



SUSTAINABILITY IS A PILLAR IN THE GROWTH OF PROMETEON

- **Sustainalytics has assessed the Group's standards in ESG terms: third-ranked in 2022 at a worldwide level in the sector.**
- **Sustainability governance strengthened at a global level.**
- **New targets for 2030 for the reduction of the environmental impact on the entire value chain: production and sales.**

Milan, 18 July 2023. The Sustainability Report for 2022 of Prometeon Tyre Group, which ratifies the green policy imposed by the Group at a global level and across the value chain – from production to sales – has been approved. New challenging targets have been set for reducing the environmental impact by 2030. The Group's efforts were rewarded by the Sustainalytics assessment for 2022.

Nicolas Marchi, Chief Internal Audit & Sustainability Officer of Prometeon Tyre Group. "Sustainability has become something very concrete in business and is now part of the company's identity. It concerns relations with customers, suppliers and the financial world, and involves purchases as well as production. Prometeon is heavily involved in all sustainability issues and each of its actions takes into account the resulting environmental impact".

ESG RATING

For the second year, Morningstar Sustainalytics, the ESG (Environmental, Social and Governance) rating agency, assessed the corporate social responsibility of the Prometeon Tyre Group, with the aim of understanding and improving the Group's actions with regard to sustainability principles along the entire value chain.

The assessment yielded positive results: the ESG Risk Rating score was 12.1 out of 100 (the closer the score is to zero, the better a company performs), confirming for the second year the low exposure to risk and the high level of management. Besides improving its score, which was 14.9 last year, the company also improved its ranking within the reference sub-industry (TYRE world), moving up from fifth to third place out of 29 at the time of the ranking's release; and in the autocomponents sector, Prometeon now ranks 15th out of 236 companies. This data not only confirms the company's excellent performances, but also demonstrates its ongoing improvement efforts.



FORMULA PHAROS SESTANTE



TEPRYS ERACLE ARGANTIS

GOVERNANCE FOR SUSTAINABILITY

In 2022 governance was strengthened by boosting the actions of the Sustainability Committees in all realities where Prometeon is present with a production activity, with the aim of establishing a unified ESG vision so as to expand knowledge of all three aspects – environmental, social and governance – and promote solid corporate governance standards that integrate all these aspects. This will help the sector to integrate ESG factors in the decision-making process involving investments in the Group's industrial footprint.

The HQ Committee, which operates at a global level in all countries where the Group is present, has defined long-term objectives up to 2030 for reducing the production of waste, water consumption, energy demand and CO₂ emissions. With specific reference to the environment, the Group clearly understands the threats posed by climate change, an undeniable reality in today's world with a strong potential for bringing about sudden changes to ecosystems. Determined to assume a proactive role in combating climate change, Prometeon Tyre Group undertakes actions to achieve tangible results within its commercial activities along its entire value chain, with the ultimate aim of closing the loop of the product life-cycle. With this goal in mind, the Group undertakes continuous research and development activities on innovative materials and collaborates with external subjects to make ESG assessments in order to constantly improve its corporate social responsibility.

TARGETS FOR 2030

In accordance with the demands of the United Nations Global Compact, with regard to the 2030 Agenda, the company has defined environmental reduction targets at 2030, with the baseline being the first year of Prometeon's life after the spin-off from Pirelli (2016). Among these targets concerning specific consumption aspects, on account of the current industrial range of action, the company expects to reduce water consumption by over 53%, energy consumption and, consequently, CO₂ emissions, by over 30%, thanks to ongoing investments and a revision of the company processes.

In line with the attainment of these goals and thanks to investments in innovative processes, such as wastewater treatment plants, which have allowed for recovering around 20% water, in 2022 the Group reduced its total water consumption by almost 10% compared to the previous year. More in general, thanks to processes aimed at enhancing the efficiency of production processes implemented with the aim of reducing consumption of resources and environmental impact, the Group succeeded in reducing its energy consumption and CO₂ emissions by roughly 5%, and solvent consumption by around 15%, with reference to the previous year.

To improve the collection of environmental data, in 2022 the Committee decided to purchase a software programme that collects data for providing an overview of the KPIs and monitoring the state of progress of the attainment of the long-term goals.

GLOBAL REPORTING INITIATIVE

During the course of 2022, Prometeon Tyre Group decided to implement the Global Reporting Initiative (GRI) in its Social Corporate Sustainability Report. The GRI provides a framework for identifying the main environmental, social, and economic impacts generated by the organisation on the basis of the nature of its activities. It also takes into account the impact that the organisation's activities and decisions have on the main stakeholders.

SUPPLIER AWARD

The company has instituted the Supplier Award Programme with the aim of involving and guiding its suppliers in its efforts to tackle sustainability issues. The programme will be managed by the Chief Procurement Officer of Prometeon Tyre Group, Federica Tondini. Through this programme, Prometeon can acknowledge and reward suppliers that provide top-rate services and materials, so as to expand their level of engagement and reward innovative and sustainable projects, as well as encourage the improvement of processes capable of adding value to the business and to the stakeholders involved.

The following categories are included in the award, the winners of which will be communicated at the start of 2024:

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

The 2022 Sustainability Report of Prometeon Tyre Group can be consulted on the website Prometeon.com and can be downloaded at the following [link](#).

PROMETEON TYRE GROUP

Prometeon Tyre Group is the only tyre manufacturer that focuses entirely on the Industrial, namely transport of goods and people, Agro and OTR sectors. Prometeon has a multi-brand offer, with a product portfolio that includes PIRELLI, FORMULA, PHAROS and ANTEO among its main brands. The Group has 4 production plants (2 in Brazil, 1 in Egypt and 1 in Turkey), 3 Research & Development facilities (Italy, Brazil and Turkey) and a Development Centre in Egypt. Approximately 8 thousand people of over 40 nationalities work within the Group, which is present in all 5 continents.

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