



## “SUSTAINALYTICS” ENCOURAGES PROMETEAON THE COMPANY’S ESG RATING AT THE TOP END AMONG TYRE MANUFACTURERS

- **The first part of the analysis by the ESG rating agency has ended. The sustainable policies adopted by the Group are crucial for managing the 350 million Euro sustainability-linked loan.**
- **Prometeon continues in its efforts to improve sustainability, with investments in Turkey, Egypt and Italy.**

**Milan, 22<sup>nd</sup> November, 2022.** Morningstar Sustainalytics encourages Prometeon. The ESG (Environmental, Social and Governance) rating agency was called upon to assess the corporate social responsibility of the Prometeon Tyre Group, with the aim of helping the group understand and improve its actions with regard to sustainability principles along the entire value chain. The assessment yielded positive results: **the ESG Risk Rating score was 14.9 out of 100** (the closer the score is to zero, the better a company performs). This figure places the group **at the top end of the world rankings** among both car component manufacturers and tyre manufacturers.

**Nicolas Marchi, Chief Internal Audit & Sustainability Officer of Prometeon Tyre Group:** “The ESG rating assesses how the company tackles environmental, social and governance issues, with reference to the management and maximisation of its non-financial risk. Companies with an ESG rating are proving that, in many cases, they are better equipped for tackling the challenges lying ahead. Moreover, doing that before the time comes means looking to the future by optimising investments and focusing them on activities regarded as necessary and concrete”.

Morningstar Sustainalytics based its assessment on the 2021 Sustainability Statement approved by the Board of Directors last spring, and examined the following parameters: Governance, Social, Environmental and Economic Dimension. Prometeon was judged to have a low risk among three categories (low, medium, high) and a strong management level among three categories (weak, average, strong).

Prometeon was found to have the following strengths: its procedures and processes, human capital regarded as the economic value of a worker’s experience and skills, products, their technology and the Quality certifications, as well as excellent knowledge of the reference market.

### SUSTAINABILITY-LINKED LOAN

The assessment is particularly significant in light of the sustainability-linked loan amounting to **350 million Euro** issued in December 2021.



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The loan, made up of a 200 million Term Loan and a 150 million Euro Multicurrency Revolving Credit Facility, has a three-year duration with an extension option for a further one year, and is intended to finance the existing debt and other business requirements, including new investments.

The loan's pricing is linked to the sustainability policies adopted by the Group, therefore Prometon has defined specific targets to be attained by the end of 2025 in relation to: **training imparted to employees on sustainability issues, the reduction of waste (tyres) and control of the supply chain through second-party audits**. The results will be presented in the 2022 Sustainability Statement, after which Morningstar Sustainalytics will conduct a second assessment.

## WORLDWIDE INVESTMENTS

The productive potential of the **new-generation Serie 02 PIRELLI-branded tyres**, the epitome of sustainability, is growing.

In the fourth quarter of 2021 the Group approved the increase of the production capacity in Turkey, which will take the plant to **an output of over 1.8 million pieces**, for an overall expenditure of just under **40 million Euro**. During the first half-year of 2022, the investment for the technological upgrading of the factory in Egypt, totalling around **30 million Euro**, was approved. As a result, the production of Serie 02 tyres will be increased.

At the same time, a **25 million Euro package**, already partly invested, is sustaining the research and development activities in the R&D facilities in Turkey, Italy and Egypt.

Thanks to the new Prometeon technologies focusing on the sustainability of tyres, starting from the raw materials and production process used to make them up to their recovery, the Serie 02 series, with its five product lines, makes the **management of operating costs more efficient** by guaranteeing high mileage, a longer tyre life and a lower rolling resistance. This translates into a decrease in tyre and fuel consumption, which ultimately reduces CO<sub>2</sub> emissions.

## PROMETEON TYRE GROUP

Prometeon Tyre Group is the only tyre company solely focused on the Industrial sector (transport of goods and people), the Agro and OTR segments. Prometeon's is a multi-level offering with a product portfolio that includes the PIRELLI, FORMULA, PHAROS, ANTEO, ERACLE, TEGRYS brands. The Group has four factories (two in Brazil, one in Egypt, and one in Turkey), three Research and Development Centers (Italy, Brazil, and Turkey) and one Development Centre in Egypt. There are around 8,000 people from more than 40 nations working in the Group, across all 5 continents. Since 2019 Prometeon has joined the United Nations Global Compact, which today has 15,500 companies in 165 countries, and in 2020 it was among the founding members of the United Nations Global Compact Network Italy. The PIRELLI, FORMULA and PHAROS brands are used under license.

### For further information

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