



**Prometeon
Tyre Group
2022
Sustainability
Report on
Value Chain
Responsible
Management**

PROMETEON 360° SUSTAINABILITY



PROMETEAON TYRE GROUP'S VALUE CHAIN



RAW MATERIALS

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



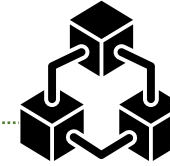
TRANSPORTATION OF RAW MATERIALS

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



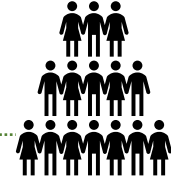
SUBCONTRACTORS

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



GROUP FUNCTIONS

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



SOCIETY

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



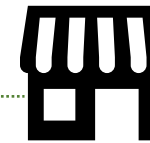
RECYCLING

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



CONSUMERS

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



CUSTOMERS

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



TRANSPORTATION OF TYRES

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

MANAGEMENT MODEL & SUSTAINABILITY MISSION

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

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

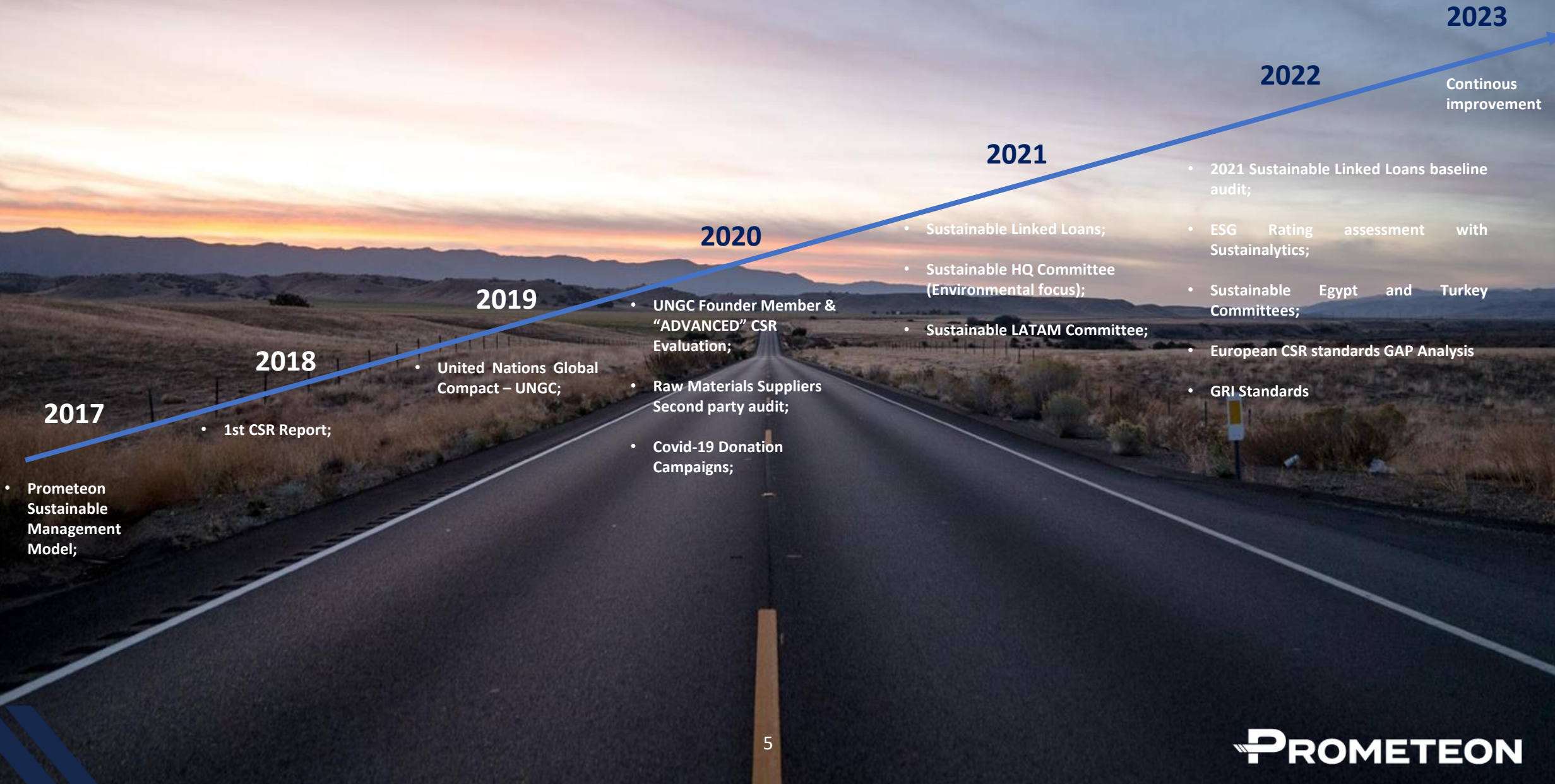
- general principles of transparency;
- fairness inspiring the conduct of business;
- objectives;
- the values informing business activity to stakeholders: investors, environment, financial market, customers and staff, etc.

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

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



FROM 2017 TO 2023 – PROMETEAON'S SUSTAINABILITY GROWTH



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

- ❑ Since 2019 the Company report its Sustainability Report applying standard required by UNGC and became founder member in 2020 and SDGs which requires to report all the activities in a certain manner, responding to the mandatory standard set by the over mentioned Institutions;
- ❑ Moreover, in 2022 the Company decided to apply the GRI in its Sustainability Report enhancing the Sustainable Management Model. The reporting based on the GRI requires Prometeon to declare information considered mandatory for the transparency of the communication of the data giving also a global language for all these companies who apply the GRI standard;
- ❑ Furthermore it has to be highlighted that applying the new methodology of the GRI, Prometeon will be able to submit its Sustainability Report to an external assurance with the aim of being evaluated like a listed company.

