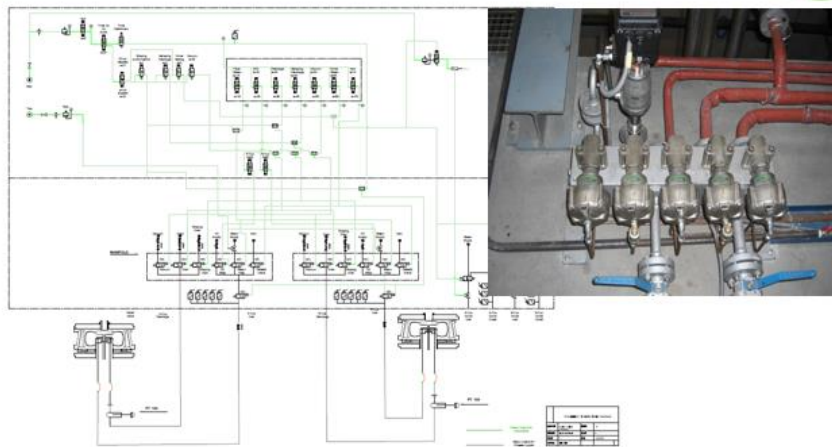
- improving energy management systems, through measurement consumption and a daily focus on technical indicators;
- optimizing the procurement of energy resources, direct or indirect;
- improving the quality of energy transformation;
- improving the efficiency of distribution plants;
- improving the efficiency of production plants;
- recovering energy for secondary uses;
- applying targeted maintenance plans in order to reduce energy waste;
- Energy Management System (EMS) – Egypt, Turkey and Gravatai (Brasil);
- Bead machines air pressure reduction – MEA – Egypt;
- Use of Natural Light in the Warehouse Area – MEA – Egypt;
- Upgrade Buzluk motor – MEA – Egypt;
- Dome Thermal insulation for 10 presses – MEA – Egypt;
- Cooling tower, load sharing and full chiller control – MEA – Egypt;
- Industrial water pressure control – MEA – Egypt;
- Upgrade of 16 ton boiler (new burner and econmizer installation) – MEA – Egypt;

Cooling tower, load sharing and full chiller control



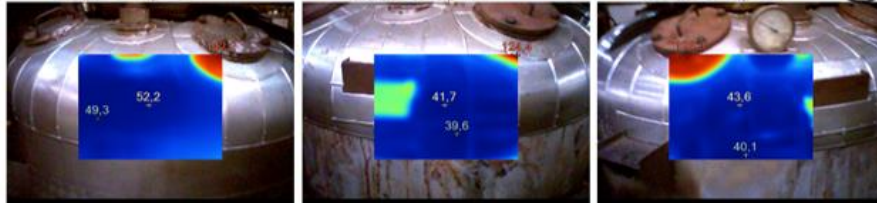
- Steam control "caldeirinhas" - Truck Xply – LATAM – Gravatai;
- Use of flash steam for space heating – LATAM – Gravatai;
- CBC 50T Boiler fan automatic closing – LATAM – Gravatai;
- Automation fancoils UPGR – LATAM – Gravatai;
- Calandra Liner: Energy efficiency – LATAM – Gravatai;
- RM30 machines replace the pneumatic motors with electric motors – MEA – Izmit;
- Ventilation units driver application with analog filter sensor – MEA – Izmit;
- Existing cooling tower pumps replacement with efficient pumps – MEA – Izmit;
- TMM Machines (x6) cutting knife modifications (knife will not cool by compressed air) – MEA – Izmit;

Nitrogen Curing



- TMM 90 /2 Polyethylene stripping group modification – MEA – Izmit;
- BY and compressor cooling tower fan driver applications – MEA – Izmit;
- Replacement curing area suction fans with more efficient – MEA - Izmit;
- New Miura Boiler – LATAM – Santo Andre;
- Thermal Insulation phase 2 - UPGR – LATAM – Santo Andre;

Curing Press Thermal Insulation Improvement



- Depressurization without cold water – LATAM – Santo Andre;
- Water pumps Reused (ETE) – LATAM – Santo Andre;

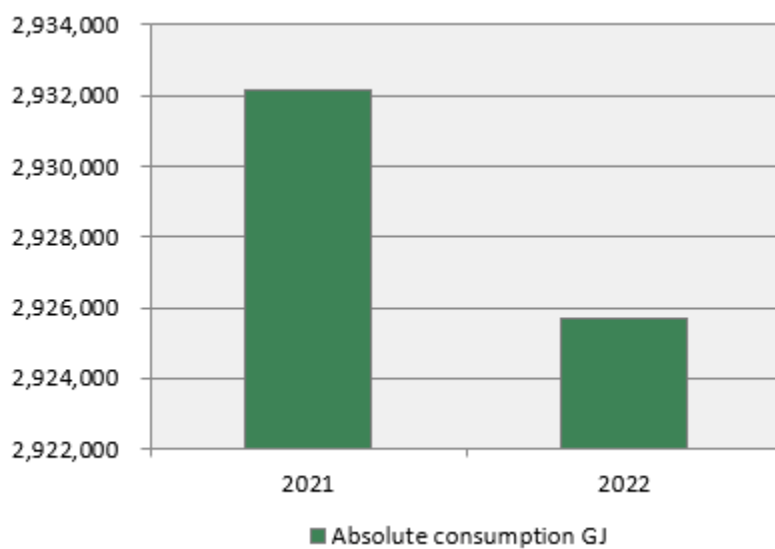


In 2022, the Company placed great attention to efficiency in thermal energy transformation and thermal waste recovery for heating of its premises. Remarkable results were achieved in reducing compressed air and steam losses both on machinery and on distribution lines. Moreover, thanks to the electrical absorption measurements carried out on the individual equipment, it was made possible to correlate the specific consumption to production in greater detail, optimizing the operating conditions.

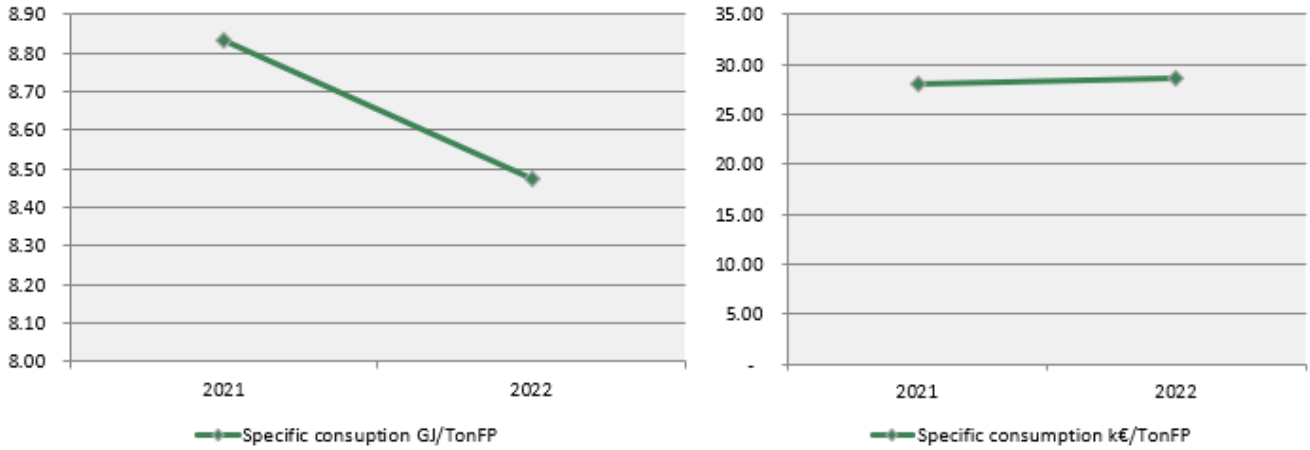
The year 2022 recorded an improvement in the specific energy index (weighted on tons of finished product) of about 4.92% compared to 2021. The absolute and specific consumption data shown in the following table were calculated using direct measurements according to the procedure (GHG Corporate Standard) and subsequently converted into GJ using thermal values.

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

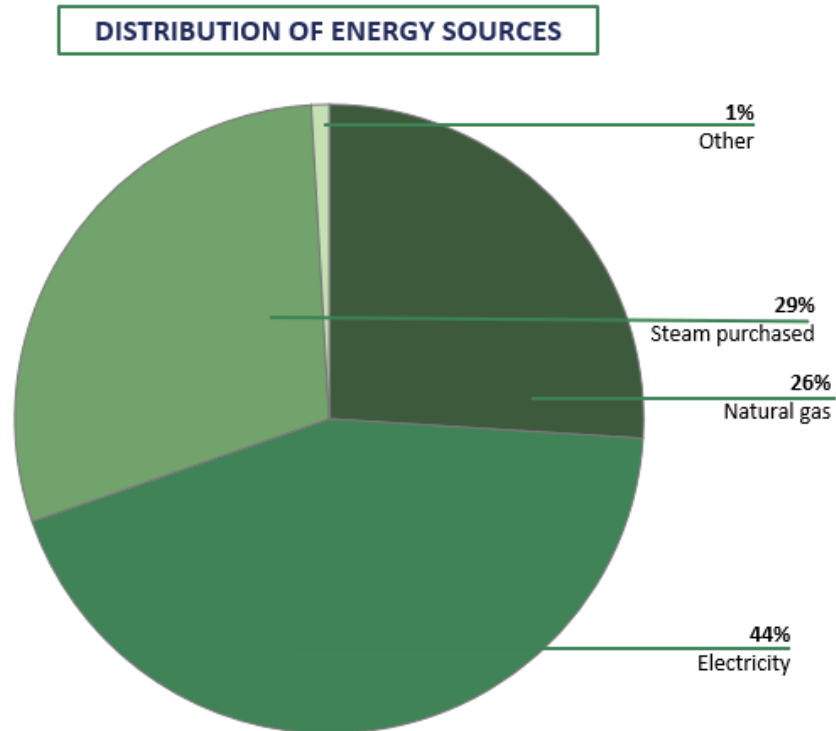
| | | 2021 | 2022 |
|----------------------|----------|-----------|-----------|
| Absolute consumption | GJ | 2,932,174 | 2,925,719 |
| Specific consumption | GJ/tonFP | 8.83 | 8.47 |
| | GJ/k€ | 28.01 | 28.58 |



SUSTAINABILITY REPORT



The graph below highlights the “Distribution of Energy Sources” used in production process:



The reduction achieved concerning specific energy consumption indexes is not a coincidence. Indeed, it's the proof of Prometeon Tyre Group's to remain loyal to its commitments and the concrete results of the actions carried out throughout 2022 for reducing consumption thanks to the investments made by the Company.

MANAGEMENT OF GREENHOUSE GAS EMISSIONS AND CARBON ACTION PLAN

The Company monitors and reports its emissions of greenhouse gases through the calculation of CO₂ equivalent. To quantify emissions, the energy consumption of local units (under operational control) included in the scope of reporting are collected annually through the CSR-DM IT system.

As in the case of energy, the Company monitors and accounts for its consumption by using three principal indicators:

- absolute emissions, as measured in tons;
- specific emissions, as measured in tons per ton of finished product;
- specific emissions, as measured in tons per euro of Operating Income.

Prometeon Tyre Groups GHG emissions management, calculation and reporting model has been defined according to the ISO 14064 standard.

In general, the Sustainability Plan foresees a future reduction of specific CO₂ emissions (on tons of finished product).

In 2022, the Company recorded a decrease in absolute GHG emissions although recorded an increase in the total quantity of finished product. Moreover, specific emissions for total amount of finished product recorded a reduction of 4.51% compared to 2021.

Prometeon Tyre Group is aware of the actual and potential dangers of climate change and is committed to fighting it by adopting as much as possible all the necessary measures.

Regarding the achievement of the objectives set by the Sustainable Development Goals "12 Responsible Consumption and Production" and "13 Climate Action", Prometeon Tyre Group, which is aware of the actual and potential threats posed by the climate change, remains loyal to its commitment to fight these latest adopting as much as possible all the necessary measures.

The following tables show the trend of the year 2022 compared to 2021.

SUSTAINABILITY REPORT

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

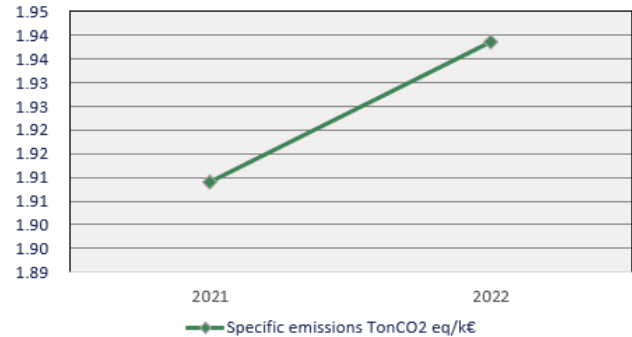
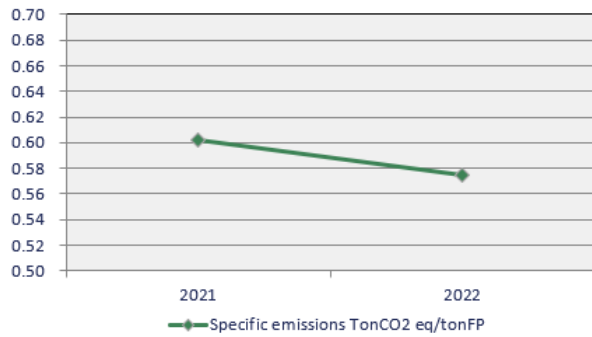
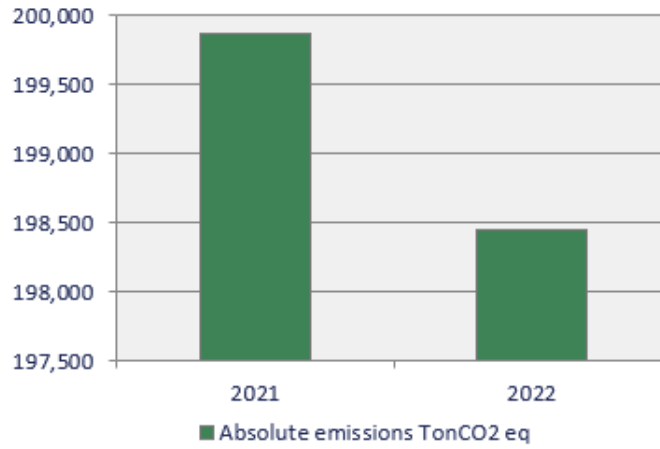
*Location-based methodology for calculating scope 2 emissions takes into account the location where electricity, heat, or steam is consumed, and uses the average grid emissions factor for that location to calculate emissions. This method assumes that all the electricity, heat, or steam consumed in a particular location comes from the local grid, and the emissions factor for that grid is used to calculate emissions. Market-based methodology, on the other hand, allows companies to purchase and use renewable energy certificates (RECs) or guarantees of origin (GOs) to offset their indirect emissions. For PTG that do not have certified purchases of renewable energy, the same emission factors can be used for both location-based and market-based calculations.

The amount of emissions shown in the tables above indicate emissions are generated by production activities carried in 4 factories in Brazil, Egypt and Turkey where the production plants' performances are monitored on continuous basis since they are the main source of the emissions. Other Company premises besides the mentioned factories, i.e. headquarters and R&D center in Italy as well as offices of subsidiaries and commercial branches in Germany, Poland, Spain, Switzerland and the UK are not monitored given the emissions generated by these latest is considered irrelevant for reporting purposes compared to the factories. Company car fleet used by employees and other vehicles used in the factories for production activities are excluded from the reporting scope as well.

Methodology used for calculating the emissions generated during the course of year is as follows:

Data on total energy consumed in the factories are collected for different energy carriers such as electricity, natural gas, steam and LPG. The collected data are converted into tons of CO2 equivalent using various conversion factors depending on the specific energy carrier (IEA sources for electricity, factors resulting from internal analyses for steam and IPCC sources for the rest of the energy carriers used by Prometeon Tyre Group). Subsequently, equivalents of CO2 emissions in tons are compared with the amount of finished product tons to obtain the final figure of CO2/ton FP and to operating income k€ to obtain the specific index GJ/.

| | | 2021 | 2022 |
|--------------------|-----------------------------|---------|---------|
| Absolute emissions | TonCO ₂ eq | 199,868 | 198,445 |
| Specific emissions | TonCO ₂ eq/tonFP | 0.60 | 0.57 |
| | TonCO ₂ eq/k€ | 1.91 | 1.94 |



SUSTAINABILITY REPORT

The numerous activities that Prometeon Tyre Group implements every year, in particular those concerning the energy consumption, leads to an effective reduction in terms of emissions in 2022.

Moreover, in 2022 Prometeon Tyre Group collaborated with Connexing, a company operating in electronic device production and recycle, for disposal of unused electronic devices at Cinisello R&D Center. Thanks to this collaboration, in exchange the devices sent to Connexing for recycling and disposal, this latest planted 50 trees in Milan on behalf of Prometeon Tyre Group.



WATER MANAGEMENT

Water is the most vital resource which the very existence of all creatures living on the Earth is based on. The responsible and efficient use of this sacred and limited resource is everyone's duty towards the planet, a responsibility not only towards ourselves but all the other living beings with whom we share our home planet. Therefore, the Company pays particular attention to monitoring of the “**Water Footprint**” along the life cycle of the product (as extensively explained earlier in this chapter) and tyre manufacturing is the third most influential phase.

In the aforementioned environmental strategy of the Group, the efficient and responsible use of water in production processes and at workplaces is addressed comprehensively with actions to improve it from design of the machinery to Facility Management activities. Particular attention is paid to the local

context of the use of this resource, with action plans identified considering not only the amount consumed by Prometeon Tyre Group but also various external risks (not attributable to the Company) concerning local water resources such as water absence, scarcity and drought.

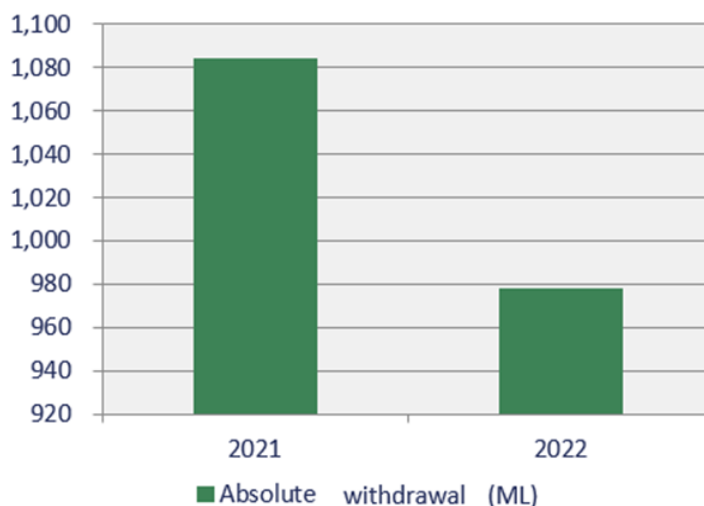
A reduction target of specific **withdrawal of water** was set and it foresees that about -10% in 2022 compared to 2016.

The year 2022 recorded an absolute withdrawal of about 978 mega liters, that compared to the previous year corresponds to a decrease equal to 9.8% of water withdrawal. It has to be highlighted that the results evidence the positive contributions of the investments made by the Company in terms of effectiveness and efficiency. Although there had been an increase in production volumes less amount of resources were used by the Company which is always committed to monitor its water footprint.



To provide an overall view of the performance in terms of water withdrawal year on year, the following tables report the indicators:

- absolute withdrawal, measured in mega liters, which indicates the total uptake of water by the Group;



SUSTAINABILITY REPORT



The results presented in the tables below indicate water withdrawal and management performances of 4 factories located in Brazil, Egypt and Turkey. The production plants' performances are monitored on continuous basis throughout the year as production and other auxiliary activities consist in the main reason of water consumed at the Group level. Other Company premises besides the mentioned factories, i.e. headquarters and R&D center in Italy as well as offices of subsidiaries and commercial branches in Germany, Poland, Spain, Switzerland and the UK are not monitored given the amount of water consumed by these latest is considered irrelevant for reporting purposes compared to the factories. The following two graphs show the distribution of absolute withdrawals by type of use and water supply weight by type of source.

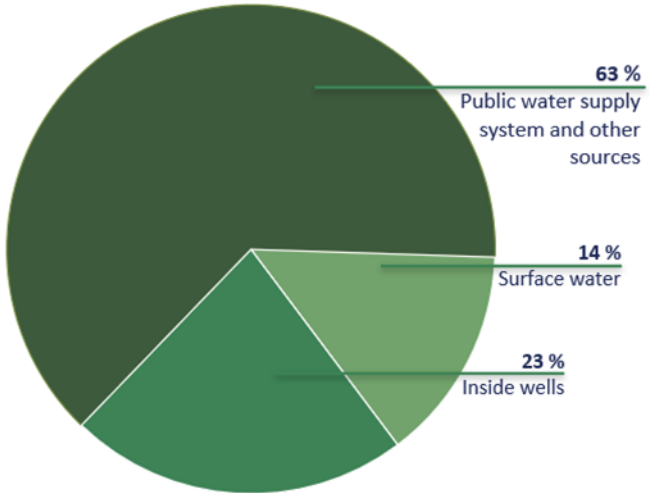


| TYPE OF WATER SOURCES (ML) | 2022 |
|--|------|
| Public water supply system and other sources | 619 |
| Surface water | 139 |
| Inside wells | 220 |
| Total | 978 |

| Water withdrawal by source | 2021 | | 2022 | |
|--|---|---|---|---|
| | All areas (ML) (no water stress) | Areas with water stress (ML) | All areas (ML) (no water stress) | Areas with water stress (ML) |
| Surface water (total) | - | - | - | - |
| Freshwater (≤1,000 mg/L Total Dissolved Solids) | 130 | - | 139 | - |
| Other water (>1,000 mg/L Total Dissolved Solids) | - | - | - | - |
| Groundwater (total) | - | - | - | - |
| Freshwater (≤1,000 mg/L Total Dissolved Solids) | 85 | - | - | 220 |
| Other water (>1,000 mg/L Total Dissolved Solids) | - | - | - | - |
| 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) | - | - | - | - |
| Third-party water (total) | - | - | 1 | - |
| Freshwater (≤1,000 mg/L Total Dissolved Solids) | 117 | 323 | 194 | 289 |
| Other water (>1,000 mg/L Total Dissolved Solids) | - | - | - | 135 |
| Total third-party water withdrawal by withdrawal source | All areas (ML) (no water stress) | Areas with water stress (ML) | All areas (ML) (no water stress) | Areas with water stress (ML) |
| Surface water | | - | | - |
| Groundwater | | 210 | | - |
| Seawater | | 219 | | - |
| Produced water | | - | | - |
| Total water withdrawal | All areas (ML) (no water stress) | Areas with water stress (ML) | All areas (ML) (no water stress) | Areas with water stress (ML) |
| | 332 | 752 | 334 | 644 |

TYPE OF WATER SOURCES

Approximately **20%** of total consumption, were obtained from the waste water treatment of Prometeon Tyre Group production processes.



SUSTAINABILITY REPORT

Prometeon Tyre Group approaches water management with great sensibility, in line with its inspiration for the achievement of targets set under the Sustainable Development Goals: and “**6 Clean Water and Sanitation**” and “**12 Responsible Consumption and Production**”. It has to be highlighted that the Company is committed to responsible and efficient use of water resources and efficient protection of fresh waters through use of modern machineries and innovative, less water consuming production processes that satisfy both local and international standards.

In Brazil, the factories in order to raise awareness of the correct use of the water resources put in place a specific project as well as technical actions aimed to correctly use the effluents generated.



Cultura Prometeon SAIBA MAIS SOBRE A EVOLUÇÃO DA CULTURA DE QUALIDADE

O USO CONSCIENTE DE ÁGUA SALVA VIDAS!

Um estudo da Agência Nacional de Águas (ANA) mostrou que a demanda por uso de água no Brasil é crescente, com aumento previsto de até 80% no total retirado de água nos últimos 20 anos. Até 2030, a estimativa é de que a retirada aumente em 30%.

Por isso, é fundamental que a sociedade se conscientize sobre a importância de economizar água e não correr o risco de ficar sem esse recurso tão essencial.

Mudanças simples de hábitos são fundamentais para o futuro da água! Confira as dicas a seguir.

- 1. FECHER BEM AS TORNEIRAS**
Torneira vazando é fácil de perceber e pode desperdiçar até 40 litros de água por dia. Se perceber esse problema, realize a troca ou o conserto da mesma.
- 2. REAPROVEITE A ÁGUA DA MÁQUINA DE LAVAR**
A água utilizada na máquina de lavar costuma ser descartada pelo ralo, porém ela pode ser reaproveitada e servir para lavar pisos, lavar o quintal e até regar plantas.
- 3. CRONOMETRE O BANHO**
Um banho de 15 minutos pode gastar até 135 litros de água. Se você reduzir o seu tempo no chuveiro para 5 minutos, apenas 45 litros são utilizados.
- 4. ENSABOE TODAS AS LOUÇAS DE UMA SÓ VEZ**
Antes de lavar a louça, retire os restos de comida com o apoio de um guardanapo ou toalha de papel e ensaboe todas de uma só vez, com a torneira fechada. Depois, faça o enxágue.

#PrometeonFamily **PROMETEON**

Responsabilidade Social EM PROL DAS PRÁTICAS SUSTENTÁVEIS

DIA MUNDIAL DA ÁGUA


O Dia Mundial da Água, comemorado em 22 de março, traz uma importante reflexão sobre como estamos utilizando esse recurso tão importante para nossa sobrevivência e das demais espécies.

Você sabia que captamos água de um arroio que passa no fundo de nossa fábrica para utilizar no consumo interno, em processos industriais e também na geração de vapor?

O fluxo da água deste arroio passa pelo Rio Gravataí, Delta do Jacuí, Lago Guaíba, Lagoa dos Patos até chegar no Oceano Atlântico, o que mostra a conexão entre nossa fábrica e o mar.

Faça sua parte e utilize os recursos naturais com consciência!

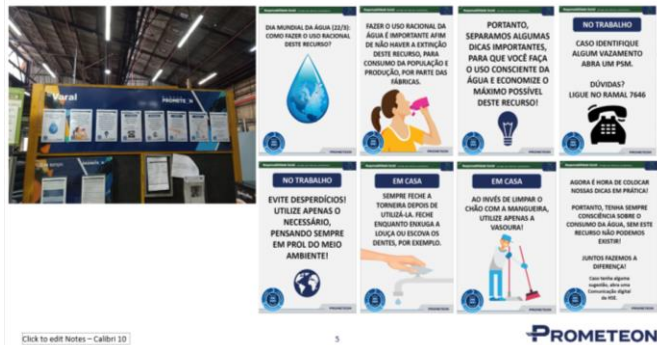
Os bueiros da Avenida Central foram marcados com a frase **O MAR COMEÇA AQUI** para que todos os dias estejamos atentos sobre os riscos de contaminação da água.



PROMETEON

- **Varal informativo;**

Varal informativo do dia da água abordando dicas de mudanças de hábitos para redução da utilização deste recurso (tanto na fábrica quanto em nossas casas).



**Awareness campaign of the correct use of water*

The project in Gravataí and Santo André, concerning the reuse of industrial effluents in particular water used in bathrooms, which comes from effluent treatment stations giving the possibility to reuse this water.



The Company obtained 14% of its necessities from surface water, while dedicating special care to guaranteeing that this withdrawal was marginal in relation to the volume of the affected water bodies. Lastly, in line with the targets set under the Sustainable Development Goal “6 Clean Water and Sanitation”, the Company is committed to the improvement of water quality by decreasing the proportion of untreated wastewater, increasing recycling and safe reuse of wastewater.

About 634 mega liters of water were consumed, equivalent to approximately 20% of total withdrawal, which were obtained from the wastewater treatment of Prometeon Tyre Group production processes.

SUSTAINABILITY REPORT

| WATER CONSUMPTION 2021 | | |
|--|-------------------------------------|---------------------------------|
| Water Consumption | All areas (ML) (no water stress) | Areas with water stress (ML) |
| Total water consumption | 237 | 538 |
| 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) (no water stress) | Areas with water stress (ML) |
| Total water consumption | 256 | 378 |
| Change in water storage, if water storage has been identified as having a significant water-related impact | - | |

A total of 344 mega liters of domestic and industrial wastewater were discharged, 38 mega liters were discharged into surface water bodies, always in quantities that were marginal in relation to the volume of the receiving bodies and without significantly impacting biodiversity. Before being discharged into the final recipient, industrial wastewater – adequately treated as necessary – was periodically subjected to analytical tests that certify substantial compliance with locally applicable statutory limits.

WATER DISCHARGE

| Water discharge by destination | 2021 | | 2022 | |
|---|-------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| | All areas (ML) (no water stress) | Areas with water stress (ML) | All areas (ML) (no water stress) | Areas with water stress (ML) |
| Surface water | 44 | | 38 | |
| Groundwater | - | | - | |
| Seawater | 214 | | - | |
| Third-party water (total) | 51 | | 306 | |
| Third-party water sent for use to other organizations | - | | - | |
| Total water discharge | 309 | - | 344 | - |

| Water discharge by freshwater and other water | All areas (ML) (no water stress) | Areas with water stress (ML) | All areas (ML) (no water stress) | Areas with water stress (ML) |
|--|-------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| Freshwater (≤1,000 mg/L Total Dissolved Solids) | - | - | - | - |
| Other water (>1,000 mg/L Total Dissolved Solids) | - | - | - | - |

| Water discharge by level of treatment | All areas (ML) (no water stress) | Areas with water stress (ML) | All areas (ML) (no water stress) | Areas with water stress (ML) |
|---------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| No treatment | 2 | | 1 | |
| Biological | 0 | | 77 | |
| Chemical | 137 | | 84 | |
| Filtration | 170 | | 182 | |

The results presented in this section 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.

Prometeon has as one of its non-negotiable pillars its socio-environmental responsibility. In this way, it invests in waste and water treatment programs in its factories, to reduce as much as possible the impact

caused by production for the environment. Since 1999, all the water used in the production, captured from the Arroio Passo dos Ferreiros River (Brazil), is recycled and treated before being reintroduced into the wild. Since the same year, all waste generated is fully treated in a modern industrial effluent treatment plant, and 70% of these treated wastes are used in industrial processes, reducing the need for the use of natural resources. Another important environmental aspect is the management of all waste generated. At the Gravataí plant, 98% of this amount is used entirely for recycling.

Daily, there are about 400 m³ liters treated in the factory, in a vast program that still includes awareness campaigns against waste for our employees and the use of reuse water in bathrooms, which guarantees savings of more than 34,000 m³ per year of drinking water, in a program that reaches the 24 bathrooms of the factory and had a contribution of R\$ 305 thousand for its installation. These campaigns together help not only in maintaining the environment, but also in times of drought such as the current ones.

All this effort of the company is aligned from its headquarters in Milan, Italy, with all its units around the world. In Brazil, a Corporate Sustainability Committee was created, which works specifically maintaining harmony between all pillars of the business, including, Social Dimension, Environmental Dimension, Economic Dimension and Governance and Ethics. In the committee meetings, performance indicators used worldwide, such as CO₂ emissions, water footprint, care in the depletion of natural resources, and measures are taken to ensure the least possible impact on nature in places where Prometeon operates. All of this allows a clean daily production with minimal impact for the tyres that help to feed and transport Brazil.

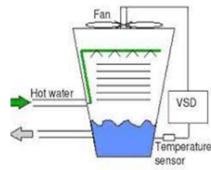
Furthermore, with regard to external risks posing threat to local water resources in countries where the Company has production activities, Prometeon Tyre Group implements various action plans for prevention and reduction of risks.

For instance, in Turkey currently the Company is reliant to an external provider for treatment of water withdrawn from wells. In addition, there is a possibility that local authorities may impose restrictions on the use of well water due to the risk of mixing with sea water. In order to improve the water treatment management, Prometeon Tyre Group is planning projects aimed at implementing an advanced water treatment system.

Given the Country's geographical features, water has a particular importance in desert conditions like Egypt where the resources are even more limited compared to other environments in which the Company operates. In face of total drought and consequent water supply reduction risks, Prometeon Tyre Group is determined to offer its best contribution in struggle for preserving the resource. Within this context, currently the Company is evaluating various infrastructure improvements with the aim of enhancing water consumption efficiency and create diverse water resources. Moreover, a training program aimed at raising awareness among the employees about the importance of responsible use of water by creating a workplace culture is being studied as well.

SUSTAINABILITY REPORT

Cooling tower Temperature control VSD Fan



Action:
Add temperature sensor to control cooling tower fan VSD depending on required temperature

Benefit:
Decrease quantity of water evaporation in cooling tower and make Saving of water by 1500 m³/month

R.O Multi-Media Filters



New Design **Old Design**

Action:
Use New Design of Multi-media filters which was feed only one R.O Station to feed both of the Two R.O stations and stop old multi-media filters which consumed high water in back wash

Benefit:
Decrease back wash water which go to drain and make saving of water by 400 m³/month.

In Brazil, the local authorities of Gravataí can impose from time to time ban on water withdrawing from river which is an important water resource for the factory. To overcome an eventual risk of total lack of the resource (i.e. restriction on the river), the Company has always been endeavoring to study and develop projects for further improving its water management at the plant. To this end indeed, so far, the Company took various initiatives. Thanks to the actions implemented which saw radical changes in the production premises' layout currently water is treated, discharged, and re-used at the factory. Moreover, in order to protect the river and its ecological system as well as the production plant from eventual floods, the Company restructured a small part of the riverbed in full compliance with local laws and regulations.



Before

After

Fepam
Fundação Estadual de Proteção Ambiental

Processo nº
4871-05.67/21.3

AUTGER Nº
00019 / 2022

AUTORIZAÇÃO GERAL

A Fundação Estadual de Proteção Ambiental, criada pela Lei Estadual nº 9.077 de 04/06/90, inscrita no Ofício do Registro Oficial em 01/02/91, e com seu Estatuto aprovado pelo Decreto nº 51.761, de 26/09/14, no uso das atribuições que lhe confere a Lei nº 5.538, de 31/08/81, que dispõe sobre a Política Nacional do Meio Ambiente, regulamentada pelo Decreto nº 99.274, de 06/06/90 e com base nos autos do processo administrativo nº 4871-05.67/21.3, concede a presente AUTORIZAÇÃO GERAL.

I - Identificação:

EMPREENDEDOR RESPONSÁVEL: 214375 - PROMETION TYRE GROUP INDUSTRIA BRASIL LTDA
 CPF / CNPJ / Ins Esc: 22.301.989/0005-96
 ENDEREÇO: AVENIDA ELY CORREA 1610
 DONA MERCEDES
 94180-212 GRAVATAI - RS

EMPREENHIMENTO: 4844 - FAB DE PNEUMÁTICO/CÂMARA DE AR
 LOCALIZAÇÃO: AVENIDA ELY CORREA, 1610 - RODOVIA RS 30
 DONA MERCEDES
 GRAVATAI - RS
 COORDENADAS GEOGRÁFICAS: Latitude: -29.94258100 Longitude: -50.96500000

A PROMOVER: FABRICAÇÃO DE PNEUMÁTICO/CÂMARA DE AR

RAMO DE ATIVIDADE: 1.820.10
MEDIDA DE PORTE: 333.056,50 área útil em m²
ÁREA DO TERRENO (m²): 488.056,50
ÁREA CONTRIBUÍDA (m²): 126.156,61
Nº DE EMPREGADOS: 1950

II - Condições e Restrições:

I. Quanto ao Empreendimento:

- esta Autorização Geral é referente a reconstrução do galpão, numa extensão de 25 metros, que dará contiguidade ao talude da área do sistema de bombeamento de água da empresa. Tendo em vista que para realização da atividade será necessário o acesso de máquinas, a supressão de alguns exemplares arbóreos se fará necessário. O sistema de bombeamento, bem como o galpão, estão localizados em área de preservação permanente (APP), junto ao Arroio Passo das Ferragens. A reconstrução é necessária em virtude do deterioramento parcial do galpão existente (conforme registro fotográfico em anexo), podendo comprometer a captação de água para fabrica e cultivo prático.
- caso ocorram quaisquer alterações nas atividades aqui autorizadas, deverá ser informado antecipadamente à FEPAM para que se manifeste quanto as novas intervenções ou informações adicionais;
- deverá fazer a comunicação imediata à Secretaria do Meio Ambiente e Infraestrutura na hipótese de descoberta fortuita de elementos de interesse paleontológico, na área do empreendimento;
- após encerramento de abertura do processo de Reposição Florestal Obrigatória (RFO) deverá proceder a apresentação da Declaração de Aprovação do Projeto de Reposição Florestal Obrigatória ou do Termo de Regularização do Projeto de Reposição Florestal Obrigatória ou do Termo de Quitação de Reposição Florestal Obrigatória, expedido pelo Departamento de Biodiversidade da Secretaria do Meio Ambiente e Desenvolvimento Sustentável - DBO/SEMAM, de acordo com a Portaria Conjunta

AUTGER 00019 / 2022 Data em 24/03/2022 às 10:10:17 Nº Doc. 121903 Folha 1/1

Av. Borges de Medeiros, 261 - Centro - CEP 90020-021 - Porto Alegre - RS - Brasil www.fepam.rs.gov.br

Licença para realizar a alteração em APP
 Autorização Geral nº00019/2022
 Processo 4871-05.67/21.3

**GOVERNO DO ESTADO
RIO GRANDE DO SUL**
SECRETARIA DO MEIO AMBIENTE
E INFRAESTRUTURA

Processo nº
7647-05.67/22.8

DAPPF Nº
00266 / 2022

DECLARAÇÃO APROVAÇÃO DE PROJETOS FLORESTAIS

O Departamento de Biodiversidade, Órgão da Secretaria do Meio Ambiente e Infraestrutura do Estado do Rio Grande do Sul, criado pelo Decreto Estadual nº 54.550 de 02 de abril de 2019 em consonância com a Lei Federal nº 12.851, de 25 de maio de 2012, e com a Lei Federal nº 11.420 de 02 de dezembro de 2006, nos termos da Lei Estadual nº 9.576, de 21 de junho de 1992, e com base nos autos do processo administrativo nº 7647-05.67/22.8, concede o presente documento:

I - Identificação:

EMPREENDEDOR RESPONSÁVEL: 214375 - PROMETION TYRE GROUP INDUSTRIA BRASIL LTDA
 CPF / CNPJ / Ins Esc: 22.301.989/0005-95
 ENDEREÇO: AVENIDA ELY CORREA 1610
 DONA MERCEDES
 94180-212 GRAVATAI - RS

EMPREENHIMENTO: 41089
 LOCALIZAÇÃO: AVENIDA ELY CORREA 1610
 DONA MERCEDES
 GRAVATAI - RS
 COORDENADAS GEOGRÁFICAS: Latitude: -29.94258100 Longitude: -50.96500000

A PROMOVER: REPOSIÇÃO FLORESTAL OBRIGATORIA

RAMO DE ATIVIDADE: 10.540.00
MEDIDA DE PORTE: 33.3056 área total em hectares (ha)

II - Condições e Restrições:

I. Quanto ao Empreendimento:

- período de validade desta declaração: 16/09/2022 à 16/09/2026;
- esta Declaração de Aprovação de Projeto Florestal refere-se ao plantio de 55 mudas nativas de ocorrência na região, conforme projeto apresentado no processo administrativo;
- o projeto será efetivado pelo plantio de 06 indivíduos de *Araucária Brava* (*Libreia brasiliensis*), 13 de *Cudão* (*Erythronium deciduum*), 06 de *Capironca* (*Myrica correae*), 06 de *Gueiroto* (*Campanula anthonica*), 06 de *Carbóide branco* (*Mazus elaeagnifolia*), 06 de *Apuleia-Casulo* (*Lupinus biancotto*) e 12 de *Taurina* (*Vitis rotundifolia*) em plântula de 0,51 ha localizada nos vértices nas seguintes coordenadas geográficas (SIRGAS 2000): Z2: V1 - Lat.: -29.934617° Lon.: -50.965805°; V2 - Lat.: -29.934602° Lon.: -50.965811°; V3 - Lat.: -29.934464° Lon.: -50.965809° e V4 - Lat.: -29.934461° Lon.: -50.965798°, para o enriquecimento do remanescente de vegetação estabelecido no local às margens de curso d'água, em APP, no imóvel em zona urbana do município de Gravataí registrado no Cartório de Registro de Imóveis da Comarca de Gravataí, Certidão sob matrícula nº 112.579, Livro 02, fls. 1 a 3v, R.2/12.579;
- esta Aprovação do Projeto Florestal de Reposição Florestal Obrigatória (RFO) está vinculada ao Registro no Sistema de Controle Florestal - CCF nº 3301, em cumprimento ao plano gerado pela supressão de vegetação nativa autorizada na AUTGER nº 00019/2022, emitida pela FEPAM no processo administrativo nº 4871-05.67/21.3;
- a responsabilidade técnica pela execução do projeto deverá ser assegurada mediante Anotação de Responsabilidade Técnica (ART) válida, garantindo o acompanhamento por profissional habilitado(a) e devidamente registrado junto ao respectivo conselho

DAPPF Nº 00266 / 2022 Data em 16/09/2022 às 09:00:00 Nº Doc. 1034198 Folha 1/2

AV. BORGES DE MEDGIDOS, 1901, 7º ANDAR - ALA SUL - PRAÇA DE BELAS - CEP 96.119-150 - PORTO ALEGRE - RS - BRASIL www.sama.rs.gov.br

Licença do plantio compensatório
 DAPPF nº 00266/2022
 Processo 7647-05.67/22.8

At Santo André, the factory is connected to the city's specific water circulation system dedicated to industrial wastewater where following treatment process the water is re-used by production plants operating in the area. Thanks to this system, the Company not just only improved that amount of water reuse but also the quality of the water itself, which remarkably is better than water withdrawn from wells.

WASTE MANAGEMENT

Tyre production is a complex activity where different types of raw materials are processed through various machineries and techniques with the aim of delivering the product by subjecting the materials to defined conditions (temperatures, pressure). During activities involving production process as well as auxiliary processes supporting the production (e.g. storage and preparation of materials, maintenance of machineries), in addition to semi-finished products and tyres delivered, some subproducts are generated as a natural consequence of the processes and materials used, or due to deviation from the Company standards. While it is possible to reuse some of these subproducts and the residuals within Prometion factory premises for production, storage, or maintenance activities others have to be treated in a different way as they are not useful and/or harmful for human health and the environment.

SUSTAINABILITY REPORT

Subproducts that cannot be re-processed at Prometeon Tyre Group premises and/or those posing threats to human health and the environment are considered “**waste**” and are sent to external companies for recycle, recovery or disposal activities depending on the specific waste. Wastes can be classified in different categories depending on the reason of generation:

- A. **Technical waste (quality scrap)**, finished and semi-finished products with deviations from quality standards of the Company;
- B. Wastes generated by activities **ancillary to production process**;
- C. **Building, machinery and equipment wastes** generated by construction and maintenance activities related to production plants’ and infrastructures (machinery and equipment);
- D. **Packaging wastes** generated purchased products used mainly for production such as raw materials (natural rubber, carbon black, solvents, silica...);
- E. **Urban waste** generated from food, beverage preparation (canteen and automatic distributors) and cleaning activities;
- F. **Civil and industrial wastewater** generated by water used in daily human and industrial activities;
- G. **Scrap product wastes** generated by market claims.

Other types of wastes, such as those generated by sanitary activities carried out at the Company premises.

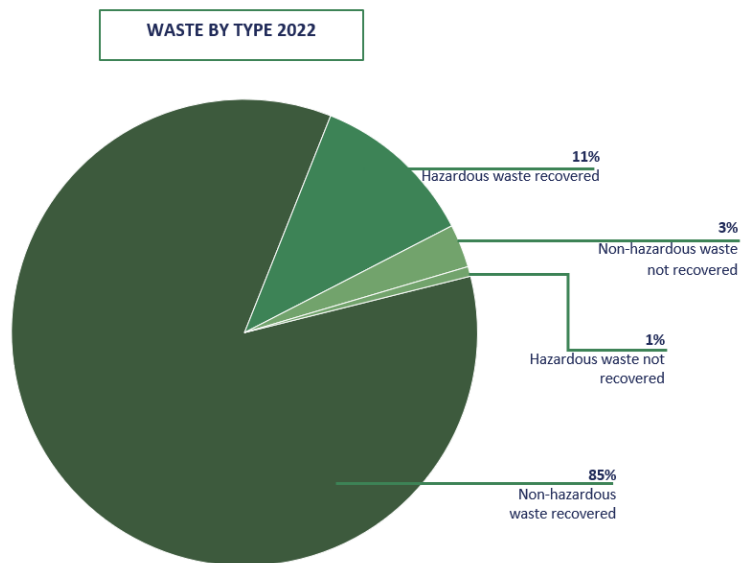
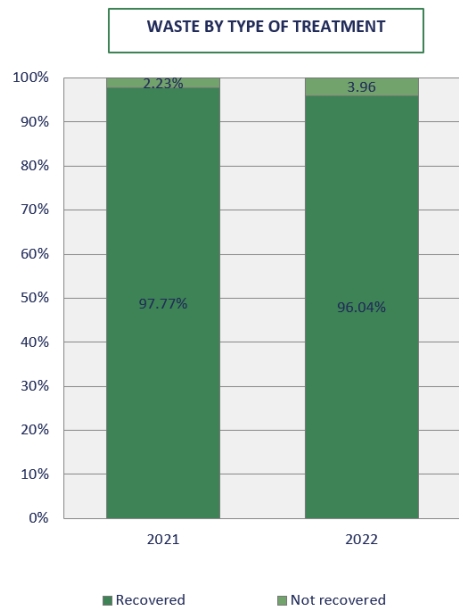
The improvement of environmental performance deriving from the management of **waste** was achieved through:

- **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.

The Sustainability Plan requires more than 95% of waste produced to be sent for recovery by 2022, with Zero Waste to Landfill vision. 2022 saw a substantial consolidation of the quantity of waste sent for recovery: during the year 96.04% of waste was recovered.

Recovered hazardous wastes represent approximately 11% of total production.

The following graphs summarize the waste by treatment and type:



The following tables summarizes the Company's waste management performance in 2022 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 | | |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | WEIGHT (Ton) | Recovered | Not recovered | WEIGHT (Ton) | Recovered | Not recovered |
| HAZARDOUS | 2,250 | 2,076 | 174 | 2,367 | 2,122 | 245 |
| NON HAZARDOUS | 16,241 | 16,002 | 239 | 16,652 | 16,143 | 509 |
| Total | 18,491 | 18,078 | 413 | 19,019 | 18,265 | 754 |

| 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 |

SUSTAINABILITY REPORT

| WASTE DIRECTED TO DISPOSAL 2021 | Incineration with energy recovery (Ton) | | Incineration without energy recovery (Ton) | | 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 energy recovery (Ton) | | Incineration without energy recovery (Ton) | | 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 |



It has to be highlighted that the results presented in the tables above indicate waste generated by 4 factories located in Brazil, Egypt and Turkey, in relation to mainly production activities. The production plants' performances are monitored on continuous basis throughout the year as plants' activities consist in the main reason of waste generated at the Group level. Other Company premises besides the mentioned factories, i.e. headquarters and R&D center in Italy as well as offices of subsidiaries and commercial branches in Germany, Poland, Spain, Switzerland and the UK are not monitored given the amount of waste generated by these latest is considered irrelevant for reporting purposes compared to the factories.