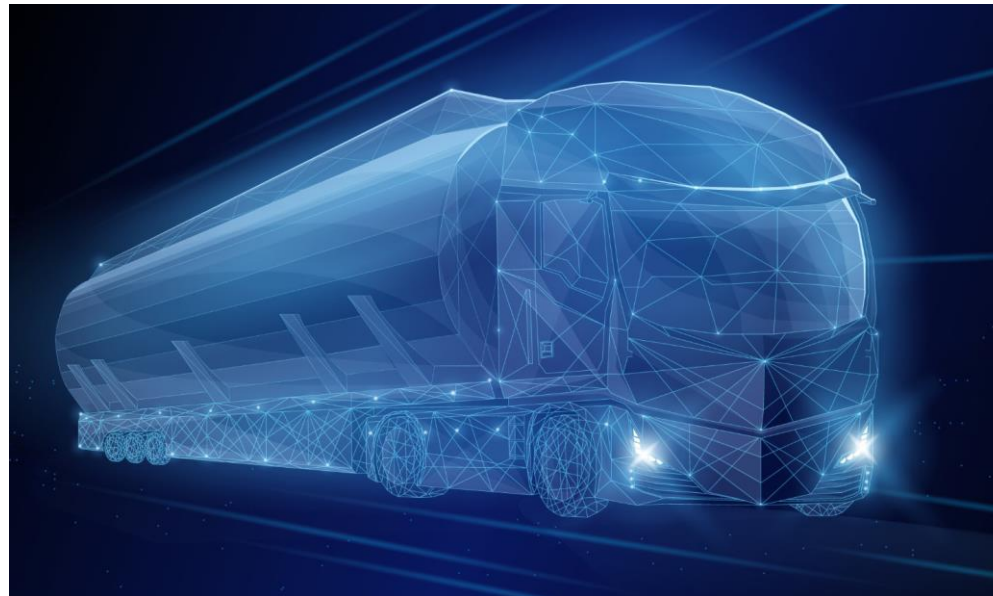
In the following slides the results of all the activities carried out to set the new Sustainability Report based on UNGC Principles, SDGs, ESG Rating standard and GRI;

WE SUPPORT



PROMETEON

Prometeon Tyre Group supports the Sustainable Development Goals



GOVERNANCE & BUSINESS ETHICS

Policies published on Prometeon's web:

- the "Ethical Code";
- the "Code of Conduct";
- the "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";
- the "Social Media" Policy;
- the "Tax Governance" Procedure;
- the "Global Tax" Policy;
- "Tax Monitoring".



Programs of Compliance 231 , Anti-corruption

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

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)



2022 MAIN FOCUS:

□ The "Political Involvement and Lobbying" Policy

- ❖ Integrity and Transparency are two fundamental ethical principles governing Prometeon's conduct, success and capacity to generate long-term growth. The Policy is aimed to set out its commitments with regards political involvement and responsible lobbying;
- ❖ 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;

□ "Conflict of Interest"

- ❖ 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;
- ❖ 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 could be made.

□ "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;
- ❖ The Policy stipulates the rules applying to the use of Social Media to minimize the risks such as 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 "Competition Compliance Manual"

- ❖ the purpose is to help 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.

□ "Global Privacy" Policy

- ❖ Issued in order to provide employees, Directors and all those who represent Prometeon 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.



PROMETEON

GOVERNANCE & BUSINESS ETHICS

PROMETEEON'S COMMITTEE

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

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

❑ **Sustainability Committee:** to establish a unified view of ESG, increasing understanding of all aspects, environmental, social and governance, and to promote robust standards of Corporate Governance that integrate all these aspects. After definition of Brazil Committee (2021), during 2022 **Committees at Headquarter and at local level (Egypt & Turkey) have been created** to better unify the view of Corporate Social Responsibility of Prometeon.



THE BEST WAY TO PREDICT THE
FUTURE IS TO CREATE IT

Sustainability at 360° degrees in our strategy and development



❖ **Key objectives:**

- Emphasize importance of environmental measures, sustainability goals and performance, at all levels of the business;
- Provide best practices on the structure, policies and regulations that impact the business;
- Increase understanding and awareness of Corporate Governance and social aspects that impact the industry;
- Implement and promote common and workable standards of corporate governance for the business.
- ❑ **Headquarter Committee** settled in 2022, the team **worked to improve target for waste, water, solvents, energy and CO2 emissions**;
- ✓ To improve in environmental data collection Prometeon decided to buy a software able to collect the data to have an overview of the KPI and set long term targets 2025 & 2030;

Water reduction (m3/tFP)		
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

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

❑ **Turkey Committee** kicked off in September 2022 composed by: Marketing, HSE, Finance, Manufacturing, Market Quality, R&D, Logistics, Internal Audit, Communication, Human Resources, Information & Communication Technologies. Each function set targets at short, medium and long terms to enhance its Sustainability. As an example, in 2022 HR decided to pass from paper copy to hard copy for recruitment, Marketing sensitized employees regarding printing documents and adding the following icon in their e-mails:



Before printing this email, check whether it is really necessary.



PROMETEEON

#TOGETHER TO GET THERE

GOVERNANCE & BUSINESS ETHICS

- ❑ **Egypt Committee** kicked off on September 2022 and the functions who have been assigned to the project are HR, HSE, Procurement, Marketing, Manufacturing;
 - ✓ The Committee has identified and defined the topics to improve local sustainability and already in 2022, several activities have been implemented (e.g water recycle irrigation for the gardens of the factory in Alexandria, Youth Building Center, selling scrap tyre to other producer that use it as a raw material to recycle and reduce waste).
- ❑ **Brazil Committee**: already created in 2021, during 2022 an important teamwork to prepare the materiality matrix in which the Company will act;
 - ✓ Subcommittees analyzed materiality, impacts and risks;
 - ✓ Development of ESG Program & identification of KPI's in each pillar;
 - ✓ 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;
 - ✓ Every week local committee send to all participants an ESG message to sensitize on the topic.

termos & definições

Atividade de Baixo Impacto Ambiental

Atividades eventuais ou que não ocasionem impacto ambiental à vegetação, ao solo ou aos recursos hídricos. Ex: Abertura de trilhas de acesso e para o ecoturismo, plantios de árvores para coleta de frutos, fibras e castanhas, construção e manutenção de cercas, etc.



APENAS 3% DO LIXO SECO GERADO NO BRASIL É RECICLADO.

Dados apontam que 74,4% dos municípios brasileiros conta com sistema de reciclagem, mas de forma inicial, o que acaba sobrecarregando a destinação final.



PROMETEON'S MEMBERSHIP ASSOCIATIONS

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

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

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

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

End of life tyres:

- Lastik Sanayicileri Derneği – LASDER;



PROMETEON ANALYSIS OF MATERIALITY AND IDENTIFIED RISKS

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

Materiality



❖ These impacts include:

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



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GOVERNANCE & BUSINESS ETHICS

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

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

- Actual impacts: those that have already occurred,
- potential impacts: those that may occur but, at the time of analysis, have not yet occurred;

❖ **Assessment of potential negative impacts:** all policies, procedures and activities implemented by Prometeon to prevent and mitigate the identified negative impact were considered;

❖ **The prioritization activity** allowed the Company to determine the material issues for reporting;

❖ **At the methodological level:**

- the main negative and positive impacts identified were prioritized and evaluated according to their degree of severity and likelihood of occurrence.
- **Actual negative impact:** determined by its severity;
- **Potential negative impact:** determined by the severity and likelihood of the impact;

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

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

GOVERNANCE & BUSINESS ETHICS

WHISTLEBLOWING PROCEDURE

- **28** whistleblowings flew in from 5 countries in 2022;
- **11** cases to the detriment of the company were ascertained and specific countermeasures were undertaken, mainly corrective interventions aimed to improve the processes and strengthen the internal control system;
- No cases of public legal action against the company concerning corruption practices;
- Segregation of Duties aimed at strengthening the system of internal controls and preventing the committing of fraud.



NEW PROCESS AND SYSTEM

- ❑ 2022 Prometeon worked to implement a new Platform **Whistlelink** being available 7/7 – 24/24;
- ❑ The **Whistleblowing Policy** has been reviewed based on the new system provided by Whistlelink;
- ❑ **Training** in 2023 already scheduled with HR.

❑ PROMETEAON SOCIAL MEDIA

- in 2022 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;
- **Increasing** Prometeon corporate **brand awareness**;
- **Global vision** of the **products** and related **services** offered;
- **Company initiatives**: launch of the brand new Serie02, sponsorship activities Superbike & Parma Calcio, employer branding initiatives..., experience of clients, testimonials, and safety & technical tips for end users.



SOCIAL DIMENSION

- ❑ **Prometeon employees** at December 31, 2022 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 CATEGORY

	Executive	Cadre and Staff	Permanent WC	Temporary WC	Blue collars	Permanent BC	Temporary BC	Total
2021	44	1,154	1,175	23	6,579	6,037	542	7,777
2022	45	1,204	1,234	15	6,631	5,886	745	7,880
2021 VS 2022	1	50	59	9	52	151	203	103

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

CORPORATE IDENTITY AND MINDSET OF PROMETEON TYRE GROUP

- During 2022, Prometeon started to work on a dedicated project regarding the new Employee Value Proposition, allowing business strategy to be actionable through people;

❖ The focus points analyzed:

- ✓ Set the values that the company can offer to current or future employees gaining a competitive advantage in the campaign for talents;
- ✓ Establish the contribution of each employee clearly specifying key objectives and goals;
- ✓ Empower people to express strong engagement unleash their Innovative potentials;
- ✓ Generate maximum Operational Effectiveness which makes a company sustainable aligning people's and company's expectations;

- In 2022, a new People Strategy, to set the new DNA of Prometeon, 3 main drivers have been defined:

- **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:



SOCIAL DIMENSION

EMPLOYER BRANDING

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

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

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

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

❑ **2022**

- **more than 100 Prometeons joined the Company** covering roles in several Departments and another large part of hired people was recruited to join Prometeon's manufacturing world;
- **LinkedIn in 2022:** Prometeon continued to work to enhance its **brand awareness** and **presence on the web** sharing posts and information regarding the Company, its employees and the results achieved during the year 2022;
- ❖ **NEWCOMERS:** all new entries' photos were published, specifying for each person the professional family and his or her main interests;
- ❖ **MYPROMETEON:** several interviews and videos have been periodically posted to improve retention and engagement through short interviews, the Company asked to people why they were proud to work at Prometeon and how their job position impacted on their personal development;