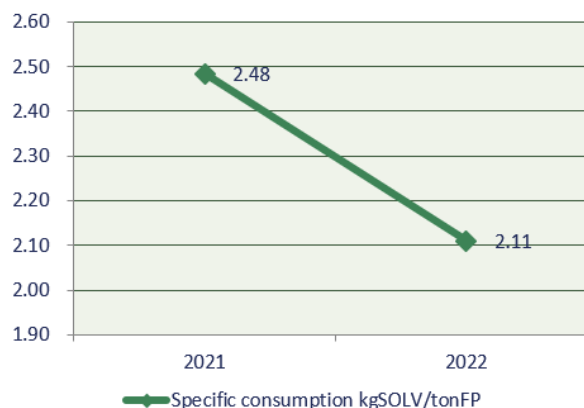
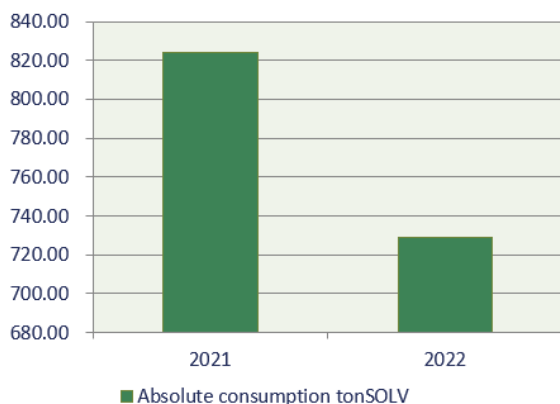
OTHER ENVIRONMENTAL ASPECTS

SOLVENTS

Solvents are used as ingredients in processing, mainly to reactivate vulcanized rubber, during the fabrication and finishing of tyres. The Company is committed to the **reduction** of these substances by optimizing their use and by spreading solvent-free technologies for operations.

In 2022 the Company registered in terms of absolute consumption a decrease equal to 12%. With reference to specific consumption calculated on tons of finished products, Prometeon Tyre Group reduced by 15% the use of solvents in the production processes.

| | | 2021 | 2022 |
|----------------------|--------------|--------|--------|
| Absolute consumption | tonSOLV | 824.45 | 728.77 |
| Specific consumption | kgSOLV/tonFP | 2.48 | 2.11 |



The results presented in the tables above indicate the total amount of solvents used in 4 factories located in Brazil, Egypt and Turkey for production activities. The production plants' performances are monitored on continuous basis throughout the year as production and other auxiliary activities consist in the main reason of solvent consumption at the Group level. Other Company premises besides the mentioned factories, i.e. headquarters and R&D center in Italy as well as offices of subsidiaries and commercial branches in Germany, Poland, Spain, Switzerland and the UK are not monitored given no solvents are consumed by these latest, hence considered irrelevant for reporting purposes compared to the factories.

NOX AND 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. Moreover, 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 and 2022 for Gravataí and Alexandria factories:

| Year | Factory | NOx | | SOx | |
|------|------------|------------------|----------|------------------|----------|
| | | Hate Flow (kg/h) | Ton/year | Hate Flow (kg/h) | Ton/year |
| 2021 | Gravataí | 1.67 | 14.63 | 0.04 | 0.32 |
| 2022 | | 0.79 | 6.92 | 0.25 | 2.15 |
| 2021 | Alexandria | 2.39 | 20.90 | 1.00 | 8.73 |
| 2022 | | 2.18 | 19.09 | 0.94 | 8.20 |

Measurement at Santo Andre factory instead is carried out on biennial basis in compliance with the requirements of local laws and regulations:

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

A CIRCULAR MANAGEMENT OF RESOURCES

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 with particular focus on **“3R” concept**.

The purpose is to achieve a target of 100% of sustainable materials used in the overall production process:

- **Reducing** raw materials and optimizing processes;
- **Recycling** used materials and introducing inside new tyres materials;
- **Rethinking** to new renewable materials and formulations.

Among the materials currently used in the production, natural rubber consists in being the sole renewable material while other materials essential to tyre production such as metallic and textile reinforcements, chemicals, carbon black and synthetic rubber are considered as non-renewable. The total amount of renewable materials currently used in production in 2021 and 2022 in terms of volume and percentages are as following:

| Material Quantity Used in Production (Ton) | | |
|---|----------------|----------------|
| | 2021 | 2022 |
| Renewable Material (Ton) | 110,854 | 123,529 |
| Non-renewable Material (Ton) | 232,072 | 250,596 |
| Total Material Volume (Ton) | 342,926 | 374,125 |

| Material Quantity Used in Production (%) | | |
|---|-------------|-------------|
| | 2021 | 2022 |
| Renewable Material | 32% | 33% |
| Non-renewable Material | 68% | 67% |

With the increase in accumulation of waste from vulcanized rubber, the dispersion of these materials in the environment becomes more difficult to manage. Such accumulation of harmful substances in the nature, especially in the subsoil and in the waters, threatens year after year the environment. Considering end-of-life products as an alternative resource of raw material can be a winning solution both in ecological and economic terms, perfectly embracing the basic concepts of sustainable development and circular economy. End-of-Life Tyres (ELTs) represents one of the most important categories of end-of-life products coming from vulcanized polymeric materials. R&D Innovative Materials Department studies projects regarding the re-use of these materials for production purposes maintaining all the characteristics and performances.

Moreover, the Company worked on projects aimed at developing new materials that improve durability of truck and agro tyres and virtual models that can predict tyre performances. In particular in Brazil, R&D Department collaborates with the **University of Campinas** and chemical companies.

In line with the Company’s research approach, Prometeon Tyre Group pursues organizing workshops with suppliers to develop and test innovative materials. In this context, Research and Development

SUSTAINABILITY REPORT

Department carried out tests on new polymers and fillers in order to measure the balance between different parameters of performance (wet-dry grip and mileage).

Sustainability: Moving Forward 100% Sustainable Materials



5



Prometeon R&D Centers

- Dedicated RD functions and expertises;
- Increased suppliers awareness and co-developments;
- Contracts with University and with research groups.





Re-think to Natural Rubber...

- To find alternative suppliers in different part of the world to reduce the impact on one area of the world
- « local 4 local »



NEW MATERIALS

Nowadays manufacturing companies give attention to systems that reduce and eventually eliminate waste and manage raw materials scarcity through the continual use of resources. In other words, the focus is on design by developing tyres for both longevity and optimal performance in terms of sustainability, on continuous innovation to improve production processes by employing new and/or alternative raw materials which sustainably reducing waste, energy consumption, gas emission, material loss, recovering waste-streams and, where technically possible, replacing materials that may challenge significantly the material recycling of the tyres.

The concept goes through along the whole supply chain, including purchasing of raw materials to the end-of-life of the products. The key is extending product lifetime and closing material loops by implementing sustainable approach with 3Rs concept – Recycle, Reduce and Rethink & Reinvent.

As far as longevity is concerned, the 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. Attention has to be put also on the type of materials used in production, therefore focusing on circularity of the materials which means exploring new potential sustainable raw materials, which can be reused and recycled, to replace the actual ones aiming to create fully sustainable products.

With these challenges lie ahead, assessment and innovative concepts together with constructive cooperation and development would be necessary along the whole tyre supply chain in order to foster know-how exchange with professionals, developing the new innovative strategies with stakeholders in line with the market trend and evolution. In these circumstances, the focus of the strategies is on

SUSTAINABILITY REPORT

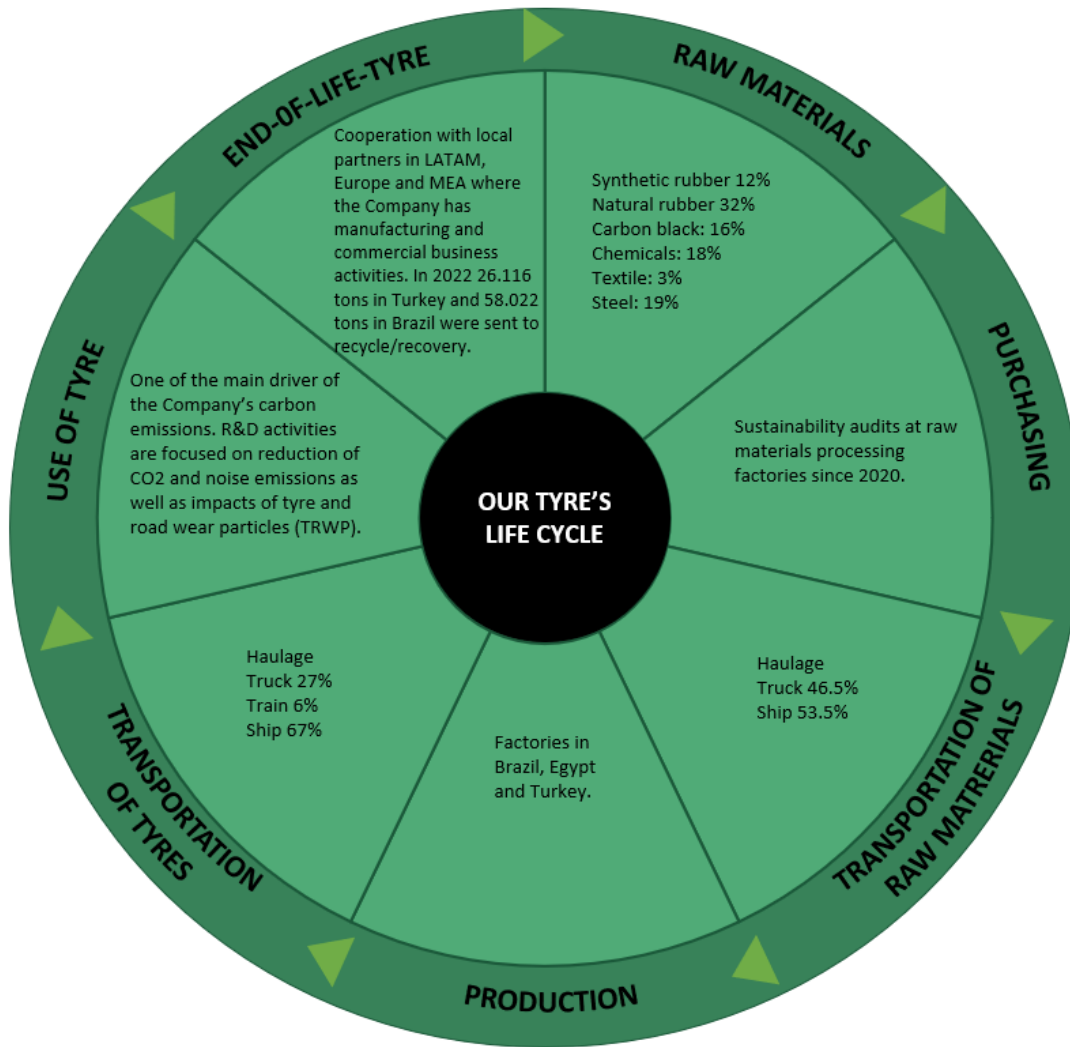
durability, maintenance, repairability and upgradability, i.e. circularity of the whole process, aiming to increase products longevity in terms of performance and products utilization rate, as well as to improve material recycling and energy recovery, therefore to design and produce fully sustainable products as mentioned, aiming to protect human health and reduce environmental impact.

Following this purpose, the Company is introducing new materials in tyres formulations that have lower impact on environment. For example, by using silica obtained from rice husk ash to replace the classic silica produced from quartz sand. Rice husk ash is one of the most common agricultural waste; it is an agricultural waste by product from rice milling in the rice production. Moreover, processes which allow to recover energy by burning this waste have been developed. Additionally, from purification of ashes obtained, it is possible to get excellent silica in terms of purity which can be used in the compounds replacing the classic filler materials.

Another key element in the journey into sustainability is the replacement of raw materials deriving from petroleum with bio-based renewable raw materials. For instance, the Company is reducing the use of oils and resins deriving from petroleum and replacing them with ingredients of natural origin such as soybean oil and pine resin. In this way, new product line with high percentage of sustainable compound and materials has been designed and developed; it will be launched in the next future.

On top of that particular focus is put on one of the main components of the tyres as well - Natural Rubber. Natural Rubber is a completely renewable material, and it is mainly produced only in certain areas of the planet, equatorial zone. Prometeon is committed the conservation of forests and biodiversity by collaborating with suppliers which distribute worldwide internationally, reducing therefore the impact in some areas of the world (Malaysia, Indonesia, Thailand) where natural rubber is normally bought. In addition, the Company has adopted "Local 4 Local" supply chain policy which is focused on local sourcing and shorter supply chains in order to reduce pollution from raw materials transportation and the CO₂ footprint.

Over and above that, another element which would be crucial and has to be sustainably managed is tyre waste as it is not possible to erase totally the generation of tyre waste during the production. For instance, an idea has to be put in this field aiming to improve the production processes performance, prevent waste generation and keep it as low as possible, consequently reducing also the materials to be disposed. In other words, it may impact positively economic and environmental point of view.



END-OF-LIFE TYRES

Prometeon Tyre Group is strongly committed to create sustainable life cycle of tyres, developing therefore innovative and sustainable approach in which the goal is to reduce resource waste as well as recover as much as possible energy and materials during their life cycle.

Tyres that are no longer sufficiently safe or efficient to be reused, even if retreaded, are referred as “end-of-life tyres” (here in after referred as ELTs) which are practically wastes. ELTs can pose a serious threat to the environment and have to be collected and recovered with specific methods, as the rubber of tyre is made of a mix of very high-quality polymers with exceptional chemical-physical characteristics which remain unaltered even in the recycled rubber obtained from it. It is possible to channel ELTs towards one of two different processes: they can be either recycled, a process where it is possible to obtain new materials or recovered as energy.

SUSTAINABILITY REPORT

As a tyre manufacturing company, Prometeon Tyre Group has a particular sensibility for the environment. The Company pays great attention to both the sustainability of all production processes along the entire value chain and to the product disposal and recyclability. In line with its inspiration for SDG **“9 Industry, Innovation and Infrastructure”**, **“12 Responsible Consumption and Production”**, **“17 Partnerships for the Goals”**, together with local initiative which collaborates with, Prometeon Tyre Group is committed to produce tyres that can have a “second life”. To this end, the Company cooperates strictly with suppliers who produce raw materials from ELTs, such as micronized reclaim rubber and recovered carbon black, as well as with organizations dedicated to ELT recovery. Thanks to the Company’s tyre formulations containing these materials and the goal to increase their presence as much as possible, Prometeon Tyre Group continues to offer high performance tyres in terms both of quality and safety at the same time. Moreover, the use of these materials can provide for an opportunity to contribute to the creation of a circular economy as well as reduction of the CO2 emissions.

Prometeon Tyre Group has always been at the forefront of innovation and now, with sustainability being a clear focus, even more so developing new materials from recycling of End-of-Life Tyres (ELT) and production waste stream to deliver product performance with enhanced CO2 emission reductions.

Conscious of its joint responsibility towards a sound management of ELT, Prometeon Tyre Group has recently decided to make a step forward and to adopt a more pro-active approach regarding ELT management compliance in Italy. As a result, following a thorough market survey, Prometeon Tyre Group partnered with an Italian company that is an active participant to the United Nations Global Compact likewise Prometeon Tyre Group.

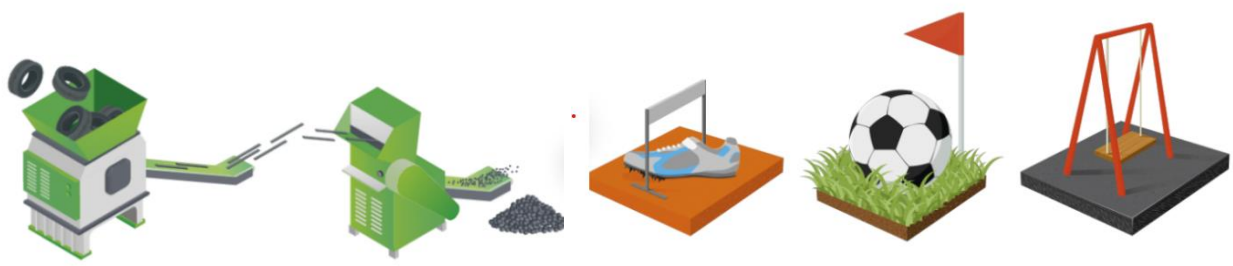
Through this new collaboration, starting from January 2023 Prometeon Tyre Group will actively monitor its ELT management compliance operations in Italy, through real-time updates enabled by the advanced ICT platform developed by the service partner, providing an enhanced and more responsive level of service to the market. Similarly, Prometeon Tyre Group will be able to enhance and further focus its R&D efforts in the areas of sustainable materials from ELT and overall life-cycle sustainability. Moreover, the materials that could be recovered and reused in production thanks to the new ELT management would promise a positive contribution to the Company’s GHG emission indexes related to Scope 3 as well as to finishes and semi-finished product waste indexes.

Thanks to the collaborations with various companies and NGOs around the world, it is possible to reuse the tyres by reconstructing the outer belt - provided that the carcass is still intact – or by means of specific production processes the rubber is crumbled and transformed into different products/materials that can be used in different fields: bio-composites, urban heating materials, sound barriers, flexible cement grout, playgrounds, acoustic underlay, athletics tracks, steelworks, fitness mats, tennis courts, asphalt. Furthermore, ELTs can also be recovered as energy at ad hoc plants.

Indeed, they have the same calorific value as coal, but they cause much lower amounts of climate-changing emissions.



☑ Réparation par renouvellement de la bande de roulement. La bande de roulement fraisée est recyclée.



BIO-COMPOSITES



URBAN HEATING



SOUND BARRIERS



FLEXIBLE CEMENT GROUT



PLAYGROUNDS



ACOUSTIC UNDERLAY

SUSTAINABILITY REPORT



ATHLETICS TRACKS



STEELWORKS

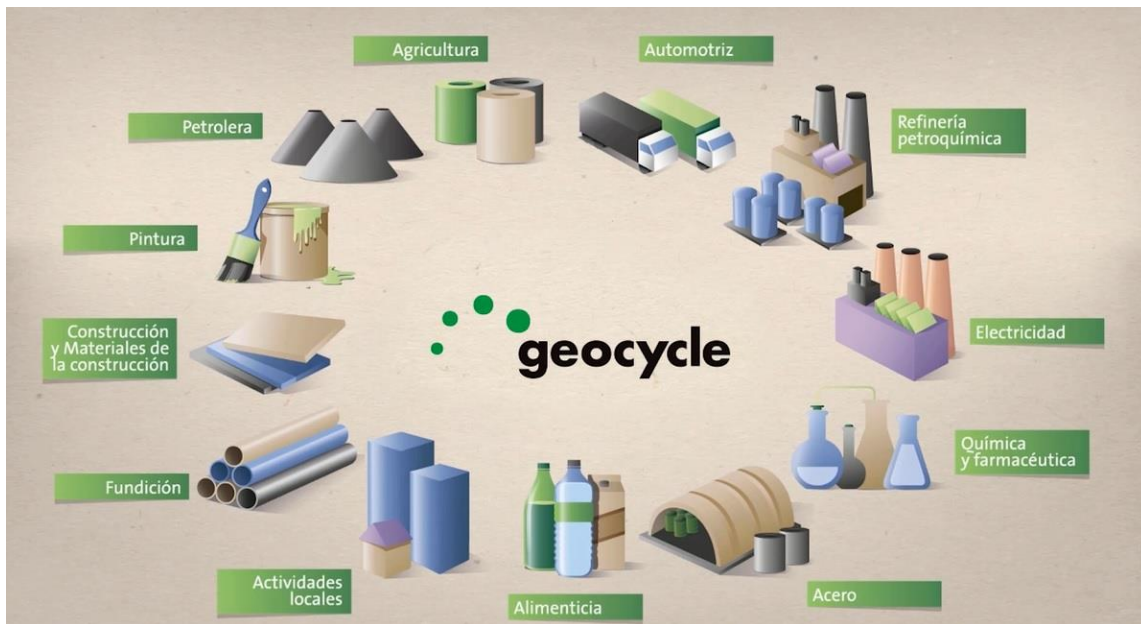


FITNESS MATS

In relation to this, in **Brazil**, the Company collaborates with **RecicLANIP**, which during the course of 2022 recycled a total of 443.296 tons of ELTs from various tyre producers operating in the Country. About 13% (58.022 tons) of the total amount of ELTs recycled in the Country was provided by Prometeon Tyre Group Brazil.

In Argentina where Prometeon Tyre Group has a large and structured commercial presence through a network of 120 sales points, the Company continued to its collaboration started in 2021 with **Geocycle**, a waste management company operating at worldwide level in the field of recovering and recycling industrial, agricultural and municipal wastes. During 2022, to promote a better management of ELTs, 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, in 2022 about 530 tons of ELTs were recovered as energy used in cement production. Prometeon Tyre Group's collaboration with external partners for ELT management in Argentina is not limited to the above mentioned one. In 2022 the Company started to work also with Regomax, a company producing rubber crumbles from ELTs.





In addition to the abovementioned initiatives, Prometeon Tyre Group actively supports national legislative initiatives concerning amendments improving the current laws and regulations and the drafting of the new ones.



In **Turkey**, the Company is member of **LASDER**, association founded by tyre manufacturers operating in the Country for the collection and recycling of ELT. The institutional mission of the association is not only bearing the responsibility for the management of ELTs but also to inform the public about tyre sector and the products through training sessions. Thanks to the collaboration and willingness of tyre manufacturers in the Country, the total amount of ELTs recycled in 2022 equals to approximately 204.655⁵ tons, of which 26.116 (approximately 12,8% of the total amount) tons were provided by Prometeon Tyre Group Turkey.



⁵ Unofficial data provided by LASDER since the official data consolidation will be made and published by Ministry of Environment, Urbanization and Climate Change in the summer 2023.



Moreover, the Company collaborates in Italy with **ECOPNEUS**; in France with **ALIAPUR**, in Belgium with **RECYTYRE**; in Spain with **SIGNUS**; and in Portugal with **VALORPNEU**.



ELT Recycling





The above-described collaborations are not just the simple proof of Prometeon Tyre Groups environmental sensibility, they also reflect the Company’s commitment to environmental communication, which today is an essential element for companies in giving a concrete answer to the word “**environmental sustainability**”.

EXPENSES AND INVESTMENTS

Prometeon embraces the ten fundamental principles of the UNGC and supports the Sustainable Development Goals defined by United Nations during the 2030 agenda, aiming to achieve a better and more sustainable future. Inspired by aforementioned, budget and investments are planned, the Company has set a 5-years road map to further extend and develop its sustainable approach.

As part of an ambitious plan, the Company increases its investment in Sustainability for the next years. In relation to Manufacturing the investment plan is dedicated in the following areas:

- **Technology & Quality;**
- **Energy & Sustainability;**
- **Health, Safety & Environment.**

Regarding Technology & Quality, it is related to direct reduction of waste, the improvement and development regarding the use of new materials, factory processes and high-quality machinery. It is aiming to reduce production waste as much as possible and to have better control process, therefore, to improve product quality and performance as well.

As far as Energy & Sustainability is concerned, investment will be in place in order to reduce consumption of energy, steam, water and consumables such as polyethylene by saving any kind of production resources.

With reference to Health, Safety & Environment, the focus is on the improvement of plants safety, working environment as well as reduction of pollution/emissions. It has set therefore zero work accidents, better working conditions and high sustainable approach from social and environmental point of view as target.



The focus is not only on production side, the Company pays great attention also on other aspects aiming to extend fully the sustainable approach. As explained in Social Dimension, considering also the core of Sustainability, Prometeon puts effort and spends many resources in sustainable initiatives and development by paying attention on internal and external community therefore the whole chain of the business as well as promoting sustainable culture in the way the Company believes.