- **In Italy Prometeon at the Academy of Communication:** presentation of the projects of the second-year students of the postgraduate course in Digital Marketing;
 - The aim 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, and they had the chance to meet the General Manager, the Marketing and HR Director of the Company;
- **In Brazil,** Prometeon organized together with the University of Maua 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 gifts branded Prometeon;
 - The 3 logos will be used to create to represent the Sustainability of Prometeon;
- **In Egypt,** the Company organized for university undergraduate students visit of the Factory for 1 day to present and explain manufacturing process of tyres.
 - **In 2022 4 physical tours** at the factory were organized giving the opportunity to the students to better understand a production process;
 - **Prometeon sponsored 4 projects** graduating university students were supported in their graduation projects for the Business Management, Logistics & Supply Chain, Engineering & Industrial by a team of technical experts from the Company;
- **In Turkey,** Prometeon had the opportunity to present the Company to young audiences through HR and Engineering Managers which participated to career summits through the support of a specific career platform, "Youthall";
 - Together with young talents, Prometeon participated to the **Middle East Technical University Career Fair** as well as **career summits** organized by other local universities;
 - Students had the opportunity to have a face-to-face time with the Company employees, getting insights about Prometeon's culture, activities carried out at R&D Center and career opportunities;
- **In all the countries** where the Company operates, activities of employer branding have been carried out (universities, colleges, business schools etc).



SOCIAL DIMENSION

LEARNING AND DEVELOPMENT

- ❑ In **2022** Prometeon launched a new Global Learning & Development Program: **MYND4.GYM** (ManageYourNewDevelopment4.Gym);
- MYND4.GYM was created in order to promote the development of culture and practice of continuous feedback;
- The program has been divided in 2 main waves:
 - one for Managers;
 - one for Employees;
- **The 1st wave for Managers** has been articulated on 3 different dimensions:
 - **Performance:** 3 Learning Session, with a focus on performance feedback, smart goals setting and Objectives and Key Results;
 - **Collaboration & Empowerment:** 1 Learning Session and 1 working group, with a focus on giving feedback regarding behavior and professional development;
 - At the end of the learning path the Company recorded the participation of around 300 people;
 - At the same time, **MYND4.GYM People Managers program** involved HQ to an additional pilot project, based on a **digital role play activities**;
 - Virtual conversations through a dedicated digital platform, participants had the opportunity to practice on the 3 dimensions of the program.
- **The 2nd wave for Employees:**
 - Headquarter and Europe employees trained on the same digital platform used for Managers' pilot project and worked 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**;
 - The path included **individual trainings** and **3 virtual tables** with all the participants (Kick-off, Follow up and Closing session);
- **In total, more than 1.200 White collars and Managers** have been involved in this path.



LOCAL LEARNING & EDUCATION

In terms of **local learning and education** the **training sessions organized in 2022** were the following:

- **In Brazil, Líder PRO Program** aimed to **develop leadership** in key competencies for people management such as **assertive communication and feedback; teamwork; leadership in action and emotional intelligence**. At the end of the program **110 leaders** have been identified;
- **PRO Talent:** initiatives focused on **human development and performance**;
- **Mentoring Program**, for rising managers, which aims to prepare successors for strategic positions, expanding knowledge, networking, and careers;
- **High-Performance Program**, for coordinators, to increase the level of performance, self-confidence, and support talents in developing strategies to achieve their goals;
- **In Italy:** partnership with **Polytechnic of Milano**, opportunity to Italian employees to have a focus on Technical knowledges and skills; collaboration with the **ESCP Business School** 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;
- **In Egypt:** classroom trainings with specific reference to Quality, HSE, Manufacturing, Certification Programs, and Soft skills;

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



SOCIAL DIMENSION

EMPLOYEE EXPERIENCE AND INTERNAL COMMUNITY

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



- ❑ **Great Place to Work:** to better understand the current scenario according to the perception of employees, identifying strengths and weaknesses, the Company provided the “Great Place to Work” Survey;
- ✓ **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 have been done well and the opportunity for the company to further improve people's experience, under a vision that brings the comparison with the best practices in the market;
- The GPTW's seal recognizes this journey and shows that the Company is on the right track.



OCCUPATIONAL HEALTH, SAFETY AND HYGIENE

- In 2022 the Company, registered 33 accidents, of which 4 with 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);

	2021	2022
Frequency Index (FI)	2.59	2.24

$FI = \text{number of injuries} / \text{number of hours worked} \times 1.000.000$

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

$SI = \text{number recovery time days, starting from the first day following the injury, per injury/number of hours actually worked} \times 1.000.000$

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

EMPLOYEES	Unit of measurement	2021	2022
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



PROMETEON

SOCIAL DIMENSION

EXTERNAL COMMUNITY

In line with its inspiration for achieving **SDG “1 No Poverty”**, Prometeon kept endeavoring to reach out and help as many people as possible.

In line with its commitment for “SDG 17 Partnerships for the Goals”, that can only be realized with strong global partnerships and cooperation, **Prometeon supported, at the global, regional, national and local levels, the wellbeing of people and the planet;**

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

- ❑ **Egypt:** in cooperation with the Ministry of Youth and Sports, the Company decided to build and equip a Youth Center;
 - **The project** in EL-Bieda village at 5km 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** (around 4.250 people will benefit of this edifice) where they can have the **opportunity to spend time playing sports and doing activities** inside and around the building;
- ❑ **Brazil:**
 - **Donation of food baskets to flood victims:** 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;
 - ✓ **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);
 - **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 furniture have been distributed to the institution in need which help and support local communities;
- ❑ **Turkey:**
 - **Istanbul Marathon:** employees participated to the marathon to raise donations for **TEMA**, a local NGO with a particular focus on the wildfires and reforestation protecting the nature;
 - **Blood donation campaign:** employees on a voluntary basis donate to the blood bank to help people in need;
- ❑ **Headquarter:** the Company has supported several activities aimed to support local communities and the environment;
 - **ADMO:** Prometeon decided to support an Italian NGO which help through blood donation for bone marrow transplant;
 - **Parco Nord of Milan:** applying the Car Policy Prometeon 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.



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.



SOCIAL DIMENSION

NGO PARTNERSHIP

- ❑ During 2022 the partnership with **SOS Villaggi dei Bambini Italia** continued;
 - **September 2022:** Prometeon together with an Italian Client, Fintyre, decided to support SOS 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 SOS to support children in difficulty in Italy;
 - **October 2022: Mentorship program** with the aim to help women in difficulty to find a job;
 - 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 mentors selected;
 - The mentors have been trained to understand the real needs of the women assigned and try with them to reach the final goal, find a job;
 - **December 2022:** Prometeon decided for the year 2022 to renovate the sending of the e-card furnished and customized by SOS Villaggi dei Bambini Italia,
 - ✓ The **virtual cards have been sent to all employees** having access to an e mail address and to clients and suppliers working with the Company;
 - ✓ **The Company decided to print e-cards** and to **hang them on billboards in all plants** so that blue collar and people working for the Company and not having access to an email account, could receive greetings from Prometeon;
 - ✓ In full alignment with the Headquarter 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.



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 38,000 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



ENVIRONMENTAL DIMENSION

ENVIRONMENTAL MANAGEMENT MODEL ADOPTED BY PROMETEAON (main issues)

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



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

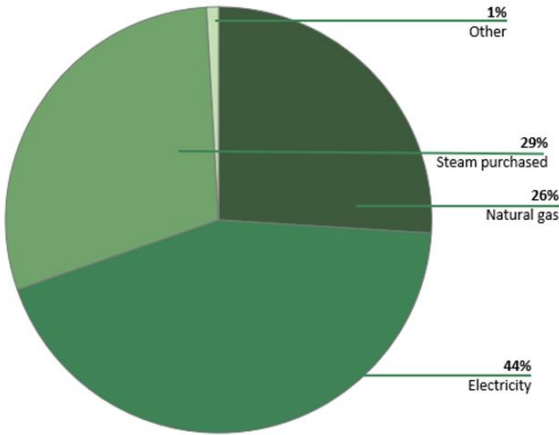
2022 ACTIVITIES

TREND IN ENVIRONMENTAL PERFORMANCE INDICES

The year 2022 saw an increase in production volumes:

- ✓ tons of finished products increased about **5% compared to 2021**;
- ✓ Thanks to **numerous investments** that the Company makes every year **in its production plants** to achieve its predefined sustainability objectives, **environmental performance showed an improvement** in terms of consumption (energy, water,) and emissions (CO2, waste) **in 2022 compared to 2021**.

DISTRIBUTION OF ENERGY SOURCES



ENERGY MANAGEMENT

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

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

- ✓ The year 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/ke	28.01	28.58



ENVIRONMENTAL DIMENSION

MANAGEMENT OF GREENHOUSE GAS EMISSIONS AND CARBON

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

- **Prometeon management, calculation and reporting model was defined according to the ISO 14064 Standard.** The Company planned a reduction in specific emissions (on tons of finished product) of CO₂;
- The numerous activities that Prometeon implements every year, in particular those concerning the energy consumption, leads to an effective reduction in terms of emissions in 2022;
- ❑ **In 2022**, the Company recorded a decrease in absolute GHG emissions although recorded an increase in the total quantity of finished product;
- ❑ Specific emissions for total amount of finished product recorded a **reduction of 4.51% compared to 2021.**

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	
Emissioni Scope I + Scope II LB	ton CO2 eq	199,869	198,445	
Emissioni Scope I + Scope II MB	ton CO2 eq	199,869	198,445	

		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

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

END-OF-LIFE TYRE

Thanks to collaborations (Ecopneus in Italy, RecicLANIP in Brazil, Aliapur in France, Recytyre in Belgium, Signus in Spain, Valorpneu in Portugal and Lasder in Turkey).

- ❑ **The end-of-life tyres (ELTs) are recycled and recovered as urban furniture, playground equipment, asphalt, gutter filters and materials used to build sport fields such as tennis courts and football fields, and in energy in ad hoc plants (e.g. cement factories);**
- ❑ **In Brazil**, the Company collaborates with **RecicLANIP**, which during the course of **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 was provided by Prometeon Tyre Group Brazil.**
- ❑ **In Argentina**, the Company collaborates with Geocycle, a waste management company. During **2022**, 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 **530 tons of ELTs were recovered as energy used in cement production.**
- ❑ **In Turkey**, the Company is member of **LASDER**, association founded by tyre manufacturers operating in the Country for the collection and recycling of ELT. Thanks to the collaboration and willingness of tyre manufacturers in the Country, the **total amount of ELTs recycled in 2022** was approximately of **204.655 tons, of which 26.116 tons (12.8% of the total amount) tons were provided by Prometeon Tyre Group Turkey.**



ENVIRONMENTAL DIMENSION

WATER MANAGEMENT

The year **2022** recorded an absolute withdrawal of about **978 mega liters**;