QUALITY – FROM VISION TO MISSION TO ROAD MAP

For Prometeon, Quality is the base of Global Footprint Industrial strategy. Our vision is perfectly represented by Prometeon logo and slogan “Smart and Sustainable”. A quality approach based on digital innovation and sustainability. This vision is embodied within each pillar of Quality with a circular approach; where everyone is involved and integrated in the activities in a matrix structure.



Then transversally the vision has been cascaded into mission for each of the pillars through the Quality.

This acts as a powerful tool giving directions, and most important purpose, for accomplishing organizational objectives. Ensuring implementation through a company mindset; to enable quality excellence through our value chain.

- **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.

From the statements relating to smart and sustainability, our roadmap was born. Defining short, medium and long terms projects to reach our objectives.

The introduction (to be implemented between 2022 and 2024) of the New fully integrated Quality Management System Platform, on a WW base, is a crucial milestone towards the development of our Smart and Sustainable Quality strategy, the New Platform is an integrated environment covering the whole value stream, complying with the latest standards.

Quality Week 2022

World Quality Week is a global awareness campaign to celebrate the quality management profession.

From 7-11 November 2022, Prometeon celebrated Quality globally with focus on “**Quality means doing it right when no one is looking**”, that in fact implies a quality conscience, quality as a value and a proper mindset that Prometeon has to promote.



ECONOMIC DIMENSION

THE DISTRIBUTION OF VALUE FOR OUR STAKEHOLDERS

SHARING OF ADDED VALUE

In line with inspiration for the SDG “8 Decent Work and Economic Growth”, the Ethical Code of Prometeon Tyre Group ratifies the commitment of the Company to operate to ensure responsible development over the long term, while being aware the bonds and interactions that apply to economic, social and environmental dimensions. This is to wed the creation of value, progress of the Company, the attention given to stakeholders and raising standards of living and quality of the environment.

Added value means the wealth created over a given reporting period, calculated as the difference between the revenues generated and the external costs sustained in the period. Distribution of added value among stakeholders allows the relations between Prometeon Tyre Group and its main stakeholders to be expressed by focusing attention on the socio-economic system in which the Group operates.

| Income statement item | Unit of measure | 2020 | 2021 | 2022 | Notes |
|--------------------------------|------------------|----------------|------------------|------------------|-------|
| Production value | Thousand of Euro | 924,273 | 1,163,774 | 1,614,104 | |
| Income from equity investments | Thousand of Euro | 0 | 0 | 0 | |
| Other financial income | Thousand of Euro | 12,828 | 14,545 | 22,812 | |
| Extraordinary income | Thousand of Euro | 0 | 0 | 0 | |
| Total generated value | | 937,101 | 1,178,320 | 1,636,916 | |

| Distributed economic value | Unit of measure | 2020 | 2021 | 2022 | Notes |
|---|------------------|----------------|------------------|------------------|--------------------------------|
| Operating costs | | 655,193 | 861,515 | 1,230,331 | |
| Costs for raw materials | Thousand of Euro | 438,550 | 651,141 | 913,693 | |
| Costs for services | Thousand of Euro | 124,968 | 139,394 | 214,865 | |
| Costs for the use of third party assets | Thousand of Euro | 0 | 0 | 0 | |
| Changes in inventories good for resale | Thousand of Euro | 13,654 | -7,611 | -12,506 | |
| Changes in inventories of raw materials | Thousand of Euro | -9,138 | -39,777 | -39,693 | |
| Other operating expenses (net of taxes) | Thousand of Euro | 87,159 | 118,369 | 153,972 | |
| Extraordinary expenses | Thousand of Euro | 0 | 0 | 0 | <i>Bilancio IAS per natura</i> |
| Value distributed to employees | | 150,958 | 171,407 | 219,163 | |
| Personnel costs | Thousand of Euro | 150,958 | 171,407 | 219,163 | |
| Value distributed to capital providers | | 59,306 | 49,100 | 65,646 | |
| Interest and other financial charges | Thousand of Euro | 59,306 | 49,100 | 65,646 | |
| Value distributed to the Public Administration | | 13,681 | 29,424 | 41,589 | |
| Income taxes | Thousand of Euro | 13,681 | 29,424 | 41,589 | |
| Other taxes | Thousand of Euro | 0 | 0 | 0 | |
| Value distributed to shareholders | | 2 | 2 | 2 | |
| Dividends distributed | Thousand of Euro | 2 | 2 | 2 | |
| Value distributed to the community | | 2,212 | 3,572 | 5,742 | |
| Liberality | Thousand of Euro | 282 | 159 | 176 | |
| Sponsorships | Thousand of Euro | 1,930 | 3,413 | 5,566 | |
| Membership contributions | Thousand of Euro | 0 | 0 | 0 | |
| Total distributed value | | 881,353 | 1,115,019 | 1,562,473 | |

| Economic value retained | Unit of measure | 2020 | 2021 | 2022 | Notes |
|--|------------------|---------------|---------------|---------------|-------|
| Profit (or loss) for the year net of dividends | Thousand of Euro | 2,695 | 17,406 | 18,029 | |
| Gain/Loss on exchange | Thousand of Euro | 5,909 | 1,847 | -78 | |
| Depreciation / Provisions / Write-downs / Revaluations | Thousand of Euro | 47,145 | 44,048 | 56,491 | |
| Income taxes not paid in the reference year | Thousand of Euro | 0 | 0 | 0 | |
| Total retained value | | 55,749 | 63,301 | 74,442 | |

SUSTAINABILITY REPORT

The total generated value in 2022 recorded a significant increase about 39% compared to 2021 mainly due to the growth in production value - equal to 39% as well – between the two years. It has to be highlighted that this growth in production value is driven by revenues generated by net sales, which increased by 45% compared to 2021.

In parallel with the total generated value, the total distributed value in 2022 recorded a similar performance. Indeed, the distributed value increased by 40% compared to 2021, mainly due to growth in value distributed to the community and operating costs.

For further in-depth study on trends in the items determining generated, distributed and retained values shown above reference should be made to the Consolidated Financial Statements of Prometeon Tyre Group.

The change in the items determining gross global added value as shown above, are set out in the Consolidated Financial Statements section of this report, to which the reader is referred for further details.

OUR SUPPLIERS

The following tables show the trend of purchases at the Group level in 2022:

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

| NUMBER OF PURCHASES BY GEOGRAPHIC AREA | | |
|--|------|------|
| | 2022 | 2021 |
| Europa | 13% | 10% |
| North America | 2% | 2% |
| Others | 13% | 18% |
| Latin America | 33% | 34% |
| Asia | 29% | 29% |
| Africa | 10% | 8% |

| MIX OF RAW MATERIALS PURCHASED (SU BASE SPENDING) | | |
|---|------|------|
| | 2022 | 2021 |
| Natural Rubber | 32% | 32% |
| Synthetic Rubber | 12% | 12% |
| Carbon Black | 16% | 15% |
| Chemicals | 18% | 17% |
| Textile | 3% | 3% |
| Steel | 19% | 21% |

Prometeon is committed to its "Local 4 Local" supply chain policy focused on local sourcing and shorter supply chains for reducing CO2 footprint caused by transportation as well as contributing to economic and social development of local communities where the Company has significant operations. "Significant operations" means production, marketing, sales, distribution of tyres and R&D activities considered all together. The Company's significant operations are located in the Countries where the production plants are present, i.e. Brazil, Egypt and Turkey. "Local communities" instead refers to people living and carrying out business activities in the mentioned countries. The following tables below show the Company's spending and volumes of local procurement for natural rubber, synthetic rubber, carbon black, chemicals, textile and steel for 2021 and 2022, which are essential for industrial tyre production:

SPENDING ON LOCAL SUPPLIERS % - 2021

| Material Group | Prucement Channel | Brazil | Egypt | Turkey | Total Procurement of the Countries with Significant Operations |
|---------------------------------|-------------------|--------|-------|--------|--|
| Carbon Black | IMPORT | 16% | 0% | 100% | 34% |
| | LOCAL | 84% | 100% | 0% | 66% |
| Carbon Black Total | | 100% | 100% | 100% | 100% |
| Chemicals | IMPORT | 47% | 100% | 63% | 63% |
| | LOCAL | 53% | 0% | 37% | 37% |
| Chemicals Total | | 100% | 100% | 100% | 100% |
| Metallic reinforc. | IMPORT | 0% | 100% | 22% | 32% |
| | LOCAL | 100% | 0% | 78% | 68% |
| Metallic reinforc. Total | | 100% | 100% | 100% | 100% |
| Natural Rubber | IMPORT | 47% | 100% | 100% | 74% |
| | LOCAL | 53% | 0% | 0% | 26% |
| Natural Rubber Total | | 100% | 100% | 100% | 100% |
| Synthetic Rubber | IMPORT | 49% | 100% | 100% | 67% |
| | LOCAL | 51% | 0% | 0% | 33% |
| Synthetic Rubber Total | | 100% | 100% | 100% | 100% |
| Textile reinforc. | IMPORT | 19% | 100% | 0% | 20% |
| | LOCAL | 81% | 0% | 100% | 80% |
| Textile reinforc. Total | | 100% | 100% | 100% | 100% |

SUSTAINABILITY REPORT

SPENDING ON LOCAL SUPPLIERS % - 2022

| Material Group | Prucement Channel | Brazil | Egypt | Turkey | Total Procurement of the Countries with Significant Operations |
|---------------------------------|-------------------|-------------|-------------|-------------|--|
| Carbon Black | IMPORT | 45% | 0% | 100% | 52% |
| | LOCAL | 55% | 100% | 0% | 48% |
| Carbon Black Total | | 100% | 100% | 100% | 100% |
| Chemicals | IMPORT | 47% | 100% | 71% | 66% |
| | LOCAL | 53% | 0% | 29% | 34% |
| Chemicals Total | | 100% | 100% | 100% | 100% |
| Metallic reinforc. | IMPORT | 10% | 100% | 19% | 34% |
| | LOCAL | 90% | 0% | 81% | 66% |
| Metallic reinforc. Total | | 100% | 100% | 100% | 100% |
| Natural Rubber | IMPORT | 56% | 100% | 100% | 78% |
| | LOCAL | 44% | 0% | 0% | 22% |
| Natural Rubber Total | | 100% | 100% | 100% | 100% |
| Synthetic Rubber | IMPORT | 48% | 100% | 100% | 72% |
| | LOCAL | 52% | 0% | 0% | 28% |
| Synthetic Rubber Total | | 100% | 100% | 100% | 100% |
| Textile reinforc. | IMPORT | 49% | 100% | 0% | 43% |
| | LOCAL | 51% | 0% | 100% | 57% |
| Textile reinforc. Total | | 100% | 100% | 100% | 100% |

VOLUMES OF LOCAL PROCUREMENT (TON) -2021

| Material Group | Prucement Channel | Brazil | Egypt | Turkey | Total Procurement of the Countries with Significant Operations |
|---------------------------------|-------------------|----------------|---------------|----------------|--|
| Carbon Black | IMPORT | 7,274 | - | 16,847 | 24,121 |
| | LOCAL | 31,930 | 14,096 | - | 46,026 |
| Carbon Black Total | | 39,204 | 14,096 | 16,847 | 70,147 |
| Chemicals | IMPORT | 10,027 | 9,113 | 9,206 | 28,346 |
| | LOCAL | 15,899 | - | 9,797 | 25,696 |
| Chemicals Total | | 25,926 | 9,113 | 19,002 | 54,042 |
| Metallic reinforc | IMPORT | 41 | 14,974 | 5,199 | 20,214 |
| | LOCAL | 24,597 | - | 19,736 | 44,333 |
| Metallic reinforc. Total | | 24,638 | 14,974 | 24,935 | 64,547 |
| Natural Rubber | IMPORT | 21,386 | 24,119 | 33,499 | 79,004 |
| | LOCAL | 31,850 | - | - | 31,850 |
| Natural Rubber Total | | 53,236 | 24,119 | 33,499 | 110,854 |
| Synthetic Rubber | IMPORT | 11,921 | 5,856 | 8,328 | 26,105 |
| | LOCAL | 13,411 | - | - | 13,411 |
| Synthetic Rubber Total | | 25,332 | 5,856 | 8,328 | 39,516 |
| Textile reinforc. | IMPORT | 892 | 42 | - | 933 |
| | LOCAL | 2,829 | - | 58 | 2,888 |
| Textile reinforc. Total | | 3,721 | 42 | 58 | 3,821 |
| GRAND TOTAL | | 172,057 | 68,201 | 102,669 | 342,926 |

VOLUMES OF LOCAL PROCUREMENT (TON) - 2022

| Material Group | Procurement Channel | Brazil | Egypt | Turkey | Total Procurement of the Countries with Significant Operations |
|-------------------------------------|---------------------|----------------|---------------|----------------|--|
| Carbon Black | IMPORT | 19,272 | - | 20,398 | 39,670 |
| | LOCAL | 21,673 | 14,915 | - | 36,588 |
| Carbon Black Total | | 40,946 | 14,915 | 20,398 | 76,258 |
| Chemicals | IMPORT | 11,129 | 11,684 | 12,487 | 35,300 |
| | LOCAL | 14,939 | - | 8,674 | 23,613 |
| Chemicals Total | | 26,068 | 11,684 | 21,161 | 58,913 |
| Metallic reinforcement | IMPORT | 2,105 | 16,328 | 4,954 | 23,386 |
| | LOCAL | 24,103 | - | 19,265 | 43,369 |
| Metallic reinforcement Total | | 26,208 | 16,328 | 24,219 | 66,755 |
| Natural Rubber | IMPORT | 30,001 | 27,624 | 39,013 | 96,638 |
| | LOCAL | 26,891 | - | - | 26,891 |
| Natural Rubber Total | | 56,892 | 27,624 | 39,013 | 123,529 |
| Synthetic Rubber | IMPORT | 10,076 | 7,169 | 15,422 | 32,668 |
| | LOCAL | 12,150 | - | - | 12,150 |
| Synthetic Rubber Total | | 22,226 | 7,169 | 15,422 | 44,818 |
| Textile reinforcement | IMPORT | 1,550 | 59 | - | 1,609 |
| | LOCAL | 1,623 | - | 620 | 2,243 |
| Textile reinforcement Total | | 3,173 | 59 | 620 | 3,852 |
| GRAND TOTAL | | 175,512 | 77,780 | 120,833 | 374,125 |

All the documents related to policy and procedure practices that need to be applied by Procurement Department and with reference to the specific social and environmental issues covered, the Company undertakes to establish and maintain the procedures necessary to evaluate and select its suppliers on the basis of their level of quality, social and environmental responsibility, as well as to request their suppliers to implement a similar management model, in order to strengthen responsible management in the supply chain that extends beyond its direct supplier. In line with its “High Value” development strategy, the Company does not limit its assessments of products and services offered to the mere cost proposed, paying utmost attention instead to the value proposed, thereby including quality, innovation, flexibility, economic, social and environmental responsibility and business ethics. Starting from the very first contact, all Prometeon Tyre Group suppliers were and are assessed on their social, environmental and business ethics responsibilities in addition to the economic and products or services quality to be supplied. In the final stage every purchase order is “contractually bound” to the Sustainability and Business Ethics Clauses.

The **self-assessment procedure** introduced in 2018 requires to new suppliers of raw material and high value added (HVA) parts, to auto-certify the fundamental requirements of sustainability performance with respect to the principal national and international regulations on work, environment, and business ethics. Moreover, it has to be noted that the self-assessment provided to all suppliers, analyze and select these latest considering the ESG (Environment, Social and Governance) requirements.

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Moreover, in 2022, in order to verify that suppliers result compliant with the fundamental requirements regarding the social, environmental and business ethics responsibilities, Prometeon Tyre Group decided to continue with **audits on site** with the collaboration of a **second-party audit company**. Procurement Department together with Internal Audit & Sustainability Department selected a sample of suppliers including all types: natural rubber, chemicals, carbon black etc. Furthermore, with the issuance of the Policy on Conflict Minerals and Cobalt in 2021, the Company decided to audit in 2022 suppliers susceptible to conflict minerals and cobalt to verify the correctness of the procedure applied by the supplier to sell these latest to Company (*please refer to Governance and Business Ethics of this Report – Conflict Minerals and Cobalt Policy*). 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 second party.

Based on the results obtained during the audit carried out in 2022, it emerged that 33% of suppliers have been identified as having significant actual and potential negative social impacts with which improvements were agreed and signed by the suppliers concerned upon the result of the assessment carried out by the second party audit company.

During 2022 100% of all new suppliers having collaboration with Prometeon Tyre Group have been evaluated in the area of Environment, Social and Governance. During 2022 18 audits of suppliers of raw materials (natural rubber, chemicals, carbon black, cobalt and minerals) have been verified (covering the 20% of the total spending equal to 640 MEuro) by second party audit company to attest their compliance in terms of social standards and impacts. Furthermore, Prometeon Tyre Group due to the nature of the raw materials and geographical area where these latest are purchased, all of these 18 audit and suppliers can have significant actual and potential negative social impacts.

Moreover, it has to be noted that during the course of the year, 0% of suppliers were terminated due to actual and potential negative social impact as a result of the assessment.

Here below the summary of the result of the audits carried out during 2022 used to evaluate the overall performances of the suppliers of raw materials in term of sustainability:

| | Maximum Score | Average Score | |
|--|---------------|---------------|------------|
| | Score | Score | % |
| Governance | 5 | 4 | 79% |
| Child labour | 35 | 30 | 86% |
| Forced labour | 45 | 39 | 86% |
| Health and Safety | 150 | 124 | 83% |
| Freedom of association | 45 | 37 | 83% |
| Human resources / Discrimination | 45 | 36 | 80% |
| Disciplinary practices | 35 | 28 | 79% |
| Working hours | 60 | 45 | 75% |
| Remuneration | 45 | 38 | 84% |
| Environment | 70 | 57 | 81% |
| Lawfulness and ethics in business | 40 | 30 | 76% |
| Relations with the Community | 25 | 19 | 78% |
| Supply chain management | 30 | 22 | 72% |
| Transparency / Communication with stakeholders | 25 | 19 | 78% |
| Total | 655 | 528 | 81% |

**The average score considers the 18 audits carried out in 2022 (for each supplier audit can be carried out on more than 1 factory)*

| | Maximum SCORE | Supplier 1 | | Supplier 2 | | Supplier 3 | | Supplier 4 | | Supplier 5 | | Supplier 6 | | Supplier 7 | | Supplier 8 | | Supplier 9 | |
|--|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| Governance | 5 | 4 | 80% | 4 | 80% | 5 | 100% | 5 | 100% | 3 | 60% | 5 | 100% | 5 | 100% | 4 | 80% | 4 | 80% |
| Child labour | 35 | 30 | 86% | 30 | 86% | 33 | 94% | 33 | 94% | 29 | 83% | 33 | 94% | 33 | 94% | 28 | 80% | 34 | 97% |
| Forced labour | 45 | 40 | 89% | 40 | 89% | 42 | 93% | 42 | 93% | 40 | 89% | 44 | 98% | 44 | 98% | 36 | 80% | 38 | 84% |
| Health and Safety | 150 | 150 | 100% | 150 | 100% | 119 | 79% | 130 | 87% | 95 | 63% | 148 | 99% | 148 | 99% | 108 | 72% | 123 | 82% |
| Freedom of association | 45 | 45 | 100% | 45 | 100% | 39 | 87% | 41 | 91% | 29 | 64% | 44 | 98% | 44 | 98% | 36 | 80% | 37 | 82% |
| Human resources / Discrimination | 45 | 38 | 84% | 38 | 84% | 40 | 89% | 40 | 89% | 28 | 62% | 43 | 96% | 42 | 93% | 36 | 80% | 36 | 80% |
| Disciplinary practices | 35 | 34 | 97% | 34 | 97% | 25 | 71% | 27 | 77% | 21 | 60% | 35 | 100% | 35 | 100% | 28 | 80% | 28 | 80% |
| Working hours | 60 | 44 | 73% | 44 | 73% | 44 | 73% | 44 | 73% | 42 | 70% | 59 | 98% | 59 | 98% | 44 | 73% | 49 | 82% |
| Remuneration | 45 | 43 | 96% | 43 | 96% | 40 | 89% | 40 | 89% | 32 | 71% | 44 | 98% | 44 | 98% | 36 | 80% | 36 | 80% |
| Environment | 70 | 70 | 100% | 70 | 100% | 51 | 73% | 52 | 74% | 29 | 41% | 69 | 99% | 69 | 99% | 54 | 77% | 50 | 71% |
| Lawfulness and ethics in business | 40 | 29 | 73% | 29 | 73% | 33 | 83% | 33 | 83% | 20 | 50% | 39 | 98% | 39 | 98% | 28 | 70% | 26 | 65% |
| Relations with the Community | 25 | 23 | 92% | 23 | 92% | 20 | 80% | 20 | 80% | 9 | 36% | 24 | 96% | 24 | 96% | 20 | 80% | 19 | 76% |
| Supply chain management | 30 | 28 | 93% | 28 | 93% | 20 | 67% | 20 | 67% | 9 | 30% | 30 | 100% | 30 | 100% | 8 | 27% | 24 | 80% |
| Transparency / Communication with stakeholders | 25 | 24 | 96% | 24 | 96% | 15 | 60% | 15 | 60% | 11 | 44% | 25 | 100% | 25 | 100% | 18 | 72% | 20 | 80% |
| Total | 655 | 602 | 92% | 602 | 92% | 526 | 80% | 542 | 83% | 397 | 61% | 642 | 98% | 641 | 98% | 484 | 74% | 524 | 80% |

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| | Maximum SCORE | Supplier 10 | | Supplier 11 | | Supplier 12 | | Supplier 13 | | Supplier 14 | | Supplier 15 | | Supplier 16 | | Supplier 17 | | Supplier 18 | |
|--|---------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| Governance | 5 | 1 | 20% | 3 | 60% | 3 | 60% | 3 | 60% | 4 | 80% | 5 | 100% | 4 | 80% | 4 | 80% | 5 | 100% |
| Child labour | 35 | 25 | 71% | 21 | 60% | 25 | 71% | 29 | 83% | 33 | 94% | 35 | 100% | 35 | 100% | 34 | 97% | 23 | 66% |
| Forced labour | 45 | 28 | 62% | 27 | 60% | 30 | 67% | 40 | 89% | 44 | 98% | 45 | 100% | 45 | 100% | 45 | 100% | 23 | 51% |
| Health and Safety | 150 | 106 | 71% | 89 | 59% | 95 | 63% | 92 | 61% | 139 | 93% | 150 | 100% | 150 | 100% | 147 | 98% | 96 | 64% |
| Freedom of association | 45 | 30 | 67% | 27 | 60% | 30 | 67% | 26 | 58% | 41 | 91% | 45 | 100% | 45 | 100% | 40 | 89% | 27 | 60% |
| Human resources / Discrimination | 45 | 28 | 62% | 27 | 60% | 27 | 60% | 28 | 62% | 43 | 96% | 40 | 89% | 45 | 100% | 45 | 100% | 28 | 62% |
| Disciplinary practices | 35 | 16 | 46% | 21 | 60% | 21 | 60% | 21 | 60% | 32 | 91% | 35 | 100% | 35 | 100% | 35 | 100% | 17 | 49% |
| Working hours | 60 | 33 | 55% | 36 | 60% | 36 | 60% | 42 | 70% | 46 | 77% | 55 | 92% | 47 | 78% | 53 | 88% | 35 | 58% |
| Remuneration | 45 | 31 | 69% | 27 | 60% | 32 | 71% | 32 | 71% | 44 | 98% | 45 | 100% | 45 | 100% | 44 | 98% | 26 | 58% |
| Environment | 70 | 49 | 70% | 42 | 60% | 43 | 61% | 51 | 73% | 68 | 97% | 70 | 100% | 70 | 100% | 70 | 100% | 41 | 59% |
| Lawfulness and ethics in business | 40 | 15 | 38% | 22 | 55% | 25 | 63% | 31 | 78% | 34 | 85% | 40 | 100% | 40 | 100% | 40 | 100% | 21 | 53% |
| Relations with the Community | 25 | 15 | 60% | 15 | 60% | 15 | 60% | 12 | 48% | 21 | 84% | 25 | 100% | 25 | 100% | 25 | 100% | 15 | 60% |
| Supply chain management | 30 | 15 | 50% | 16 | 53% | 18 | 60% | 9 | 30% | 28 | 93% | 30 | 100% | 28 | 93% | 30 | 100% | 18 | 60% |
| Transparency / Communication with stakeholders | 25 | 18 | 72% | 15 | 60% | 17 | 68% | 11 | 44% | 24 | 96% | 25 | 100% | 24 | 96% | 25 | 100% | 13 | 52% |
| Total | 655 | 410 | 63% | 388 | 59% | 417 | 64% | 427 | 65% | 601 | 92% | 645 | 98% | 638 | 97% | 637 | 97% | 388 | 59% |

Prometeon Tyre Group defined the following criteria for the results of the assessment:

- < 50 % → termination of the supplier;
- 51 % < 70 % → action plan agreed and signed with suppliers (deadline 30, 60, 90 days);
- 80 % → suppliers selected for future supplier award that will be defined before the end of 2023.

Due to the countries where the Company operates and to monitor the operations at significant risk of child labor, Prometeon Tyre Group through the Risk Management Committee, which monitors in its significant locations of operation and at general level, in all the countries where the Company operates, that child labor is not practiced in any case and in any type of operation (such as manufacturing plant). Moreover, to monitor the entire value chain and due to the geographical area where raw materials are purchased, the Company through the above-mentioned second party audit monitors also that the prohibition of child labor is fully respected by its supplier and the related location of operation where they operate. Furthermore, in line with its commitment to the UNGC and its "*Principle 1: Support and respect the protection of internationally proclaimed human rights*" and "*Principle 2: Ensure that business practices are not complicit in human rights abuses*"; and the application of the policies (Global Human Rights Policy, Conflict Minerals and Cobalt Sourcing Policy, Social Responsibility Policy for Occupational Health, Safety and Rights, and Environment) publicly available on the official website Prometeon Tyre Group contributes to the effective abolition of child labor.

Prometeon Tyre Group with the support of the Risk Management Committee and through the second party audit carried out for the suppliers monitors operations and suppliers at significant risk for incidents of forced or compulsory labor. Due to the type of operation, the Countries where the Company operates and where raw materials are purchased, Prometeon Tyre Group takes measures to contribute to the elimination of all forms of forced or compulsory labor. Moreover, respecting “*Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining*” the Company verifies that all its workers and those of the suppliers can have the possibility to prevail over their rights (Global Human Rights Policy, Conflict Minerals and Cobalt Sourcing Policy, Social Responsibility Policy for Occupational Health, Safety and Rights, and Environment).

The procedure is reviewed by the Internal Audit and Sustainability Department and based on the answers given to the questionnaire decides whether to approve the supplier or not. In cases where the supplier results to be not compliant (even if issues not material) with Prometeon Tyre Groups sustainability requirements, the department adopts action plans which will be communicated to the supplier in order to implement the corrective action and to fill up the gap with areas of improvement identified.

The Company agreed to reach specific target to obtain Sustainability linked loan. For this purpose, goals have been set with a 5-year plan which will involve 88% of its Raw materials supplier base. Here below the audit plan shared and approved:

| SUSTAINABILITY AUDIT EVOLUTION | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|------|-------|-------|-------|-------|
| Audit Plan (based on supplier spending) Mio€ | 24,9 | 125,3 | 261,7 | 410,9 | 543,6 |
| % Audited | 4% | 20% | 42% | 66% | 88% |
| Total factories audited | 6 | 22 | 37 | 54 | 75 |

**The number of factories audited is presented cumulatively. (e.g. in 2021 6 factories were audited while for 2022 in total 18 factories have been audited)*

In 2022 the Company overachieved the targets and commitment for sustainability audits, strengthening the position of Prometeon Tyre Group.

With regard to the contractual stage, for ten years now, the **Sustainability and Business Ethics Clauses** (including anticorruption) have been included systematically in contracts and 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), and in 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, being the “Ethical Code”; the “Code of Conduct”, the “Global Human Rights” Policy, the “Health, Safety and Environment” Policy, the “Anti-Corruption Program”, published and accessible on the web, clarifying the principles of the

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Company in its activities and relations with third parties, contractually and otherwise require that suppliers confirm their commitment to:

- ✓ not using or supporting the use of child labor and forced labor;
- ✓ ensuring equal opportunity, freedom of association and promotion of the development of each individual;
- ✓ opposing the use of corporal punishment, mental or physical coercion, or verbal abuse;
- ✓ complying with the laws and industry standards concerning working hours and ensuring that wages are sufficient to cover the basic needs of personnel;
- ✓ not tolerating any type of bribery in any form or manner and in any legal jurisdiction, even where such practices are effectively permitted, tolerated, or not subject to prosecution;
- ✓ assessing and reducing the environmental impact of their own products and services throughout their entire life cycle;
- ✓ using resources responsibly with the aim of achieving sustainable development in compliance with the principles of respect for the environment and the rights of future generations;
- ✓ establishing and maintaining the necessary procedures to evaluate and select suppliers and sub-suppliers on the basis of their commitments to social and environmental responsibility, regular overseeing compliance with this obligation on the part of the same;
- ✓ specifying that the Company reserves the right to verify at any time through activities of audit, either directly or through third parties, that fulfillment of the duties taken on by a supplier has been achieved.

The Sustainability Clauses have been translated in different languages, where the suppliers operate, to ensure maximum clarity and transparency vis à vis a supplier in the matter of the contract duties that they assume, not only in respect of the Company itself, but also at their own site in relations with their own suppliers.

From the standpoint of utmost assurance, suppliers of Prometeon Tyre Group have available the Whistleblowing Reporting Procedure (please refer to the Governance & Business Ethics section of this report to have more details about the platform launched By Prometeon to support stakeholders being available 24/24 and 7/7 (<https://prometeontyregroup.whistlelink.com/>), which has been indicated expressly in the clauses and by means of which any breach or suspected breach they discern in relations with the Company referring to the contents of the following can be reported in total confidentiality: the “Ethical Code“, the “Code of Conduct“, the Company policies “Global Human Rights“, “Health, Safety and Environment“, “Anti-Corruption Program“.

In 2022 Prometeon Tyre Group showed resilience and innovative approach in difficult times due to pandemic making the brand stronger and safeguarded for years to come. The Company is committed to strengthen the sustainability initiatives extending the sustainability audits to raw materials, capex and services suppliers, applying self-assessment model and the audits on site. Moreover, during 2022

the Company worked to draft a sustainable procurement policy which will be issued in 2023 and will be applicable to all types of suppliers. To recognize the suppliers' commitment, the Company worked to set up a Supplier Award. The suppliers will be evaluated on the basis of different KPIs in which one will be related of sustainability-ESG project. Detailed information on the topic will be available in the next corporate social responsibility report of 2023. Prometeon Tyre Groups relationship with suppliers and external collaborators is funded on business integrity and respect for equal opportunities for all the subjects involved in the purchasing processes, as required by the "Ethical Code".

Several Prometeon Tyre Group policies highlights not just the full integration of the sustainable supply chain but also the Company's already present commitment in addressing the causes underlying the SDGs "8 Decent Work and Economic Growth" and "12 Responsible Consumption and Production", as most of the policies have been adopted and implemented before adherence to the UNGC and inspiration for the SDGs. The sustainable management of the supply chain is also the subject of integral part of the "Social Responsibility for Occupational Health, Safety and Rights and Environment" Policy, the "Global Health, Safety and Environment" Policy, the "Global Human Rights" Policy, the "Global Quality" Policy, the "Sustainable Natural Rubber" Policy.

QUALITY CERTIFICATES

The quality certifications, obtained by Prometeon in the past years, have been renewed, as described below:

- **Quality and System certification ISO 9001:** In 2019, Prometeon Tyre Group had sustained the certificate with successful surveillance external party audits for Head Quarter and all the operative units and in 2020 the Company had the first re-certification from external party audit. In 2021 and 2022, the certificate was sustained with successful surveillance external party audits for Head Quarter and all our operative units, the positive results confirming previous years' trend of for the entire Prometeon Tyre Group;
- **IATF 16949:2016:** Following the evolution of the ISO 9001:2015 standard and the new IATF 16949:2016 (Automotive Scheme that became private), Prometeon Tyre Group in 2018 has achieved the certification of the Quality Management System. Prometeon Tyre Group is one of the leaders in the achievement of these updated significant and demanding certifications. In 2019, the Group has sustained the certificate with successful surveillance external audits. In 2020 has passed successfully the first Re-certification from external audit and on 2021 and 2022, has sustained the certificate with successful surveillance external party audits, which confirms the robust Quality Management Systems in-place and the continuous improvement approach

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adapted in Prometeon Tyre Group with 2 minor non-conformities assigned in 2022, an 80% reduction regarding the period 2017-2019 yearly average.

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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 (*for further details please refer to Environmental Dimension of this report*).

Regarding **Quality**, with reference to the “**Culture Evolution**” project (*please refer to the Governance and Business Ethics of this Report*) the **Safety** (*please refer to Social Dimension of this Report*) will be enhanced with methodic support of **Quality** team, which, based on recognized behavioral maturity evaluation criteria, developed a questionnaire assessing the level of awareness and accountability in specific areas of all units. Starting from the results, action plans were assigned for areas, also defining the improvement to reach interdependent level of maturity.



LINK WITH THE TERRITORY

PRODUCT SAFETY, PERFORMANCE AND ECO-SUSTAINABILITY

In line with its inspiration for the SDGs “**9 Industry, Innovation and Infrastructure**” and “**12 Responsible Consumption and Production**” Prometeon Tyre Group is committed to develop alternative production site and materials with low impact on the environment, i.e. materials with no ingredients of petroleum origins and those recycled. Product safety and performance, combined with the sustainability goals, is the main focus of Company’s product research and development activities.

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 good and people transport, Agriculture and OTR. Prometeon’s multi-level offering with a product portfolio that includes the PIRELLI, FORMULA, PHAROS, ANTEO, SESTANTE, ERACLE, TEGRYS brands.

The company has developed its own technological know-how, implementing and improving the licensed technology of Pirelli Tyre SpA.

With over 100 years of experience in the commercial tyre industry, offers a complete range of products and services for all types of segments.

Research and Development expenses for the Prometeon Tyre Group for the year 2022 amounted to 26.7 million euros, of which 7.3 million are made for investments.

The Company has 3 R&D centers, one in Brazil, one in Italy and one in Turkey, and 1 Development Center in Egypt, which allow the autonomous development of products that meet the requests from the various markets of the main geographical areas of the world. Of these R&D centers, the newest one was opened in Izmit Turkey in 2020, with the new Materials Laboratory opened in 2021.



“Prometeon Tyre Group opens a new R&D center in Turkey”

Prometeon Tyre Group R&D is based on an Open Innovation approach to develop new knowledge through collaboration with Universities, Startups, and Companies that have consolidated know-how in

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specific areas of study. Thanks to projects realized jointly, the Company can develop new technological knowledge to improve the performance of commercial vehicle tyres in terms of safety, sustainability, energy saving and environmental impact.

Prometeon Tyre Group's Research and Innovation activities respond to these market needs and to the necessary focus on sustainability in which the Company is paying a lot of attention.

All the thematic developed are aimed at the enhancement of the fundamentals (Research) and to the innovation of product performance through:

- the study and acquisition of know-how;
- creation of virtual models;
- use of new laboratory survey methodologies;
- new instruments for measuring and reproducing the phenomenon;

and thus, for the identification of a possible innovative solution and its consequent introduction in the products produced by the Company.

The main role of R&D Department is to develop new products and processes through innovations, which are based on the following 6 pillars:

- **collaboration with lawmakers** in order to gather information regarding legislation evolution both at national and international level;
- and from business point of view with **OEMs** in order to understand and analyze the development and growth regarding products and technologies, therefore aiming to study analyze and anticipate future market trends;
- **technology evolution of the product** to be up to date with the latest developments in Innovation;
- application of **digital mobility solutions** to tyre business in order to increase the overall safety and performance;
- **open innovation** to foster collaborations with experts in their relevant fields for increasing the Company know how;
- and carrying out all the above-mentioned activities paying a great attention to **sustainability**, i.e. respecting to the nature, caring for the society and ensuring a continuous innovation.



During the last years, several projects have been started with a particular focus on the study of new sustainable materials, the recovery of waste and the waste materials coming from different working cycles. In this regard, several collaborations have been agreed with universities that represent excellence in different fields of research.

The recent focus of the industry for the digitization and development of IOT systems has recently highlighted the need to collect and process information from tyre usage enabling through the implementation of algorithms, the best use of both in terms of environmental impact (energy consumption reduction) and safety, allowing a constant and real-time monitoring of conditions of the use of tyres. The optimization of their use and related maintenance can lead to fuel efficiency and longer life, reducing fuel consumption and significantly increasing the life of the tyres with a consequent reduction of the impact on the environment.

The push given by the European Community requiring a substantial reduction in CO2 emissions, has led to an increase of restrictive regulations for vehicle manufacturers. In fact, the limits set by the EU legislation envisage a reduction in CO2 emissions of 15% by 2025 and 30% by 2030 (accordingly Prometeon Tyre Group defined its own targets as discussed in Environmental Dimension). The major vehicle manufacturers have required to all their component suppliers to perform improvement activities to reduce energy consumption and thus for all components used in their vehicles. It has to be noted that tyre manufacturers have been firstly involved and required to optimize energy-saving performance without penalizing other essential qualities such as safety and durability.

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Moreover, several national entities have promoted incentive actions in the use of low environmental impact vehicles and components, giving a greater push for research and innovation on new materials, new technological solutions, new production processes, new control systems.

Thanks to the focus on sustainable innovation and technological solutions developed in the Research and Development centers of the Company, the new O2 Series of Prometeon is 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, on one hand high mileage and on the other and an "active sustainability": longer tyre life and lower rolling resistance, which is the results of a decrease in tyre consumption and fuel consumption.

The development activity of the new lines has been focused on formulations containing sustainable materials, on innovative technological solutions and processes that have led to a significant reduction in the weight of tyres, to obtain, with equal safety standards, a very balanced product, able to offer the best performance in full compliance with the principles of sustainability.

In May 2022, Prometeon launched 5 new product lines focused on energy saving (Profuel) and increasing the durability of products maintaining the same performance. In particular, the new H02 Profuel Series tends to extreme the energy efficiency of the tyre ($rrc < 4.0 \text{ N/kN}$ -> Class A), these latest are dedicated to all sector of use where long-haul driving at a constant speed are able to maximize the positive effect of reduction allowing the CO2 reduction target imposed on heavy vehicles that need to be reached by 2030 (- 30%).

Based on calculations made with VECTO (the simulation tool developed by the European Commission and used to determine CO2 emissions and fuel consumption of heavy vehicles) a trailer equipped with 385/55 R 22.5 H02 PROFUEL Steer tyres and 315/70 R 22.5 H02 PROFUEL Drive on the tractor, and 385/55 R 22.5 on the semi-trailer, consumes 1.4 liters less per 100 kilometers than a vehicle equipped with the previous product line. For a fleet of 150 lorries that each cover 130 thousand kilometers per year, means 702 tons of lower CO2 emissions and a fuel cost saving of 465 thousand euro per year (average price of diesel fuel of 1.7 €/l).

In order to force at its maximum the reduction of the tyre's rolling resistance, the R&D Department decided to proceed applying combined action of more or less decisive factors but also acting on the type of materials used, optimizing the structure and the overall reduction of tyre weight.

For the structure cords made of high strength steel were used giving high flexibility and preventing the spread of corrosion, ensuring the integrity and longevity of the casing. Zero-degree spiral belt cords with new geometry and increased diameter for durability and strength.

Reinforced heel, in combination with the new geometry of the metal wires that gives great flexibility, strength and high load capacity. Innovative belt pack configuration to optimize tyre weight, contain energy dissipation, promoting low rolling resistance and fuel consumption containment.

Using engineering systems for numerical calculation and through virtual simulations it has been learned that the tread affects more than 50% of the rolling resistance coefficient coming from material used and from the drawing. However, to achieve these very challenging goals, the Company has completely redesigned the tyre by re-engineering all the materials inside the tyre as per compounds and structure.

Thanks to the know-how of the designers, an innovative concept of tread design, which is a Prometon's patent, has been developed. The aim of this design was to reduce the mobility of the various parts of the design itself maintaining adherence qualities on slippery surfaces and thus thanks to the contribution of innovative materials that maximize road holding while maintaining very low levels of hysteresis, that is low energy consumption during the rolling.

Through an optimized combination of materials and tread pattern, mileage performance has also been preserved on long-haul applications, optimizing tyre life efficiency. This has been possible using a high percentage of silica in the tread compound which required necessarily a new production process of the tyre be able to discharge the electrostatic charges integrating in the tread a conductive insert.

The development of the new Profuel product lines required four years of study, 180 million kilometers of tests on the roads in Italy, Germany and Turkey. 2,500 tires have been tested with a working group of one hundred professionals involved in the project composed by Research and Development, Marketing, Logistics and Commercial Department. Thanks to the results obtained with the tests on wet, dry and snow, the Profuel attained the winter homologation 3PMSF. Moreover, it has to be highlighted that mileage and structural strength tests were conducted, in line with current product lines, as well as all tests related to the required legal approvals.

In addition, all O2 Series tyres are equipped with an internal RFID sensor that allows identification.

The sizes and products offered by the line H02 Profuel are the following:

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

Product line dedicated to electric vehicles and urban buses

The aim of the project was the development of a new line of products dedicated for the equipment of latest generation of electric traction vehicles specialized in transport of people in urban areas.

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Sustainable mobility, especially in urban contexts, is a theme driving to the decision to renew and/or upgrade the fleet vehicles that are used for urban public transport at worldwide level:

“Within seven years, nearly half of the city buses in service worldwide are expected to become electric. Therefore, the total number of electric buses is expected to be more than triple, from 386,000 in 2017 to about 1.2 million in 2025, accounting for about 47% of all urban bus fleets worldwide. Major cities are moving in the same direction: Paris, London, Milan, Mexico City and Los Angeles are among the 40 cities that have committed to investing only in zero emission transport by 2025”. (Source: European Transport Forum 2019).

The main manufacturers of heavy vehicles are releasing on the market new generation electric traction buses that meet a twofold objective: to increase operating autonomy by using more powerful batteries, but of a heavier weight, and maintain the same passenger capacity as conventional and/or hybrid vehicles and thus lead to an increase of the overall mass of the vehicle.

To meet these needs, tyre manufacturers were required to develop new products/measures with increased load capacities (which were not allowed by international standards at the beginning of the study) and reduced rolling resistance, to limit battery charging cycles.

Starting from the knowledge acquired regarding the advancement of the latest generation of products, the development and design activity has been focused on the research of combinations for technological solutions properly balanced that could achieve the main performance targets required.

U02 URBAN-e PRO Multiaxle meets the needs of the new generation of electric mobility vehicles: thanks to an increased load capacity, compared to the previous product line, that allows the use of batteries with high autonomy without compromising the number of passengers.

The new product line has a rolling resistance reduced by 10% compared to the previous product and is classified among the best in class with Category B on fuel consumption. U02 URBAN-e PRO Multiaxle helps increase the autonomy of city buses, reduce battery charging cycles for fully electric vehicles and reduce CO₂ emissions.

In line with the evolution of hybrid and electric vehicles for urban use, characterized by frequent stop and go, the new product reduces operating costs, as well as offering a higher level of comfort, a uniform wear and reduced generation of noise (69dB in measure 275/70R22.5) and thus with excellent safety performance.

U02 URBAN-e PRO Multiaxle is suitable for all axles. The M+S and 3PMSF markings, together with the Category B in wet grip, ensure a high level of performance even in winter conditions as well. To achieve this performance, Prometeon R&D has redesigned materials and internal structures of the product. The

introduction of the new SWITe technology and the reinforced structure have allowed an increase in load capacity, while improving rebuildability of tyres. To increase the durability of the product subject to strong creeps and impacts against sidewalks, a reinforced sidewall profile and a new compound more resistant to abrasion have been added. In order to optimize the rolling resistance performance, the design criteria of the newly developed tread patterns, with reduced deformability, were used, applying the concepts contained in the patent application filed.

Such drawing installations shall be such as to permit compaction by limiting the mobility/deformation of the longitudinal grooves or transverse anchors in particular loading or driving conditions. Limitation of the deflection energy of the tread contributes to reducing the hysteresis of the tyre. However, in order to keep in line the wet sealing performance with the previous product, a particular geometry of the longitudinal grooves that guarantees an enlargement of the cross-section of the same at mid-life promoting water drainage and therefore vehicle controllability, has been adopted (see patent IT201700084726A1).

Furthermore, the new tread geometry has been designed to ensure excellent impact resistance and high traction throughout the life cycle, taking into account also the high torque transmitted by electric traction engines on tyres. Prometeon has developed this product line in collaboration with the main manufacturers of new generation of urban vehicles working with electric motors or alternative fuels to diesel.

In particular, Prometeon Tyre Group in collaboration with the company E-CO Hev, which produces an innovative electric vehicle without batteries but with a super condenser, is continuing a project on sustainable urban transport in major Italian metropolitan cities. The new line is available in the following sizes:

- 275/70 R 22.5 152/148J with Category B in fuel consumption and wet grip, Category A (69dB) in external rolling noise;
- 315/60 R 22.5 156/150J with Category B (best in market class) in fuel consumption and wet grip, Category A (72dB) in external rolling noise.

R02 PROFUEL for motorway, regional and urban routes

Also for the Regional line, that is, the versatile product for the equipment of trucks with tyres with 17.5" and 19.5" shrinkage that operate on motorway routes, regional and urban, the same concept of reducing fuel/energy consumption and increasing durability was pursued. The tread patterns have been designed to provide grip and traction in all seasons and on wet and moderately snowy surfaces, as well as to ensure the optimal distribution of the footprint on the ground for the benefit of uniformity of wear and mileage.

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The new geometry of the sides and the increase in the thickness of the rubberization, measurable with ISW indicator, give resistance to impacts and contribute to the longer life of the products. The performance improvements of R02 PROFUEL compared to the previous product line are as follows:

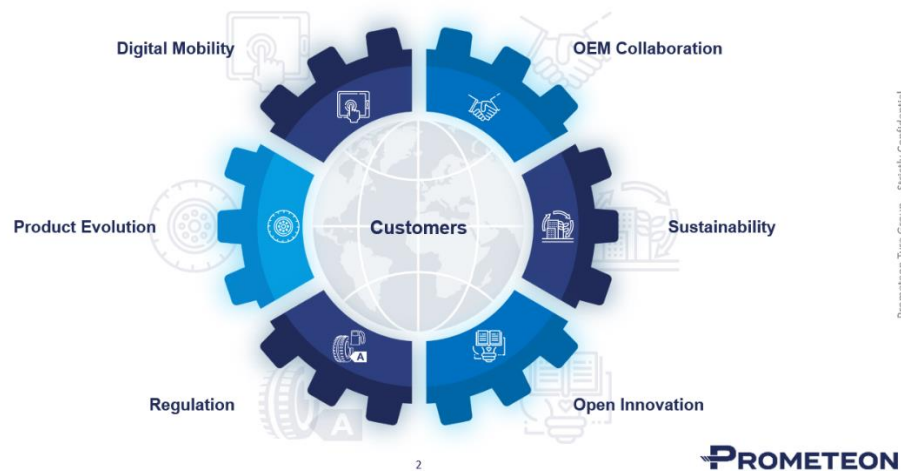
- -20% rolling resistance;
- +15% acoustic comfort;
- +10% grip on wet and snow;
- +10% wear regularity.