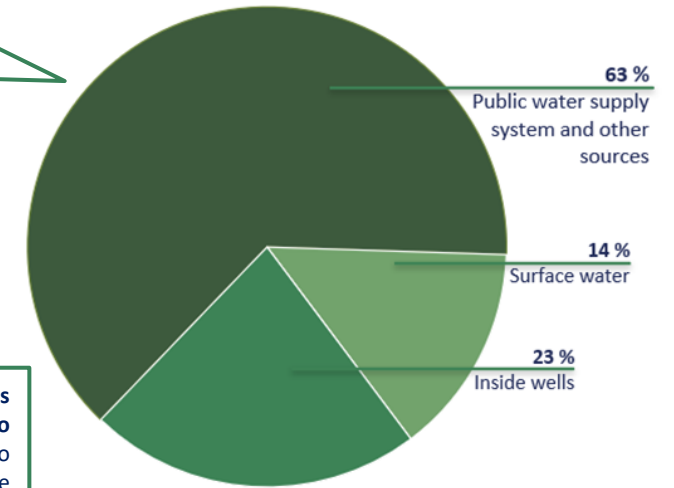
- ❑ In **2022 Prometeon** recorded a **significant decrease** in terms of mega liters which was equal to - **9.8% compared to 2021**;
- Absolute withdrawal, measured in mega liters, which indicates the total uptake of water by the Group:

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

Approximately **20%** of total consumption, were obtained from the waste water treatment of Prometeon Tyre Group production processes.

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

TYPE OF WATER SOURCES



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	-	



ENVIRONMENTAL DIMENSION

WASTE MANAGEMENT

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

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

❑ **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** and were sent in their entirety to plants located in the same Country where they were produced;

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

❑ The following tables summarizes the Company's **waste management performance in 2022** in terms of :

- ✓ amount of hazardous and non-hazardous waste generated;
- ✓ amount of hazardous and non-hazardous waste diverted from 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

SOLVENTS

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

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



ENVIRONMENTAL DIMENSION

NOX & SOX EMISSIONS

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

EXPENSES AND INVESTMENTS

- ❑ The Company has set a **5-years road map of budget and investments** to extend and develop its sustainable approach;
- In 2022 in relation to **Manufacturing**, investment plan is dedicated in the following areas:
 - **Technology & Quality;**
 - **Energy & Sustainability;**
 - **Health, Safety & Environment.**
- **Technology & Quality**, the investment plans is aimed to reduce production waste as much as possible and to have better control process, therefore, to improve product quality and performance **which is related to**:
 - **Direct reduction of waste;**
 - **Improvement and development for the use of new materials;**
 - **Factory processes;**
 - **High-quality machinery.**
- **Energy & Sustainability**, investment will be in place in order to save any kind of production resources reducing the consumption of:
 - **Energy;**
 - **Steam;**
 - **Water;**
 - **Consumables (polyethylene).**
- **Health, Safety & Environment**, the focus is on the improvement of:
 - **Plants safety;**
 - **Working environment;**
 - **Reduction of pollution/emissions;**
 - **Zero work accidents;**
 - **Better working conditions;**
 - **High sustainable approach from social and environmental point of view as target.**



ECONOMIC DIMENSION

STAKEHOLDER DIALOGUE

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

QUALITY AND SYSTEM CERTIFICATION

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

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

OUR CUSTOMERS

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

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

FOCUS ON PREMIUM FLEETS SOLUTIONS



PRODUCT SAFETY, PERFORMANCE & ECO-SUSTAINABILITY

- ❖ Prometeon is committed to develop alternative production site and materials with low impact on the environment. Product safety and performance, combined with the sustainability goals, is the main focus of Company's product research and development activities;
 - Prometeon offers a wide portfolio focused on (i) performance; (ii) safety; (iii) environmental; and (iv) high efficiency;
 - ❑ Research and Development expenses for the Prometeon for the year 2022 amounted to **26.7 million euros**, of which **7.3 million** are **made for investments**.
 - ❑ Prometeon has 3 R&D centers, 1 in Brazil, 1 in Italy and 1 in Turkey, and 1 Development Center in Egypt;
 - ✓ **Innovative and alternative materials** for manufacturing purposes are developed and studied;
 - ✓ **R&D develops new products and processes through innovations**, which are based on the following **6 pillars**:
1. **Collaboration with lawmakers** to gather information regarding legislation evolution at national and international level;
 2. **From business point of view with OEMs** to understand and analyze the development and growth regarding products and technologies studying and analyzing how to anticipate future market trends;
 3. **Technology evolution of the product** to be up to date with the latest developments in Innovation;
 4. **Application of digital mobility solutions** to tyre business to increase the overall safety and performance;
 5. **Open innovation** to foster collaborations with experts in their relevant fields for increasing the Company know how;
 6. **Carrying out all the above-mentioned activities**, Prometeon pays a great attention to sustainability respecting nature, caring for society and ensuring a continuous innovation to reduce environmental impacts.



ECONOMIC DIMENSION

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

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

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

- To meet the **specific low-level Rolling Resistance requirements of VECTO model** for the CO2 emissions, in **2022** Prometeon worked on developing a new tyre line, dedicated to the needs of Original Equipment manufacturers operating in heavy equipment's sector;
- ❑ Different sizes have been developed and in **May 2022**, Prometeon launched **5 new product lines** focused on:
 - Energy saving (Profuel);
 - Increasing durability of products;
 - maintaining the same performance.
- In particular, the new **H02 Profuel Series** tends to extreme the energy efficiency of the tyre **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%)**;

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



- ❑ Prometeon Tyre Group is a company aimed at excellence, efficiency, transparency and technological innovation that develops, produces and sells tyres for Medium and Heavy Commercial vehicles for goods and people transport, Agriculture and OTR. Prometeon's is a multi-level offering with a product portfolio that includes the **PIRELLI, FORMULA, PHAROS, ANTEO, SESTANTE, ERACLE, TEGRYS brands**.