During 2022, the entire R02 Profuel product line was completed, covering the main market measures in 17.5" and 19.5" shrink sizes

Sizes 285/70 R 19.5 and 225/70 R 17.5 are among the best in class of premium brands for European tyre labelling values.

Based on calculations made with VECTO, the R02 PROFUEL 285/70 R 19.5 tires used to equip a 4 2 vehicle allow a fuel saving of 0.8 liters per 100 kilometers compared to the previous product line, which result (for a fleet of 50 vehicles with a distance of 130 thousand kilometers per year each and an average price of diesel fuel of 1.7 €/l) in 40 tons of lower CO2 emissions and a saving of 88 thousand € per year in fuel costs.

6 Pillars for Innovation



Prometeon Tyre Group – Strictly Confidential

**6 Pillars of innovation of Prometeon Tyre Group*

ROAD SAFETY

As being the fundamental pillar of transport systems, safety is top priority. As mobility continues to grow and is radically transformed by digitization (the process of converting information from a physical format into a digital one), decarbonization (reduction or removal of carbon dioxide from energy sources) and innovation, the opportunities to further improve safety performance must be seized.

Synergies between **safety and sustainability** measures should be exploited. For example, encouraging the use of zero-emission modes of transport, new and safer forms of mobility may also go hand-in-hand with improved access to mobility for all members of society.

Mobility is the cornerstone of freedom of movement of people and goods, which is fundamental to the smooth functioning of the society. Transformation that mobility is going through is not limited only to industry itself, but it changes our lives by increasing the competitiveness of the industry, which results in outputs aimed at making mobility more accessible, jobs safer, and ensuring safer, cleaner and more sustainable transportation services.

On the other hand, the pursuit of such goals leads to radical changes in the mobility landscape, disrupting conventional transport business models and industries, bringing not just new opportunities but also new challenges. The commitment of Prometeon Tyre Group is to spread road safety culture through training, awareness-raising campaigns and innovative technological solutions for sustainable mobility.

HIGH VALUE APPROACH TO FUTURE MOBILITY

Prometeon Tyre Group carefully monitors the evolution of the automotive market and more generally the evolution of mobility. Future mobility trends such as digitalization, electrification, management of shared transport and driving automation, are gaining more and more momentum and will lead to an evolution of the mobility sector whose speed is unprecedented in the sector. The Company constantly studies the opportunities brought by the future mobility trends, and in line with its inspiration for SDGs **“8 Decent Work and Economic Growth” “9 Industry, Innovation and Infrastructure”**, **“11 Sustainable Cities and Communities”**, **“12 Responsible Consumption and Production”**, develops and evaluates projects that can enable Prometeon Tyre Group to create a difference in the global effort for making our world sustainable.

OUR CUSTOMERS

Prometeon Tyre Group is the **only global tyre manufacturer entirely dedicated to the Industrial market**, which includes **truck, bus, agro and OTR tyres**.

Sales channels include:

- **Original Equipment**, addressed to vehicle manufacturers;
- **Replacement**, for the substitution of tyres on vehicles already in circulation.

As part of **Replacement**, there are two broad types of customers (truck and bus segment): on one side the **trade operators** (specialized dealers and distributors) and on the other side the **fleets** (end-users) which can be either supplied directly or indirectly through dealers.

Specialized resellers are tyre specialists operating on the market in the role of independent businesses; **specialized dealers** constitute a fundamental point of contact between Prometeon Tyre Group and an important part of the end-user (fleet) market. Particular attention is devoted to specialized dealers in terms of shared development, to enhance the product offering integrated with a high-quality level of services, for instance, tyre management and monitoring, breakdown service, casing management, retreading.

"**Distributors**" are partners who are fundamental to guarantee continuity in the supply of tyres to other specialized and non-specialized resellers. They do so by offering local delivery and distribution services throughout the entire territory.

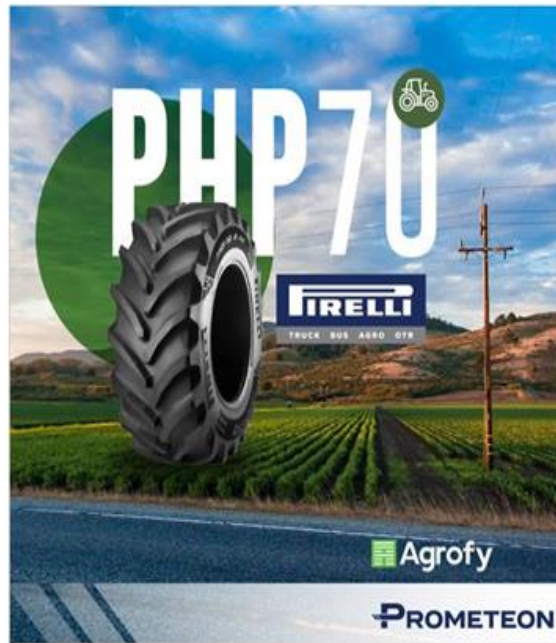
Fleets can have various dimensions, depending on the number of vehicles; in the smallest one, the fleet owner is driving his own vehicle; the largest ones have more than 500 vehicles.

Original Equipment Customers require to compile specific sustainability assessment to evaluate the corporate social responsibility of the provider, in this case Prometeon. During the years the request augmented and the requirement to be compliant have been more and more strict and precise. Moreover, Original Equipment customers require also that the Company present targets and KPI to be defined for the year 2025 – 2030 (please refer to Governance & Business Ethics – Headquarter Committee section of this report for Prometeon Environment KPI / Targets). All customers require to Prometeon to furnish documentation regarding audit carried out on value chain, sustainability clauses and standard that need to be signed by the supplier in the contract agreement to verify that all the standards have been respected in the entire value chain.



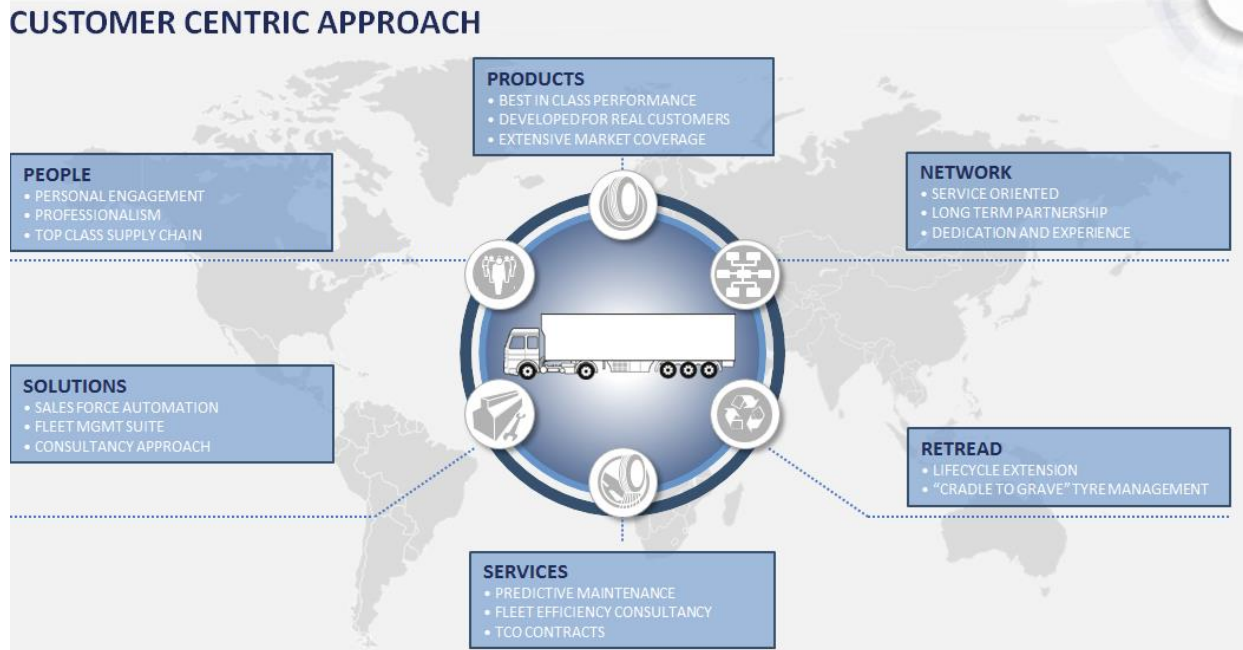
PROMETEON

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CUSTOMER FOCUS

Customer Focus is not only a central element of the Ethical Code, but also a principle inspiring and shaping Prometeon Tyre Groups approach to the business. This document outlines the Company positioning and is therefore communicated to all employees in the local language and is available in English on the intranet and website.



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. The Company's commitment is to implement services that can enhance end-user efficiency and cost optimization while respecting the environment. In this context, during 2022 Prometeon's PRO SERVICES kept on steadily growing across the main markets on which the Company is focused. Specifically, PRO CHECK, the very first fully in-house developed tyre inspection and monitoring system, strongly thrive across Europe, building a solid base of monitored vehicles and tyres in several countries. Moreover, 2022 saw also the continuation of the previous year's path by expanding PRO SERVICES' adoption, especially considering PRO MANAGEMENT, the Company's central billing system, that showed outstanding growth in all markets where it was launched. These services, aim to continue strengthening Prometeon Tyre Groups focus on providing its customers with a comprehensive solution of tyres and services, focusing on satisfaction of each customer's needs and peculiarities;

FOCUS ON PREMIUM FLEETS SOLUTIONS



- ✓ anticipation of customer needs;
- ✓ safety, reliability, high performance of products and services offered, in accordance with local regulations and more developed national and international standards applicable, as well as excellence of production systems and processes;
- ✓ information to customers and end-users to guarantee an adequate understanding of the environmental impacts and safety features of Prometeon Tyre Group products, as well as the safest ways of using the product.

The Company also adopted a clear procedure to grant feedback to any customer claim, which involves immediate intervention with respect to the interlocutor.

The "**General Sales Conditions**" applied by Prometeon Tyre Group subsidiaries are communicated in accordance with the principles mentioned above.

INFORMATION TO CUSTOMERS

Prometeon Tyre Group provides information to customer-distributors and end-users on a continuous basis. This information concerns both product and related initiatives and is disseminated in a variety of

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ways, depending on the presence on the territory. This is complemented by information distributed in both hard copy and digital version format for smart consultation from tablets and PCs as well as the range of off-line training activities.

One of the main means **communication with our customers** (both dealers and fleets) are periodic meetings organized on the territory in each country where Prometeon Tyre Group has a commercial presence. These meetings allow the Company to keep direct relationship with dealers and fleets as well as inform them about our product portfolio and services. For instance, in Italy through the SuperTruck Facebook and LinkedIn profiles product-related dedicated programs and webinars have taken place. In the industrial business, **web network** is an important touchpoint, even if not the main one, to evaluate the offer on the market and the products.

In addition to above, after the constraints due to the Covid pandemic in previous years, in 2022, Prometeon organized the first international event for the official launch of the brand new Serie02 tyre range. The event was held in Venice in May and involved around 220 people including European customers (dealers and fleets) and journalists from EMEA region. This was a major opportunity to share with the Company's stakeholders important pillars for Prometeon:

- The product and the objective to offer improved performances in terms of efficiencies and respect of the environment, as proved by the great effort in technological innovation behind the Serie02, with the new technological package entirely developed in Prometeon R&D centers.







- The partnership with our dealer customers, with the implementation of the SuperTruck Network;
- With the objective to increase corporate brand exposure and recognition Prometeon started in 2022 two important sponsorship:

Official sponsor of 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".



Main sponsor of Parma Calcio football team:

Prometeon Main Sponsor of Parma Calcio: interview with Roberto Righi

2022-08-23



SUSTAINABILITY REPORT



These sponsorships gave the opportunity to strengthen the relationship with our customers and prospects, beyond daily business interactions thanks to the hospitality activation. During the 2022

rounds of SBK championship the Company invited 420 guests and around 180 in Parma Calcio home games.

In September 2022, in occasion of the international exhibition IAA in Hannover Prometeon had the opportunity to showcase the innovative tyre 325/90 R 24.5 co-developed with Accuride Wheels and the U02 Urban e-Pro for electric buses at vehicle.



275/70R22.5 Pirelli U02 Urban e-Pro



To continue to promote the future and smart mobility, in October 2022, the Chief Internal Audit & Sustainability Officer of Prometeon participated to a summit organized by ANAV, dedicated to the promotion of the use of public transport thanks to the new future mobility.



Next Mobility Exhibition
CONVENTION

#PrometeonFuture

NME
NEXT MOBILITY EXHIBITION

PROMETEON

A green graphic block containing three circular images. The top-left circle shows a large exhibition hall with many people. The top-right circle shows a man in a suit presenting a large tire to two other men. The bottom circle shows the same man from the top image speaking. The text 'Next Mobility Exhibition CONVENTION' is at the top. The hashtag '#PrometeonFuture' is at the bottom left. The 'NME' logo and 'PROMETEON' logo are at the bottom right.



In September 2022, the Chief Internal Audit & Sustainability Officer participated to a dedicated summit (“2022 Sustainability Forum”) regarding the Sustainable Procurement and Supply Chain during a period of crisis, trying to understand the opportunity and feasibility to start to use new sustainable materials in the production process as per the operations and the entire value chain.


COMUNICAZIONE ITALIANA + Segui
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 12 ore • 🌐

SAVE THE DATE | Forum Sostenibilità 2022 | 15 settembre: giornata Sostenibilità & Innovazione | **Nicolas Marchi**, Chief Internal Audit & Sustainability | **PROMETEAON TYRE GROUP** | ha confermato la partecipazione in qualità di Speaker. Interverrà nel Phygital Talk | Sostenibilità & Procurement | "L'approvvigionamento e la supply chain sostenibili in tempo di crisi: opportunità o utopia?"
 Info: https://lnkd.in/egM_FRqd
[#forumsostenibilità22](https://twitter.com/forumsostenibilità22)

CONFERMA SPEAKER FORUM SOSTENIBILITÀ 2022

2022 FORUM SOSTENIBILITÀ
 ROMA 15-16 SETTEMBRE 2022

→ TV LIVE STREAMING comunicazioneitaliana.tv
 Presso: Palazzo dell'Informazione
 AdnKronos | Streaming TV

Interviene:
NICOLAS MARCHI
 Chief Internal Audit & Sustainability |
PROMETEAON TYRE GROUP




 COMUNICAZIONE ITALIANA

 adnKronos agenzia

Next to the truckers: during 2022 the Chief Marketing Officer and the Chief Technical Officer of Prometeon participated to several interviews related to the world of trucks, tyres and all the sustainable initiatives that the Company is following to look to the future.



In Brazil in 2022, Prometeon, with the Pirelli brand, was elected the most remembered brand in the tire category by professional drivers and fleet owners in the road freight transport sector. This was the 5th edition of the award, held by the Transpodata group, the only award in the country.



RAIZEN: Awards for Raizen partners. Prometeon was awarded in the Z category: we care for productive relationships. The award has four categories:
R: we do the now looking to the future
A: we enhance the best of each
I: we encourage the questioning look
Z: we care for productive relationships



Additionally, the Group Code of Ethics formulates the general principles of transparency and fairness inspiring the conduct of business. It indicates the objectives and the values informing business activity in relation to the main stakeholders with which Prometeon Tyre Group interacts on a daily basis: investors, environment, financial market, customers and staff. This document provides all the Group's affiliates with cogent and uniform guidelines for the professional practices to be followed by anyone who work for or on behalf of Prometeon Tyre Group or has business dealings with it ("Addressees of the Code") including agents and other intermediaries.

SAFE MOBILITY: PRO CHECK

In 2022 Prometeon Tyre Group continued to offer its clients the best solutions in terms services through **PRO CHECK**, application developed by the Company for effective fleet management. This latest is the first fully developed **in-house tyre inspection and monitoring system**.



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Prometeon Tyre Group supports its clients by providing them with the best digital solution to regularly inspect and monitor their tyres. By being sure that tyres are always at their best, both for air pressure and residual tread depth, fleets can lower the risk of breakdown and, consequently, increase the overall driving safety. PRO CHECK provides fleets and dealers with an easy-to-use inspection system, supported by a smartphone app and a measuring tool, and ever-reliable online and offline detailed reporting about tyres and vehicles status. Starting from the data entered by the customer systematically (e.g. tyre pressure, tread depth, odometer value etc.) the system runs specific data analytics algorithms to detect abnormal operational conditions that might lead to early tyre wear and possible risks for driving. This helps to alert the customer on time, about any possible problem, giving them a chance to prevent safety issues.

Moreover, the forecasting will also allow fleet customers to carry out **predictive maintenance actions**, **optimizing vehicle routes and stops** and helping them to **save fuel and reduce CO2 emissions**. Future functionalities in PRO CHECK will involve a focus on a real-time data collection system. As the amount of collected data will grow, Prometeon Tyre Group will be able to adapt and design better forecast algorithms.

It has to be highlighted that the main benefit in terms of environmental sustainability is the considerable **increase in tyre life** - which will contribute positively to fuel-saving and pollution reduction - and reliability. This will allow to predict when the tyre will be completely depleted as well as develop in the future new kind of related services.

Since 2021, the service has been available in Europe (Italy, UK, Germany, Spain, Poland) and in Brazil.





**Pro check services*

Smart solutions are becoming the core on the tyre market. Prometeon Tyre Group puts effort and innovates constantly and consistently in this field in order to build an ad hoc and tailor-made solution for customers professionals, thus, to create a whole smart and digital solution package of which can meet perfectly and satisfy the needs of the market. In the coming future, the Company is preparing and looking forward to launch and make it available.

COMPLIANCE WITHIN CUSTOMER RELATIONSHIPS

In 2022:

- ✓ no cases emerged of non-compliance with regulations or voluntary codes concerning marketing activities, including advertising, promotion and sponsorship;
- ✓ no significant final penalties were levied and/or paid relating to infringement of laws or regulations, including those relating to the supply and use of the Group's products and/or services;
- ✓ no cases emerged of non-compliance with regulations or voluntary codes concerning information and labelling of products and/or services;
- ✓ no cases of non-compliance with regulations or voluntary codes concerning health and safety impacts of products and/or services during their life cycle;
- ✓ there were no documented complaints concerning both violation of privacy and/or the loss of consumers' data;
- ✓ no sales related to products sold by Prometeon Tyre Group were banned or disputed.

THE IMPORTANCE OF NETWORKING

SuperTruck Network is made up of 90 clients which 33 are members of SuperTruck Consortium in Italy. The “networking” among the business community is the key instrument for Trade Marketing to support the sell-out multi-brand retails rather than a simple sell-in strategy. Especially in business-to-business

markets like the one of industrial tyres, networking plays a fundamental role in supporting for a real enhancement of the offer made to end-users in terms of product and services. Trade marketing and product sell-out are two concepts that linked to each other indissolubly. On the one hand, a true sell-out action on the end-user requires an available, strong and coherent Network, while on the other hand the success of networking activities relies on an ever greater direct and indirect sell-out action. After the successful implementation of the **SUPERTRUCK network** in Italy in 2019, 2021 was a year of further consolidation of the Network in Europe. During 2022 the new president of the Super Truck has been presented to the network, the role has been assigned to the Chief Financial Officer of Europe of Prometeon.

Trasporti-Italia/ Interview with new President of SuperTruck



Activities offered by the Network

The SuperTruck Network offers to its members a wide range of services and opportunities functional to various aspects of industrial tyre business such as:

- ✓ **Business management and consultancy** which provides for support for the management of tenders, non-repayable loans, special agreement and conventions for the purchase of professional equipment and consumables;



- ✓ **Financial services** provided by partners leader in the field of financial support for insurance and credit information, as well as the possibility of subsidized financing for fleets for the purchase of tyres;



- ✓ **Fleet management services**, PRO Services provided by the Consortium in collaboration with Prometeon Tyre Group, which helps fleets to improve the business performance, fleet safety and vehicle maintenance. Moreover, retailers adhering to the initiative has the opportunity to be the point of contact for their customers in offering particularly innovative services in the field of telematics, environmental emergency services, service cards dedicated to fleets;



- ✓ **Professional training**, several courses for both employees and managers of the Network Members such as technical courses on products, managerial management training, human resource management courses and financial management training. Due to the Covid-19 pandemic, trainings had been carried out through distance learning;



- ✓ **Breakdown services** through a widespread territorial coverage guaranteed throughout the Italian territory on the basis of 24/7 and common price list;



- ✓ **Casing management** thanks a collaboration with a specialized company in truck tyres, the Company guarantee to all SuperTruck members the opportunity to manage the Prometeon's truck tyres casings meant to be retreaded. Enhance casings value, supporting the positive perception about the retreadability of its products;

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- ✓ **Communication and marketing**, an activity that has a significant relevance for the Consortium, carried out through social media channels, web site and wide range of merchandising and internal and external POS branding;



related initiatives and tips for professionals shared via SuperTruck LinkedIn page

Communication

Moreover, through a dedicated interactive platform, **SuperTruck Channel**, where all the members of both the Consortium and SuperTruck Network can communicate in a more quick and immediate way. The idea laying behind this project is to build a **remote vertical communication** structure where contents related to training, service and commercial aspects of tyre business can be shared between the stakeholders, establishing a professional dialogue and creating an interactive rallying point for the viewers. Furthermore, via SuperTruck Channel, videos based on pre-recorded interviews made with professionals leader in their sector are shared through social media platforms such as YouTube and Facebook, and are exclusively addressed to the Members of SuperTruck Network.

SuperTruck Network, after Poland in 2020/21, is planning to arrive in Germany, Switzerland, Spain and Greece in 2023; new information will be furnished in the next Sustainability report in 2023.



STAKEHOLDER DIALOGUE

It engages in a 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 (please for further details refer to the Governance & Business Ethics section of this report).



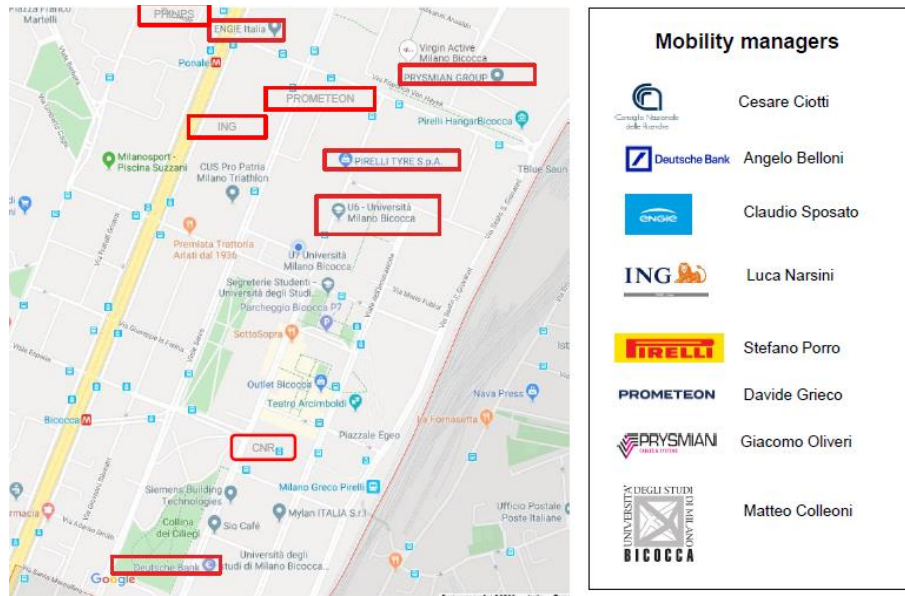
PROJECT OF THE MUNICIPALITY OF MILAN TO BUILD AN EXEMPLARY SMART MOBILITY DISTRICT IN TERMS OF SUSTAINABILITY AND INNOVATION

As far as SDGs “**11 Sustainable Cities and Communities**”, “**17 Partnerships for the Goals**” are concerned, Prometeon Tyre Group is committed to make every possible contribution aimed at making sustainable everyday life. To this end in late 2019, Prometeon Tyre Group has joined a specific task group formed by the Municipality of Milan, 5 other companies and 2 public entities which have shown interest and have been involved in the initiative with the aim of transforming Bicocca District, the City’s business district.

The participants are Prometeon Tyre Group, prestigious public entities and multinational corporations such as Deutsche Bank, Engie, ING, Prysmian Group, Pirelli, the University of Milano-Bicocca and the

SUSTAINABILITY REPORT

National Research Council of Italy (*Consiglio Nazionale delle Ricerche*), all located in Bicocca District and willing to take part in this innovative and ambitious initiative aimed at transforming the District into an exemplary Smart Mobility District, and to promote the sustainable mobility to all employees of the companies. The main topics examined and studied in 2021 were discussed during virtual roundtables due to the Covid19 pandemic. At the heart of the initiative lays the implementation of sustainable and innovative transport solutions in the district such as the promotion of the use of public transport giving the possibility of having more stops for buses that pass in the area, the adoption of alternative transport systems such as car and bike sharing stations.



During 2022 the project related to the Smart Mobility District continued, several meetings have been organized to discuss about the next steps for the current year and the topic discussed during the round table were the following:

- ❖ **Presence at work** and average days of smart working in each Company participating to the round table have been discussed. It emerged that Prometeon Tyre Group is aligned with the other companies of the district, employees apply 2 days of smartworking per week;
- **Software Movesion:** is a milano greco Pirelli that operates in the field of sustainable mobility and corporate welfare. For years it has been a leader in mobility management through the provision of services and technological solutions to the largest companies in the country. Together with the other companies it has been decided to fill out a questionnaire (mobility managers will be responsible to input the data related to the Company and to the headcount and employees will compile the forms giving information of their living places and means of transportation used between their homes and workplaces). When the questionnaire will be filled out also by the employees it will be possible to define the new workplace mobility. During 2023 a meeting will

be scheduled with AMAT - Agenzia Mobilità Ambiente e Territorio and Movesion to understand how to define the workplace mobility of the District of Bicocca;

- **Public Transport:** during 2022 the round table of Bicocca District discussed about the possibility to require to have discount on annually subscription without reaching a total number of adhesions to obtain the 20% of discount. It has been considered to offer the discount through an external provider and for this reason Prometeon Tyre Group can consider to offer this discount with the support of Eden red (provider of ticket restaurant and discount on selected partners/brands) and the welfare system;
- **Area B:** it has been confirmed that Bicocca District is not involved in the new application of the AREA B in Milan which is an area of restriction that has been put in place in 2022 with the aim to improve the overall air quality in Milan;
- **Bus line 87:** the new bus stop confirmed that employees can better reach the offices in the area thank to stop in via Pirelli crossing via Della Strada Bianca;
- **Hybrid and plug in car:** in 2022 it has been discussed how it is important to sensitize the employees to choose an hybrid or plug in car;
- **Carpooling service:** Carpooling (or car pooling) is one of the aspects of sustainable mobility and the sharing economy that is increasingly gaining ground in the habits of Italians regarding travel. Carpooling is simply the sharing of the car with other people who have to travel the same route, the benefits are many such as fuel savings, but above all a lower environmental impact and an improvement in traffic congestion. The carpooling provides that a driver makes available the free seats in his car with other passengers who must travel on the same route, dividing the travel costs. In Italy, the legislation not only allows this practice, but even encourages the service offer to people working in the same area to take only one car to reach the office and this with the aim to save Co2 emissions and reduce environmental impact. At the end of 2022 the working group decided to fix a meeting with the dedicated provider who furnished a detailed application on the innovation will be that the working will ask to have access to all employees working in Bicocca District, not only Prometeon Tyre Group.

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**Bicocca District in Milan*

PROMETEON TYRE GROUP AND THE KPI RELATED TO SUSTAINABILITY LINKED LOAN OF EUR 350 MILLION

The financing formula includes a pricing linked to the achievement of sustainability objectives by Prometeon and is intended for the refinancing of existing debt and business needs, including new investments.

In line with the "Sustainability-Linked Financing Framework", funding pricing is linked to the Group's sustainable policies: Prometeon has always been attentive to these issues and active in many initiatives linked to the commitments made with its Social, Environmental, Economic and Governance Policies, within the Strategic Model of Sustainable Growth adopted.

To have access to this refinancing activity the Company set targets and KPI regarding Environmental Dimension (tyre waste goals), Social Dimension (training organized by HR) and Economic Dimension (second party audits on suppliers) that need to be reached before the end of 2025.

During 2022 the Company has been assessed by an external audit assurance company to confirm the bank the declaration of the results for the baseline 2021 and for the first result carried out for the year 2022.



| <i>Prometeon Tyre Group - Sustainability KPI</i> | | | |
|--|-----------------|-----------------|----------|
| | Waste reduction | Audit Suppliers | Training |
| 2021 | 1,51% | 4% | 79% |
| 2022 | 1,37% | 20% | 82% |
| 2023 | 1,23% | 42% | 85% |
| 2024 | 1,14% | 66% | 87% |
| 2025 | 1% | 87% | 90% |



The data and information reported in this Report refer to the Group (defined as the Company and each of its Subsidiaries) for the year ended on 31 December 2021.

The methodology and criteria used to calculate each of the three Sustainability KPIs are described below.

KPI 1 - Scrap tyre waste

Defined, for any calendar year, as the ratio between the **tyre waste of the Group**, expressed in terms of Total Scrap Cost (€), and the total direct and indirect cost of production of the Group factories ("**CAF**" or "**Costo a fabbrica**" or "**Total Standard CAF Value**"), expressed in €. The ratio is then expressed as a percentage.

Definitions:

Total Standard CAF Value: refers to the total direct and indirect cost of production of the factories (namely **Costo a fabbrica** or **CAF**), expressed in €. The total production value is obtained by adding the values of all Finished Products items delivered to the warehouse. The value of each Finished Product item is obtained by multiplying the quantities delivered in the warehouse (Kg) by its Standard Cost (€ / Kg). A specific internal procedure (Prometeon Procedure 10.07 for "Management of Quality Costs") has been developed for the calculation of the Standard Costs.

Tyre Waste refer to:

- **Semifinished Components Waste:** components to the Finished Product that fail the quality checks before being assembled and are therefore classified as scrap. Such components can be made up of Compounds, Textile materials, Metallic materials, Beads and Covers and the scrap are expressed in kg, weighing each of them.
- **Finished Product Scrap:** Finished Product Visible Scrap (including X Ray) and Finished Product Tyre Uniformity Scrap (Force, Unbalance and Geometry), both detected by factory inspection and by warehouse audits, expressed in kg. Such scraps are expressed in kg, weighing each of them.

Each Semifinished Component / Finished Product has its own Standard Cost (expressed in € / kg) which depends on the quantity and type of raw materials used, the manpower needed to produce it and the expenses (e.g. energy) and is fixed by the Controller Function through the Management Plan which is defined each year. The cost of waste for each Semifinished Component / Finished Product is then valued as the multiplication of the quantity scrapped (Kg) for the relative Standard Cost (€ / Kg). By summing the values (€) of all the Semifinished Components / Finished Products scrapped, the Total Scrap Cost (€) is obtained.

No limitation in the calculation of the KPI are applied.

KPI 2 - Spending on Suppliers second party audit

Defined, for any calendar year, as the ratio between the **Cumulative Spending** (expressed in €) associated to raw material (natural rubber, chemicals, carbon black, cobalt) suppliers audited in

terms of sustainability by a third-party sustainability auditor regarding that calendar year and the **Total Spending on direct raw material suppliers in year 2020**, determined at € 620 million.

In the calculations of this KPI, indirect suppliers and suppliers from the offices are excluded.

KPI 3 – Number of employees trained

Defined, for any calendar year, as the ratio between the **number of trained employees** of the Group and **the Group headcount at year-end**. The ratio is then expressed as a percentage.

Definitions:

Number of trained employees: Total number of employees who attended, for each country/region, at least 1 training during the reporting year.

The training in scope does not include mandatory courses, but soft training, technical courses, training linked to "sustainability" topic. The training modalities can be in presence, virtual, hybrid, asynchronous, synchronous.

Group headcount at year-end: Total number of employees active as of 31 December of each reporting year (including white collars and blue collars for each country/region). External workers and interns are not included. Employees that change Classification or Region during the Year, are counted as per their allocation on 31 December.

In the calculations of this KPI, APAC employees trained are excluded. **2022 Results**

At the moment of the preparation the present corporate social responsibility reports the external audit assurance company has not yet confirmed the data declared here below by Prometeon Tyre Group. The official results revised showed that regarding training and procurement the Company overachieved the targets and for the waste the target has not been reached as expected due to some reorganization in the manufacturing area in 2022. Moreover, result regarding 2022 will be assured and will be publicly available on the report of the next year.

ESG RATING ASSESSMENT

The assessment has been carried out analysing the CSR Report 2021 approved by Board of Director and published on the official website of Prometeon Tyre Group;

The annual Rating results obtained covers all the Sustainability KPI such as:

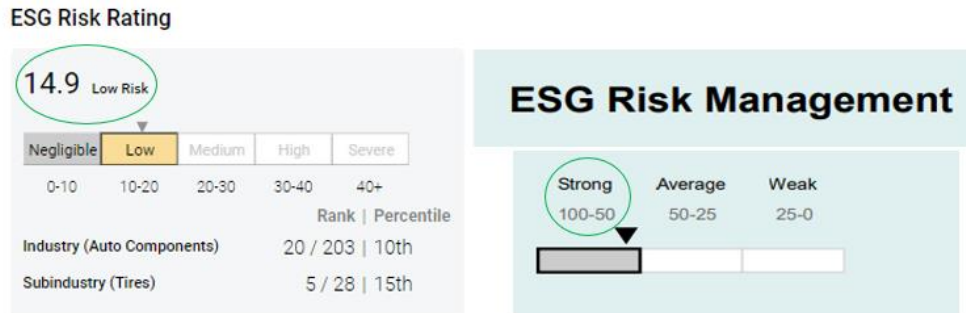
- Governances & Business Ethics;
- Social Dimension;
- Environmental Dimension;

SUSTAINABILITY REPORT

- Economic Dimension.

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 **14,9 showing a low risk exposure** (“overall unmanagement risk”) in terms of ESG and with a consequent **strong ESG risk Management**.



FOCUS: ESG RESULTS

Based on the result obtained, Prometeon Tyre Group immediately implemented action plan in order to work with full visibility of all the exposure related to sustainability risk and set targeted measures in short, medium and long term. During 2023 the result of the second assessment carried out by Sustainalytics will be available and the result of the audit of 2021 is available in the following link:

<https://www.sustainalytics.com/esg-rating/prometeon-tyre-group-srl/2006027941>

PROMETEON TYRE GROUP AND ITS COMMITMENT FOR CLIMATE CHANGE

With its adherence to United Nations Global Compact and supports to the Sustainable Development Goals, Prometeon Tyre Group its actively committed to participate to all activities aimed to respect the 10 principles of the UNGC and 17 SDGs. For this reason, the Company by its production processes, products and activities support the **SDG N°13, Climate Action**.



Climate Change is an undeniable fact of the contemporary world, and it leads to abrupt changes in ecosystems of our Blue Planet by contributing to the expansion of drier climate zones, posing serious risks to wellbeing of all species living on Earth. Moreover, the risks are very likely to cause negative impact on living conditions of human life in all its aspects i.e. economic, social and cultural life.

To manage better Global Climate Change and risks associated to the phenomenon, the Company pays special attention to develop a more comprehensive and strategic approach to the issue. In order to achieve this object, Prometeon Tyre Group adopted systematic method to identify and evaluate eventual future threats that might lead to adverse effects on the environment. Through risk committees established in 2022 at both HQ and local levels in the Countries where business and manufacturing activities take place the actual situation is closely monitored. Thanks to the risk committees' meetings on monthly basis, risks of different nature (environmental, technical, physical, regulatory) that might be arisen in the medium to long term future are identified. Risk elements identified are assessed with all their aspects considered and the financial impacts are quantified. In the light of the results of the assessments carefully studied action plans are drafted and measures adopted.

As a heavy industry company, Prometeon Tyre Group is conscious of its responsibilities towards future generations in providing for a better future through utmost respect for the Planet and the Environment. Aware of the adverse effects of the emissions and the direct influence of the effects on the Global Climate, the Company is committed to take its place in tackle the issue. In line with its commitment, Prometeon Tyre Group adopts a pro-active approach through its tyre business activities, starting from production of tyres.

Greenhouse gases emissions, energy consumptions, water management and waste generation caused by production activities are among the KPIs closely monitored. In order to minimize the adverse impacts caused by production activities and maximize the resource usage efficiency, the Company defines specific goals and carries out continuously actions (e.g. employee training, sensibilization campaigns, infrastructure and machinery investments) aimed at reaching the goals. For a more detailed description reference should be made to the paragraph *“Environmental Management System and Factory’s Performance”* discussed under *“Environmental Dimension”* of the present report.

Having adopted a comprehensive approach to the issue, Prometeon Tyre Group does not limit itself by focusing merely on negative impacts of its ordinary production processes but evaluates also risks with negative impacts on its business activities such as those of physical nature (extreme weather events with potential impacts on the production plants) and regulatory nature with impacts on tyre sector requirements. To this end, the Company collaborates with various national and international sector associations, actively participating to working groups related to various aspects of tyre manufacturing and business. Thanks to its active participation Prometeon Tyre Group monitors closely developments concerning sector specific technical requirements and regulations, enabling itself to anticipate future market needs and standards.

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As the key elements of CO₂ and microplastic emissions caused by tyre business, tyre itself and the materials of which it is made are another important factor that must be taken into account in commitment to fight the climate change. To reduce and eventually neutralize overall negative impacts of tyres on the environment, Prometeon Tyre Group shaped R&D activities around “3R” concept for achieving a target of 100% of sustainable materials used in the overall production process by **reducing** raw materials and optimizing processes; **recycling** used materials and introducing inside new tyres materials; and **rethinking** to new renewable materials and formulations. Moreover, thanks to the “3R” the quality of tyre would be enhanced also in terms of product life performance and retreadability, hence diminishing the need for new products.

For a more complete view on Prometeon Tyre Group’s R&D activities regarding sustainable product design and material use please refer to paragraphs “*Product Safety, Performance and Eco-Sustainability*” discussed under “*Economic Dimension*”; “*Biodiversity*” and “*New Materials*” paragraphs in “*Environmental Dimension*”; and “*FOCUS: ETRMA – European Tyre And Rubber Manufacturers Association*” discussed under “*Governance and Business Ethics*” chapter of this report.



METHODOLOGICAL NOTE

THE PRINCIPLES FOR DEFINING THE CONTENT AND QUALITY OF THE REPORT

This document represents the first edition of Prometeon Tyre Group Sustainability Report in accordance with GRI related to the 2022 financial year (1st January to 31st December), as well as the performance trends of the 2021-2022 two-year period. The Sustainability Report is annually published.

The Prometeon Sustainability Report is meant to report the relevant issues for the Group and its main stakeholders. It is prepared following the following the Ten Principles of the United Nations Global Compact and in accordance with “GRI Sustainability Reporting Standards”, the most recent and widespread non-financial reporting standards defined by the Global Reporting Initiative (GRI), according to the “In accordance with” option which provides for the reporting of at least one GRI indicator for each relevant topic plus all the general disclosures of the GRI 2.

This document has been prepared according to the principles on defining the contents of the report suggested by the GRI 1:

- H. *Accuracy*: the level of detail in the Report is adequate and makes it possible to understand and assess the Group’s sustainability performance in the reporting period.
- I. *Balance*: the information is reported in an unbiased way and provide a fair representation of the organization’s negative and positive impacts.
- J. *Clarity*: the choice of a clear and accessible language and the use of graphs and tables to represent the performance of the Group make this Report available and easy to understand for stakeholders.
- K. *Comparability*: the indicators in the Report are shown for the two-years period 2021-2022 and are accompanied by comments on the performance to allow for the comparison of the Group’s performance over time.
- L. *Completeness*: the information provided in the Report, represent the most relevant environmental, social and economic aspects for the Group’s activities.
- M. *Sustainability context*: the performances of the Prometeon Tyre Group discussed in this Report are part of the broader context of the Group’s business sustainability.
- N. *Timeliness*: the Report takes into account events that occurred after 31 December 2021 that may be significant for the stakeholders when assessing the Group’s performance.
- O. *Verifiability*: the data presented in the document were collected, processed, and validated by the manager of each department with collaboration of a consulting company. The economic data are consistent with those reported in the Group’s annual financial report.

SUSTAINABILITY REPORT

This document is available under the Sustainability section on the website https://www.prometeon.com/IT/en_US/sustainability . For further information and suggestions please write to: nicolas.marchi@prometeon.com

SCOPE

The reporting scope includes Prometeon Tyre Group Srl, based in Milan (Italy), Viale Sarca n. 222, and its subsidiaries in which it holds more than 50% ownership. The data is consolidated on a straight-line basis regardless of the percentage of ownership. The data for the Environmental Dimension includes only the four plants where the Group produces, since these are the most significant from in terms of environmental impacts. The factories are two in Brasil (Gravatai; Sant'Andre), one in Turkey (Izmit) and one in Egypt (Alexandria). On the other hand, the data for Social Dimension takes into account the corporate population of the entire Group.

Data collection and report validation process

The data and information reported in this document was collected through interviews with representatives and data collection forms. The final version of the Sustainability Report is presented to and approved by the Board of Directors.

Material topics definition

After the identification of current and potential impacts, through the analysis of company external and internal activities and external pressures, they are evaluated based on their significance. Afterwards the impacts are prioritized, resulting into the List of Material Topics.

The relevance assessment of the impacts depends on two variables: severity and likelihood. Severity takes into account the severity of the impact; how widespread the impact is along the Group's value chain and how hard it is to counteract or make good the resulting harm. On the other hand the likelihood express the chance that the impact occurs.

The calculation methodology

The methodological indications for certain indicators reported in this Sustainability Report are shown below.

HUMAN RESOURCES

New employee hires and employee turnover

The number of new hires and leaving employees during the course of the year are indicated respectively as “incoming” and “outgoing”. However, it has to be taken into consideration that the Company avails of temporary labor in order to meet the unexpected increases in production volumes as well as to compensate the absence of labor during annual leaves or in cases of sickness leaves. Therefore, the temporary employees have to be detracted from the amounts of incoming and outgoing employees for understanding the actual flows of employees during the course of the year.

The calculation of the Group personnel by geographical area, gender and contract type was carried out with respect to the data received from the various countries.

Remuneration indices

In determining the Disclosure 2-21, the following elements of fact were taken into account:

- all employees reported under Disclosure 2-7 were taken into consideration;
 - for each part-time employee full-time equivalent (FTE) pay rates has been used;
 - the remuneration has been calculated taken into account of:
 - theoretical base salary;
 - actual bonuses, commissions, cash profit-sharing, and other forms of variable cash payments received by employees during the reporting period.
- the highest-paid individual holds the position of General Manager.

Health and safety indices

Accident rates are calculated as shown below:

- **injury rate** is the ratio between the total number of accidents and the total number of hours worked, multiplied by 1.000.000;
- **the occupational disease rate** is the ratio between the total number of confirmed occupational diseases and the total number of working hours, multiplied by 1.000.000;
- **severity rate** is the total number of serious accidents expressed as a percentage of the total number of labor hours multiplied by 1.000;
- lost days are the calendar days lost due to accident as of the day following that of the accident;
- the recovery time corresponds to the lost time due to the fact that by company policy injured employees cannot return to work with different tasks than those they originally performed.
- the calculation regarding the workers who are not employees is estimated considering 8 hours/day for each worker for 22 days per month per year.

ENVIRONMENTAL

Energy consumption

The conversion factors used to uniform energy consumption derive from the Table published by the Intergovernmental Panel on Climate Change (IPCC 2006).

NOX and SOX Emissions

The emissions are calculated based on hourly emissions measurements made in each plant, which are subsequently calculated on daily and yearly basis.

Greenhouse gas emissions

Data on total energy consumed in the factories are collected for different energy carriers such as electricity, natural gas, steam and LPG. The collected data are converted into tons of CO2 equivalent using various conversion factors depending on the specific energy carrier (IEA sources for electricity, factors resulting from internal analyses for steam and IPCC sources for the rest of the energy carriers used by Prometeon Tyre Group. The Group is planning the introduction of a certified and more structured system for the automatic calculation of GHG emissions which also takes into account emission factors annually updated.

The emission factors used to calculate CO2 emissions were determined as follows:

- Direct emissions (Scope 1): the emissions linked to the consumption of resources that are under the direct control of the Group (natural gas, diesel heating fuel, gas, diesel fuel and LPG) were determined based on the emission factors reported in the Table of national standards published by the Intergovernmental Panel on Climate Change (IPCC 2006), for the years 2022 and 2021.
- Indirect emissions (Scope 2): indirect emissions are linked to the consumption of purchased electricity and district heating; and were calculated using a location and market-based approach. Considering the consumption of electricity, for the related Scope 2 emissions, for each country in which the Group operates, the factors considered were those presented in tables on page 272. Main energy indicators published by International Energy Agency (IEA 2015). When there were several branches in several countries, the highest of the emissions factors among these countries was used. Considering the consumption of steam, for the related Scope 2 emissions factors resulting from internal analyses were considered.

Water

The Group evaluate the water stress area by using the on-line tool, used to understand water-related risks and assess exposure to water risk across multiple locations.

ENTITIES INCLUDED IN THE ORGANIZATION'S SUSTAINABILITY REPORTING

The Company counts 17 subsidiaries in 13 different countries. Subsidiaries are defined as all the companies over which Prometeon Tyre Group S.r.L., at the same time, holds:

- The power of decision making or the ability to direct relevant activities of the subsidiary, that is activities that have a significant influence on the results of the subsidiary;
- The right to the variable results (positive or negative) resulting from the investment in the entity;
- The capacity to use its own power of decision making to determine the amounts of the results arising from the investment in the entity.