OEM Development



ECONOMIC DIMENSION

2022 NEW PROJECTS & LAUNCH

❑ New projects have been launched with the aim to combine:

➤ **Sustainability and Innovation;**

➤ R&D focused its activities in the following areas:

- ✓ **Reduction of energy consumption** through the use of combustion or electric engines;
- ✓ **Reduction of noise pollution** caused by tyre-road interaction;
- ✓ **Increasing of safety performance** given by an optimized grip level on critical road condition (wet and snow);
- ✓ **Increase of tyre durability** to reduce the raw material usage for new tyre replacement;
- ✓ **Reduction of environmental impact** through a sustainable approach, using recycled raw materials for manufacturing new tyres and reduction of the number of prototypes produced thanks to the support of advanced inspection technology tools to reduce the number of prototypes produced;
- ✓ **Digitalization of tyre products** to simplify the maintenance, optimizing the performance during the overall life cycle of tyre;

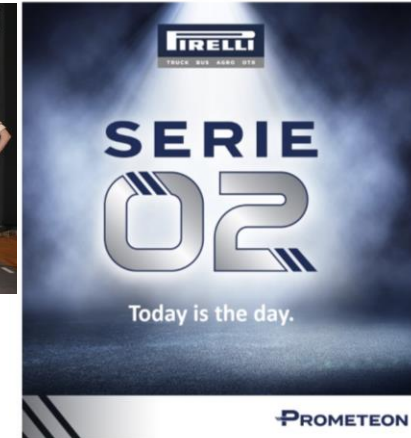
➤ In 2022, thanks to the focus on **sustainable innovation and technological solutions** developed in the R&D centers of the Company, the **New 02 Series of Prometeon** have been developed based on two key words:

- ❖ **Innovation and Sustainability**, which represents the **maximum in terms of cost efficiency** for professionals in the transport sector and respect for the environment;
- ❖ **Compared to previous product lines**, the design effort has been managed with an efficient management of operating costs to ensure high mileage and an **"active sustainability"** in terms of **longer tyre life and lower rolling resistance**, which is the results of a **decrease in tyre consumption and fuel consumption and related CO2 emissions**;

➤ **The development of the new lines has been focused on:**

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

➤ A product offering best performance in full compliance with the principles of sustainability.



SPONSORSHIPS

- During 2022, Prometeon 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



- ❑ In October 2022 to continue to promote the **future and smart mobility**, 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



ECONOMIC DIMENSION

PROMETEAON TYRE GROUP OBTAINED 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;
- To have access to this refinancing activity **the Company set targets and KPI that need to be reached before the end of 2025** regarding:
 - ✓ Environmental Dimension (tyre waste goals);
 - ✓ Social Dimension (training organized by HR);
 - ✓ Economic Dimension (second party audits on suppliers).
- ✓ 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;

Prometeon Tyre Group - Sustainability KPI			
	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 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.

ESG RATING ASSESSMENT

- ✓ The assessment has been carried out by Sustainalytics analysing the CSR Report 2021 approved by Board of Directors and published on the official website of Prometeon Tyre Group;
- ✓ 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 Management**.
- ✓ Based on the result obtained, Prometeon Tyre Group immediately implemented action plans in order to work with full visibility of all the exposure related to sustainability risks and set targeted measures in short, medium and long term.



"Sustainalytics" encourages Prometeon. The Company's ESG rating at the top end among tyre manufacturers



2022: to verify that **suppliers** result compliant with the fundamental requirements regarding the social, environmental and business ethics responsibilities, Prometeon decided to continue with **audits on site** with the collaboration of a **second-party audit company**;

- The aim was to verify, with the support of a specific audit, the correctness and truthfulness of the answers provided during the self-assessment process. Procurement Department together with Internal Audit & Sustainability Department selected a **sample of suppliers including all types: natural rubber, chemicals, carbon black etc.** With the issuance of the Policy on Conflict Minerals and Cobalt in 2021, the Company decided to audit in 2022 suppliers using these type of minerals to verify the correctness of the procedure applied by the supplier to sell these latest to Company;

- Regarding the results of the audit, for all suppliers who have not fulfilled all the required standards, **action plans are defined with expiration dates** which are then verified on site and need to be approved with evidences by the auditor of the third party.



ECONOMIC DIMENSION

OUR SUPPLIERS:

- Policies adopted by the Company highlight the full integration of the sustainable supply chain. Prometeon evaluates and selects its suppliers on the basis of their **Quality**: level of **social responsibility** and **environmental responsibility**;
- Standard to be complied are defined in the Supplier contract agreement;

AUDIT RESULTS

- ❑ **2022**: with the issuance of the Conflict Minerals and Cobalt sourcing Policy in 2021, the Company decided to audit in 2022 suppliers using these type of minerals to verify the correctness of the procedure applied by the supplier to sell these latest to Company;
- ❑ **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.
- ❑ **In 2022** the Company **overachieved the targets** and commitment for sustainability audits, strengthening the position of Prometeon Tyre Group;
- ❑ Based on the results it emerged that **33% of suppliers** have been identified as **having significant actual and potential negative social impacts** with which **action plans were defined** agreed with **expiration dates** and signed by the suppliers;
- ❑ **0% of suppliers were terminated** due to actual and potential negative social impact as a result of the assessment;
- ❑ **100% of all new suppliers** having collaboration with Prometeon Tyre Group have been **evaluated** in the area of **Environment, Social and Governance**;
- ❑ 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**.

The **original audit plan** shared and approved as here below:

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



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%

	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).