The subsidiaries of Prometeon Tyre Group are as presented in the table below:

| Company Name | Country | Industrial/Commercial | Ownership % | Of which directly |
|---|---------|-----------------------|-------------|-------------------|
| Prometeon Tyre Group Industria Brasil Ltda. | Brazil | Industrial | 100.000 | 99.999 |
| Prometeon Tyre Group Logística e Serviços Ltda. | Brazil | Commercial | 100.000 | 0.100 |
| Prometeon Turkey Endüstriyel ve Ticari Lastikler A.Ş. | Turkey | Industrial | 99.991 | 99.991 |
| Prometeon Tyre Egypt Co., S.A.E. | Egypt | Industrial | 95.506 | 95.506 |
| International Tire Company Ltd. | Egypt | Commercial | 95.315 | - |
| Prometeon Tyre Group España y Portugal, S.L. | Spain | Commercial | 100.000 | 100.000 |
| Prometeon Tyre Group UK Limited | UK | Commercial | 100.000 | 100.000 |
| Prometeon Tyre Group Polska Sp. z o.o. | Poland | Commercial | 100.000 | 100.000 |

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| | | | | |
|--|-----------|------------|---------|---------|
| Prometeon Tyre Group Mexico S.A. de C.V. | Mexico | Commercial | 100.000 | 99.000 |
| Prometeon Tyre Group Servicios Mexico S.A. de C.V. | Mexico | Commercial | 100.000 | 99.000 |
| Prometeon Tyre Deutschland GmbH | Germany | Commercial | 100.000 | 100.000 |
| Prometeon Tyre Group Colombia S.A.S. | Colombia | Commercial | 100.000 | - |
| Prometeon Tyre Group, Inc. | USA | Commercial | 100.000 | 100.000 |
| Prometeon Tyre Group Commercial Solutions LLC | USA | Commercial | 100.000 | - |
| Prometeon Tyre Group de Argentina S.A.U. | Argentina | Commercial | 100.000 | 100.000 |
| TP Trading (Beijing) Co., Ltd. | China | Commercial | 100.000 | - |
| Beijing Industrial Holding S.r.l. | Italy | Commercial | 100.000 | 100.000 |

Moreover, Prometeon Tyre Group S.r.L. has branches in 10 different countries as presented in the table below:

| Foreign parent company | Branch / Representative office | Country |
|-----------------------------|--|---------|
| Prometeon Tyre Group S.r.l. | Prometeon Tyre Group S.r.l., succursale française | France |
| Prometeon Tyre Group S.r.l. | Prometeon Tyre Group S.r.l., Zweigniederlassung Österreich | Austria |

| | | |
|---|--|-----------------|
| Prometeon Tyre Group S.r.l. | Prometeon Tyre Group S.r.l. Belgian branch | Belgium |
| Prometeon Tyre Group S.r.l. | Prometeon Tyre Group S.r.l. branch Netherlands | The Netherlands |
| Prometeon Tyre Group S.r.l. | Prometeon Tyre Group S.r.l. Milano Sucursala Bucuresti * | Romania |
| Prometeon Tyre Group S.r.l. | Prometeon Tyre Group S.r.l., Milan (IT), Zweigniederlassung Basel | Switzerland |
| Prometeon Tyre Group S.r.l. | Prometeon Tyre Group (Suisse) SA, bureau de représentation Maroc | Marocco |
| Prometeon Tyre Group Polska Sp. z o.o. | Prometeon Tyre Group Polska Sp. z o.o. odštěpný závod Česká republika | Czech Republic |
| Prometeon Tyre Group Polska Sp. z o.o. | Prometeon Tyre Group Polska Sp. z o.o . Magyarországi Fióktelepe | Hungary |
| Prometeon Tyre Group Polska Sp. z o.o. | Prometeon Tyre Group Polska Sp. z o.o. Varsovia SUCURSALA Bucuresti | Romania |

*A Board resolution approved to close the Branch office and the procedure is in progress

It has to be noted that there are no differences between the sites reported in the Sustainability Report and Financial Annual Report.

RESTATEMENTS OF INFORMATION

No restatements have to be communicated. The data collection 2022 and 2021 are aligned and do not have to be modified

EXTERNAL ASSURANCE

The non-financial disclosure of Prometeon Tyre Group is not subject to external assurance.

SUSTAINABILITY REPORT

ANNEXES

COUNTRY BY COUNTRY REPORTING

| 2020 | | | | | | | | |
|--|----------------------|--|------------------------|---------------------------------|---|---------------------------------|---------------------------------|-----------------------------------|
| Name of Entity | Tax Jurisdiction | Entity Activities | Entity Employee Number | Revenues from Third-Party Sales | Revenues from Intra-Group Transactions with Other Tax Jurisdictions | Profit (loss) Before Income Tax | Income Tax Paid (On Cash Basis) | Income Tax Accrued - Current Year |
| Prometeon Tyre Group Srl | Italy | Research and Development, Holding or Managing intellectual property, Purchasing and Procurement, Sales, Marketing or Distribution, Administrative, Management or Support Services, Intra-group Finance, Holding shares or other equity | 207 | 77,382,549 | 376,061,906 | - 23,787,837 | 5,832,000 | 8,108,569 |
| TP Industrial Holding SpA | Italy | Holding shares or other equity | 0 | - | - | - 2,411,399 | - | - |
| Beijing Industrial Holding Srl | Italy | Holding shares or other equity | 0 | - | - | - 6,224 | - | - |
| TP Trading (Beijing) Co. Ltd | China | Sales, Marketing or Distribution | 21 | 7,935,729 | 538,328 | - 1,324,868 | - | - |
| Prometeon Tyre Egypt Co. S.A.E. | Egypt | Manufacturing and Producing, Sales, Marketing or Distribution | 1273 | 72,089,006 | 86,087,292 | 7,156,723 | 3,209,332 | 3,897,220 |
| International Tire Company Ltd | Egypt | Sales, Marketing or Distribution, Dormant Enterprise | 0 | 1,327,066 | - | 2,290,567 | 396,724 | 556,762 |
| Prometeon Tyre Group Industria Brasil Ltda. | Brazil | Research and Development, Manufacturing and Producing, Sales, | 3337 | 281,712,745 | 100,170,875 | 3,583,854 | 4,317,009 | 7,871,778 |
| PTG Logistica e Serviços Ltda. | Brazil | Administrative, Management or | 542.5 | - | 5,412,487 | 269,390 | 114,941 | 114,942 |
| Prometeon Tyre Group de Argentina SAU | Argentina | Sales, Marketing or Distribution | 21 | 35,290,392 | - | - 362,291 | 595,956 | - |
| Prometeon Tyre Group (Suisse) SA | Switzerland | Sales, Marketing or Distribution | 5 | 50,749,032 | 28,225,975 | 1,595,754 | 136,043 | 202,074 |
| Prometeon Tyre Group Colombia S.A.S. | Colombia | Sales, Marketing or Distribution | 13 | 13653633 | - | 340,167 | 18,524 | 7,489 |
| Prometeon Tyre Deutschland GmbH | Germany | Sales, Marketing or Distribution | 25.25 | 43,208,070 | 8,467,619 | - 30,891 | - | - 8,274 |
| Prometeon Tyre Group Servicios Mexico S.A. de C.V. | Mexico | Administrative, Management or Support Services, Dormant Enterprise | 0 | - | 1,107,951 | 195,909 | 89,605 | 68,529 |
| Prometeon Tyre Group Mexico S.A. de C.V. | Mexico | Sales, Marketing or Distribution | 17 | 19,331,082 | - | 593,581 | 108,884 | 241,366 |
| Prometeon Tyre Group Polska S.p. z o.o. | Poland | Sales, Marketing or Distribution | 18 | 11,710,823 | - | 202,140 | 68,232 | 16,066 |
| Prometeon Tyre Group España y Portugal, S.L | Spain | Sales, Marketing or Distribution | 18.5 | 29,242,472 | 3,069,815 | 729,743 | 35,560 | 129,261 |
| Prometeon Tyre Group UK Limited | United Kingdom | Sales, Marketing or Distribution | 13.75 | 18,905,692 | - | - 371,455 | 5,706 | - |
| Prometeon Tyre Group Commercial Solutions LLC | United States | Sales, Marketing or Distribution | 6 | 8,384,799 | 26,293 | - 5,731,071 | 9,720 | 16,933 |
| Prometeon Tyre Group, Inc. | United States | Holding shares or other equity | 0 | - | - | - 53,151 | 5,004 | 11,290 |
| Prometeon Turkey Endüstriyel Ve Ticari Lastikler A.Ş | Turkey | Research and Development, Manufacturing and Producing, Sales, | 1562 | 117,637,255 | 136,836,319 | 10,927,030 | 452,437 | 453,761 |
| Prometeon Tyre Group S.r.l., succursale française | France | Sales, Marketing or Distribution | 4 | 4,747,571 | 3,097 | 697,133 | 23,919 | 100,000 |
| Prometeon Tyre Group S.r.l. Singapore branch | Singapore | Sales, Marketing or Distribution, Dormant Enterprise | 0 | 16 | - | - 44,854 | 1,469 | 1,468 |
| Prometeon Tyre Group S.r.l. Belgian branch | Belgium | Sales, Marketing or Distribution | 2 | 1,945,608 | - | 393,310 | - | 47,000 |
| Prometeon Tyre Group S.r.l. Branch Netherlands | Netherlands | Sales, Marketing or Distribution | 1 | 5,880,121 | - | 1,847,656 | 21,067 | 134,000 |
| Prometeon Tyre Group (Suisse) SA, bureau de représentation Maroc (Succ.) | Morocco | Administrative, Management or Support Services | 2 | - | - | - 253,443 | - | - |
| Prometeon Tyre Group (Suisse) SA (DMCC branch) | United Arab Emirates | Dormant Enterprise | 0 | - | - | - | - | - |
| Prometeon Tyre Group S.r.l. Milano Sucursala Bucuresti | Romania | Dormant Enterprise | 2 | 18,656 | - | - 18,164 | - | - |
| Prometeon Tyre Group S.r.l., Zweigniederlassung Österreich | Austria | Sales, Marketing or Distribution | 3 | 1,626,665 | - | 82,948 | 68,761 | 169,000 |
| Prometeon Tyre Group Polska Sp. z o.o., odštěpný závod Česká republika | Czech Republic | Sales, Marketing or Distribution | 1 | 2,368,207 | - | 205,158 | 7,746 | 39,422 |
| Prometeon Tyre Group Polska Sp. z o.o. Magyarországi Fióktelepe | Hungary | Sales, Marketing or Distribution | 1 | 2,971,466 | - | 198,744 | 13,654 | 27,192 |
| Prometeon Tyre Group Polska Sp. z o.o. Varsovia SUCURSALA Bucuresti. | Romania | Sales, Marketing or Distribution | 0 | 5,011,629 | - | 245,974 | 147,585 | 48,078 |
| TP (Tianjin) Enterprise Management Consulting Co. Ltd | China | Dormant Enterprise | | | | | | |

2021

| Name of Entity | Tax Jurisdiction | Entity Activities | Entity Employee Number | Revenues from Third-Party Sales | Revenues from Intra-Group Transactions with Other Tax Jurisdictions | Profit (loss) Before Income Tax | Tangible Assets Other Than Cash and Cash Equivalent | Income Tax Paid (On Cash Basis) | Income Tax Accrued - Current Year |
|--|------------------------------|--|------------------------|---------------------------------|---|---------------------------------|---|---------------------------------|-----------------------------------|
| Prometeon Tyre Group Srl | Italy | Research and Development, Holding or Managing intellectual property, Purchasing and Procurement, Sales, Marketing or Distribution, Administrative, Management or Support Services, Intra-group Finance, Holding shares or other equity instruments | 221 | 90,117,330 | 426,796,877 | - 4,445,730 | 5,774,210 | 3,742,000 | 10,167,626 |
| TP Industrial Holding SpA | Italy | Holding shares or other equity instruments | 0 | - | - | - 613,961 | - | - | - |
| Beijing Industrial Holding Srl | Italy | Holding shares or other equity instruments | 0 | - | - | - 2,226,039 | - | - | - |
| TP Trading (Beijing) Co. Ltd | China | Sales, Marketing or Distribution | 17 | 14,295,457 | 303,874 | - 335,093 | 1,086,852 | - | - |
| Prometeon Tyre Egypt Co. S.A.E. | Egypt | Manufacturing and Producing, Sales, Marketing or Distribution | 1275 | 84,290,782 | 96,251,282 | 10,087,429 | 115,181,320 | 865,531 | 6,901,376 |
| International Tire Company Ltd | Egypt | Dormant Enterprise | 1 | 455,768 | - | 976,496 | 3,210 | 343,435 | 284,898 |
| Prometeon Tyre Group Industria Brasil Ltda. | Brazil | Research and Development, Manufacturing and Producing, Sales, Marketing or Distribution | 3760 | 384,937,656 | 108,424,005 | 5,255,169 | 255,799,107 | 7,568,062 | 12,225,656 |
| PTG Logistica e Serviços Ltda. | Brazil | Administrative, Management or Support Services | 682 | - | 6,694,465 | 315,419 | - | 127,720 | 127,723 |
| Proemteon Tyre Group de Argentina SAU | Argentina | Sales, Marketing or Distribution | 19 | 37,406,416 | - | - 575,032 | 2,077,922 | 585,528 | - |
| Prometeon Tyre Group (Suisse) SA | Switzerland | Sales, Marketing or Distribution | 10 | 53,542,836 | 35,428,772 | - | 4,874,477 | 114,593 | 306,159 |
| Prometeon Tyre Group Colombia S.A.S. | Colombia | Sales, Marketing or Distribution | 15 | 13,889,826 | - | - 1,187,481 | 2,182,236 | 444,258 | 9,986 |
| Prometeon Tyre Deutschland GmbH | Germany | Sales, Marketing or Distribution | 28 | 55,656,068 | 8,293,853 | 1,178,079 | 5,988,942 | 24,702 | 353,405 |
| Prometeon Tyre Group Servicios Mexico S.A. de C.V. | Mexico | Administrative, Management or Support Services, Dormant Enterprise | 21 | - | 785,486 | 143,308 | - | 61,985 | 45,005 |
| Prometeon Tyre Group Mexico S.A. de C.V. | Mexico | Sales, Marketing or Distribution | 0 | 23,911,568 | - | 822,719 | 3,252,000 | 334,171 | 361,423 |
| Prometeon Tyre Group Polska S.p. z o.o. | Poland | Sales, Marketing or Distribution | 18 | 13,789,524 | - | 199,531 | 728,302 | 44,918 | 207,381 |
| Prometeon Tyre Group España y Portugal, S.L. | Spain | Sales, Marketing or Distribution | 20 | 37,626,820 | 1,985,349 | 1,214,684 | 3,280,736 | 291,862 | 233,295 |
| Prometeon Tyre Group UK Limited | United Kingdom | Sales, Marketing or Distribution | 15 | 23,799,282 | - | 336,506 | 1,682,291 | 48,860 | 34,900 |
| Prometeon Tyre Group Commercial Solutions LLC | United States | Sales, Marketing or Distribution | 6 | 11,303,110 | 4,581 | 102,150 | 3,039,640 | 61,249 | 2,729 |
| Prometeon Tyre Group, Inc. | United States | Holding shares or other equity instruments | 0 | - | - | - 3,430 | - | 14,965 | 4,801 |
| Prometeon Turkey Endüstriyel Ve Ticari Lastikler A.Ş | Turkey | Research and Development, Manufacturing and Producing, Sales, Marketing or Distribution | 1657 | 129,271,977 | 178,702,351 | 19,309,401 | 94,066,350 | 686,418 | 1,414,582 |
| Prometeon Tyre Group S.r.l., succursale française | France | Sales, Marketing or Distribution | 3 | 5,036,144 | - | 706,227 | 253,790 | 131,949 | 12,300 |
| Prometeon Tyre Group S.r.l. Singapore branch | Singapore | Sales, Marketing or Distribution, Dormant Enterprise | 0 | - | - | - 34,660 | - | 1,375 | 1,369 |
| Prometeon Tyre Group S.r.l. Belgian branch | Belgium | Sales, Marketing or Distribution | 1 | 2,682,347 | - | 507,730 | 41,377 | 27,979 | 12,800 |
| Prometeon Tyre Group S.r.l. Branch Netherlands | Netherlands | Sales, Marketing or Distribution | 1 | 8,536,552 | - | 2,503,208 | 182,182 | - | 20,500 |
| Prometeon Tyre Group (Suisse) SA, bureau de représentation Maroc (Succ.) | Morocco | Administrative, Management or Support Services | 0 | - | - | - 374,487 | - | - | - |
| Prometeon Tyre Group (Suisse) SA (DMCC branch) | United Arab Emirates - Dubai | Dormant Enterprise | 0 | - | - | - | - | - | - |
| Prometeon Tyre Group S.r.l. Milano Sucursala Bucuresti | Romania | Dormant Enterprise | 0 | - | - | - 21,374 | - | - | - |
| Prometeon Tyre Group S.r.l., Zweigniederlassung Österreich | Austria | Sales, Marketing or Distribution | 3 | 2,871,536 | - | 279,526 | 13,979 | 181,858 | 22,400 |
| Prometeon Tyre Group Polska Sp. z o.o., odštěpný závod Česká republika | Czech Republic | Sales, Marketing or Distribution | 1 | 2,701,544 | - | 69,079 | 24,949 | 52,946 | 14,398 |
| Prometeon Tyre Group Polska Sp. z o.o. Magyarországi Fióktelepe | Hungary | Sales, Marketing or Distribution | 1 | 3,192,624 | - | 63,995 | 69,764 | 25,428 | 16,206 |
| Prometeon Tyre Group Polska Sp. z o.o. Varsovia SUCURSALA Bucuresti. | Romania | Sales, Marketing or Distribution | 2 | 5,902,736 | - | 162,099 | 35,173 | 70,411 | 55,587 |

SUSTAINABILITY REPORT

CONVERSION FACTORS USED FOR MEASURING GREENHOUSE GASES EMISSIONS

Conversion factors and sources used to calculate emissions for the year 2022

| Energy Vector | Unit of Measurement | Conversion Factor (Ton CO2 equivalent) | Source of the Factor |
|------------------------|---------------------|---|--------------------------------------|
| Electric energy Turkey | kWh | 0.441 | IEA |
| Electric energy Egypt | kWh | 0.472 | IEA |
| Electric energy Brasil | kWh | 0.157 | IEA |
| Natural Gas | Sm3 | 1.8867072 | IPCC |
| Fuel oil | kg | 3.1039988 | IPCC |
| Steam 1 | Tons | 140.215368 | Calculated by Engineering Department |
| Steam 2 | Tons | 140.215368 | Calculated by Engineering Department |
| Hot Water | GCal | 234.795744 | IPCC |
| LPG | kg | 2.9870896 | IPCC |
| Diesel | kg | 3.197007 | IPCC |
| Gasoline | Kg | 0 | IPCC |

Conversion factors and sources used to calculate emissions for the year 2021

| Energy Vector | Unit of Measurement | Conversion Factor (Ton CO2 equivalent) | Source of the Factor |
|------------------------|---------------------|---|--------------------------------------|
| Electric energy Turkey | kWh | 0.441 | IEA |
| Electric energy Egypt | kWh | 0.472 | IEA |
| Electric energy Brasil | kWh | 0.157 | IEA |
| Natural Gas | Sm3 | 1.8867072 | IPCC |
| Fuel oil | kg | 3.1039988 | IPCC |
| Steam 1 | Tons | 140.215368 | Calculated by Engineering Department |
| Steam 2 | Tons | 140.215368 | Calculated by Engineering Department |
| Hot Water | GCal | 234.795744 | IPCC |
| LPG | kg | 2.9870896 | IPCC |
| Diesel | kg | 3.197007 | IPCC |
| Gasoline | Kg | 0 | IPCC |

| AREAS OF GLOBAL COMPACT | GLOBALCOMPACT PRINCIPLES | POLICIES/RELEVANT PARAGRAPHS | REFERENCING PAGE NUMBERS |
|-------------------------|---|--|---|
| HUMAN RIGHTS | <p>Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights</p> | <ul style="list-style-type: none"> • the “Ethical Code” • the Global Human Rights Policy • Health, Safety and Environment Policy • Quality Policy | <ul style="list-style-type: none"> ➤ 47;48 ➤ 47;49-50 ➤ 47;59 ➤ 47;62 |
| | <p>Principle 2 Businesses should make sure that they are not complicit in human rights abuses</p> | <ul style="list-style-type: none"> • the “Ethical Code” • the “Global Human Rights” Policy • the “Conflict Minerals and Cobalt Sourcing” Policy • “Compliance with limitations on relationships issued by authorities” | <ul style="list-style-type: none"> ➤ 47;48 ➤ 47;49-50 ➤ 47;60-61 ➤ 47;51-53 |
| LABOUR | <p>Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> | <ul style="list-style-type: none"> • the Corporate Social Responsibility Policy • Industrial Relations • Unionization levels and industrial action | <ul style="list-style-type: none"> ➤ 47;59 ➤ 154-155 ➤ 155 |

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| | | | |
|--|---|---|--|
| | <p>Principle 4 - The elimination of all forms of forced and compulsory labour</p> | <ul style="list-style-type: none"> • Industrial Relations • Compliance with statutory and contractual obligations governing overtime, time off, association and negotiation, equal opportunities and nondiscrimination, bans on child and forced labour | <ul style="list-style-type: none"> ➤ 154-155 ➤ 154-155 |
| | <p>Principle 5 - The effective abolition of child labour</p> | <ul style="list-style-type: none"> • Industrial Relations • Compliance with statutory and contractual obligations governing overtime, time off, association and negotiation, equal opportunities and nondiscrimination, bans on child and forced labour | <ul style="list-style-type: none"> ➤ 154-155 ➤ 154-155 |
| | <p>Principle 6 - The elimination of discrimination in respect of employment and occupation</p> | <ul style="list-style-type: none"> • The Group “Equal Opportunity Statement” • Diversity Management • Rewards • International Mobility | <ul style="list-style-type: none"> ➤ 47;49 ➤ 83-85 ➤ 136-137 ➤ 144 |

| | | |
|--------------------|--|---|
| ENVIRONMENT | <p>Principle 7 - Businesses should support a precautionary approach to environmental challenges</p> | <ul style="list-style-type: none"> • the “Health, Safety and Environment” Policy ➤ 47-59 • Prometeon Tyre Group Environmental Strategy ➤ 171-172 • Environmental management system and factory's performance ➤ 172-173 • Energy management ➤ 174-179 • Management of Greenhouse Gas Emissions and Carbon Action Plan ➤ 179-182 • Water Management ➤ 182-191 • Waste Management ➤ 191-194 • Solvents ➤ 195 • Nox & Sox ➤ 196 • End-of-Life Tyres ➤ 201-207 • Expenses and investments ➤ 208-209 |
| | <p>Principle 8 - Undertake initiatives to promote greater environmental responsibility</p> | <ul style="list-style-type: none"> • the “Sustainable Natural Rubber” Policy ➤ 47;59-60 |
| | <p>Principle 9 - Encourage the development and diffusion of environmentally friendly technologies</p> | <ul style="list-style-type: none"> • High Value approach to future mobility ➤ 233 • Safe mobility: PRO CHECK ➤ 247-249 • Project of the Municipality of Milan to build an exemplary Smart Mobility District in terms of ➤ 253-256 |

SUSTAINABILITY REPORT

| | | | |
|------------------------|--|---|---|
| | | <p>Sustainability and Innovation</p> <ul style="list-style-type: none"> • Biodiversity • New Materials • Product safety, performance, and eco-sustainability • Energy management • Management of Greenhouse Gas Emissions and Carbon Action Plan • Water Management • Waste Management • End-of-Life Tyres • Road Safety | <ul style="list-style-type: none"> ➤ 196-199 ➤ 199-201 ➤ 224-232 ➤ 174-179 ➤ 179-182 ➤ 182-191 ➤ 191-194 ➤ 201-207 ➤ 233 |
| ANTI-CORRUPTION | <p>Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery</p> | <ul style="list-style-type: none"> • The “Anti-Corruption Program” • the “Global Antitrust and Fair Competition” Policy • Programs of Compliance 231, Anti-Corruption • the “Group Whistleblowing Policy - Group Reporting Procedure” • Conflict of Interests • Political Involvement & Lobbying Policy | <ul style="list-style-type: none"> ➤ 47;48-49 ➤ 47;50-51 ➤ 15;48-49;53 ➤ 47;53-56 ➤ 47;63-64 ➤ 47;51 |

| GRI DESCRIPTION | GRI Standard | DISCLOSURE | OMISSION | PAGE NUMBER | CHAPTER | |
|---|--------------|---|----------|------------------|--|-------------------------------|
| GRI 2: General Disclosure 2021 | 2-22 | Statement on sustainable development strategy | | 1-3 | Letter to stakeholders | Introduction |
| | | | | 4-11 | Standard e linee guida | |
| GRI 2: General Disclosure 2021 | 2-1 | Organizational details | | 12 | Sustainability strategy and contribution to sustainable value creation | |
| | 2-3 | Reporting period, frequency and contact point | | 12 | | |
| | 2-6 | Activities, value chain, and other business relationships | | 12-13 | | |
| | 2-9 | Governance structure and composition | | 14-15 | | |
| | 2-10 | Nomination and selection of the highest governance body | | 14-16 | | |
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