- ❖ In 2022 Prometeon showed resilience and innovative approach in difficult times due to pandemic making the brand stronger and safeguarded for years to come;
- ❖ Prometeon is committed to strengthen sustainability initiatives extending sustainability audits to raw materials, capex and services suppliers, applying self-assessment model and the audits on site;
- ❖ 2022, the Company worked to draft a sustainable procurement policy which will be issued in 2023 and applicable to all suppliers.
- ❑ **Supplier Award**: to recognize the suppliers' commitment, the Company worked to set up a Supplier Award.
- The suppliers will be evaluated on different KPIs in which 1 will be related of sustainability-ESG project.
- ❖ Prometeon's 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".



PROMETEON

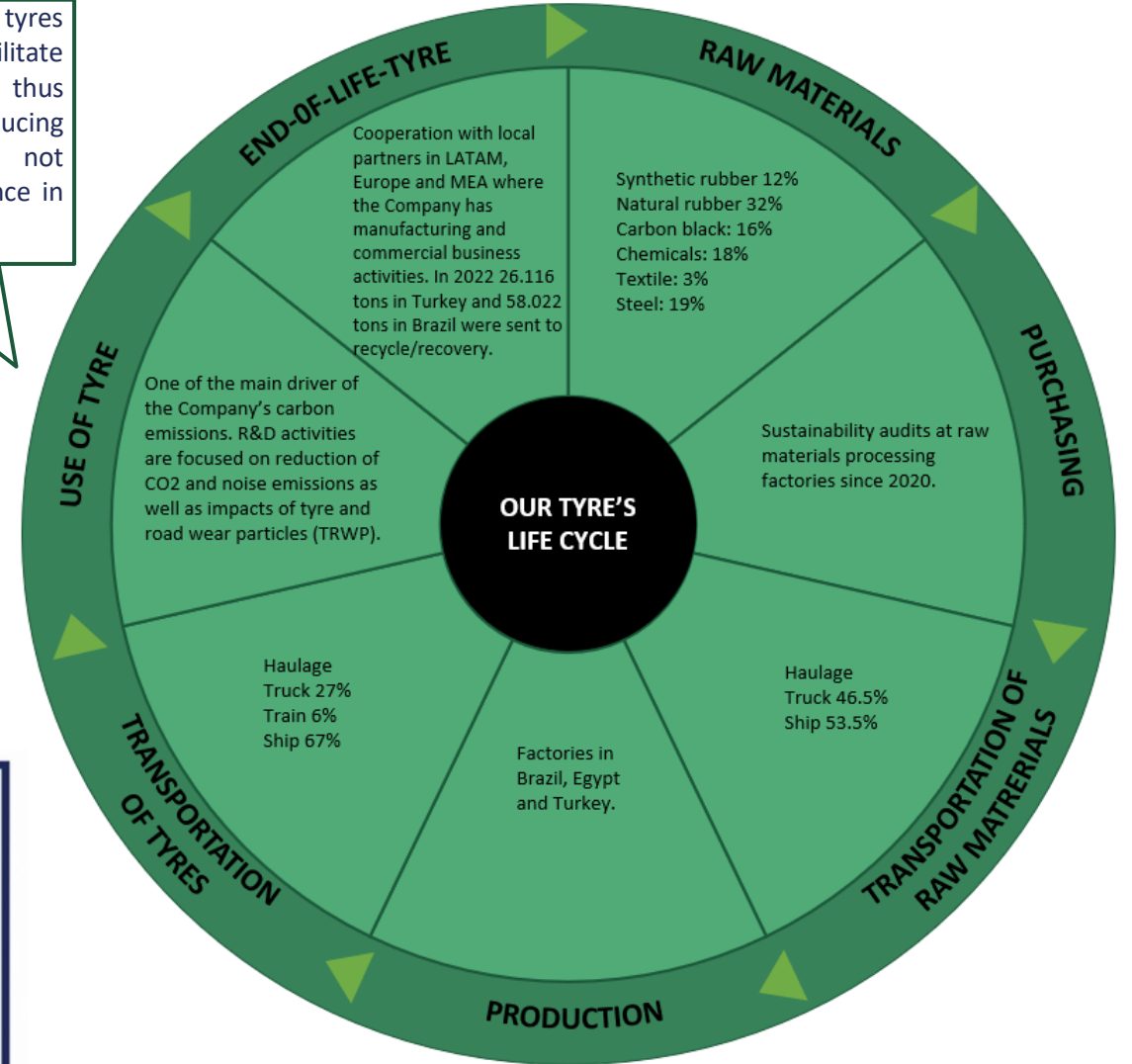
ECONOMIC DIMENSION

- ❖ **The Company Quality** is the base of Industrial Strategy and a global direction has been defined;
- ❑ **The vision** is represented by a logo exclusively designed and slogan “**Smart and Sustainable**” and this **Quality approach is based on digital innovation and sustainability**;
- A roadmap with short, medium and long terms projects was born to reach the objectives set;
- ❖ **This vision of Company Quality** is developed with circularity concept and it is embodied within each pillar of Quality:
- ✓ **Supplier Quality Pillar:** aims for an advanced supplier performance evaluation and supplier social accountability;
- ✓ **Compound Quality Pillar:** aims for an advanced compound properties evaluation and compound scrap or rework improvement;
- ✓ **Process Quality Pillar:** aims for process live management and digitalization and to improve waste and recycle;
- ✓ **Product Quality Pillar:** aims for tyre performance linked to the production flow and rolling resistance predictive analysis;
- ✓ **Outgoing Quality Pillar:** aims for automatic defect recognition and finished product rework improvement.
- ❑ **Quality Week 2022**
- World Quality Week is a global awareness campaign to celebrate the quality management profession;
- 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 mind set that the Company promotes.

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



PROMETION





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THANK YOU!