



PRESS RELEASE

PIRELLI: ALL SUSTAINABILITY INDICATORS IMPROVED

TODAY HALF OF REVENUES FROM GREEN PERFORMANCE PRODUCTS

SINCE 2009 WATER DRAWING REDUCED BY 42%, WASTE RECOVERY INCREASED BY 18% to 91% OF TOTAL

AVERAGE TRAINING 8.3 DAYS PER EMPLOYEE, BEYOND PLANNED GOALS

FONDAZIONE PIRELLI PRESENTS A JOURNEY THROUGH THE EVOLUTION OF SUSTAINABLE MANAGEMENT

Milan, 5 May 2016 – Growth of revenues from *Green Performance* products, reduction of specific water drawing, increased rate of waste recovery, training days per employee beyond the targets of the industrial plan, new partnership with strategic suppliers for natural rubber, in support of producers of natural rubber and safeguarding bio-diversity. These are the main results of **Pirelli's Sustainability Strategy**, broken down through the company's various profiles: economic, environmental and social. Since 2009, the base year for the mid-to-long term sustainability goals that Pirelli set for itself, significant progress has been achieved in the development and realization of *Green Performance* products as part of the ever greater attention to the containment of environmental impacts deriving for the entire life cycle of the tyre, is the dissemination of a culture of safety and the support of employees and the outside communities in which the company operates.

In 2015, in particular, almost half (48% compared with 46% registered in 2014) of Pirelli's tyre revenues came from ***Green Performance products***, almost double the 2009 level when it was equal to 25% and above the target in the 2013-2017 sustainability plan which aimed at reaching the value only at the end of 2017. These results are the fruit of intense **Research & Development Activities** at Pirelli's laboratories, aimed at the development of ever more advanced tyres at both the technological and performance levels, but at the same time able to ensure better environmental performances such as reduction of rolling resistance and noise, lower weight and greater endurance. The investments in Research & Development amount annually to over 3% of total revenues, one of the highest levels in the sector, and in 2015 they totaled about 215 million euro (3.4% of total revenues) an increase from 205.5 million euro in 2014 and 133 million euro in 2009.

Among the most significant results of the company's commitment to the safeguarding and protection of the environment is the **reduction of water drawing**: in 2015, in particular, Pirelli registered absolute water drawing slightly above 11 million cubic metres, with a reduction of specific drawing of 3% compared with 2014 and 42% compared with 2009. Thanks to the effort of all production sites worldwide, from 2009 to today the water savings have totaled 30 million cubic metres: a quantity only slightly lower than the Pirelli's group's absolute drawing over three years. Over the course of the year, further, the **rate of waste recovery** rose to 91%, with an increase of 1% compared with the prior year and of 18% compared with 2009.

With 20 factories worldwide, employing around 37,000 people, Pirelli has a long tradition of initiatives in favour of internal communities and the local communities where it operates. Among the former, **personnel training** occupies an important place, and 2015 saw an increase in the average number of training days per person to 8.3, compared with 8.2 days in 2014 and 7.2 days in 2013. A figure, which for the third consecutive year, exceeds the 7 day per person target indicated in the 2015 industrial plan.

Commitment to training has contributed to a 6% improvement in the index measuring the frequency of accidents in 2015, which brings the improvement since 2009 to 73%. Overall, in the three year period 2013-2015 the company's investment in **health and safety** has exceeded 40 million euro, of which over 25% was invested in 2015.

Interventions in favour of the communities where Pirelli operates, in conclusion, increased further, last year reaching 7.6 million euro compared with 6.1 million euro in 2014.

To disseminate the culture of sustainability, the Fondazione Pirelli – born in 2009 to promote awareness of the group's cultural, historic and document heritage – is presenting an exhibit-journey through the evolution of sustainable management. As well, documents from the historic archives, recount the company's history of sustainability: from the display of elements that constitute a tyre's "rubber's soul", to historic photos underlining activities in favour of the environment and local farmer communities.

Targets of the sustainability plan and vision to 2020

Pirelli's Sustainability Plan completes and supports the group's industrial plan for 2013-2017 and provides a **vision to 2020**. Among the objectives already exceeded are the percentage of revenues from *Green Performance* products and training per employee. From now through 2020 it is estimated that the index of accident frequency, already reduced by 73% compared with 2009, results reduced by 90% thanks to ongoing investments in always safer machinery and courses in safety awareness for employees. At the environmental level, the following are expected – always comparing 2020 to 2009 levels - a reduction of 15% in CO₂ emissions, a fall in specific energy consumption of 18%, a decline of 58% in specific water drawing and a rate of waste recovery above 95%. Further strengthening of the sustainable management system for the supply chain, which looks at economic, social and environmental sustainability criteria fully integrated into the processes of selection, collaboration and evaluation of Pirelli's partners around the world, with great attention to the sustainability of the natural rubber chain.

Key awards

Pirelli has always been at the top of the main sustainability indices and **has received numerous awards**. In April 2015 and for the second consecutive year, the company won the "*J.D. Power Original Equipment Award*" in the Performance Sport category, while in June it received Ford's "*Green Pillar Award*". In July CNH Industrial gave Pirelli its "*2015 Supplier of the Year Award*" for its biomass power plant in Brazil and collaboration with the natural rubber producer Kirana Megatara. In November, Pirelli received Volvo's "*Quality Through Excellence Award*" for its plant in Yangzhou, China, while in December Pirelli's plant in Voronezh, Russia, received the "*Ford Q1 award*". In April 2016, Pirelli received the "*Reputation Award 2016*", attaining third place in the annual classification calculated by the Reputation Institute which measures consumer confidence in the company. Pirelli obtained 81.5 points, calculated according to seven different parameters, almost half of which (42.5%) regard sustainability factors.

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Pirelli press office – Tel. +39 02 64424270 – pressoffice@pirelli.com
www.pirelli.com

Pirelli

Founded in 1872, Pirelli is a leading tyre producer focused on highly technological Premium and Prestige products, with 20 factories in 14 countries and a commercial presence in 160. Revenues in 2015 were 6.3 billion euro, with 214.4 million euro invested in R&D, about 3.4% of total revenues, one of the highest levels in the sector. An advanced system of sustainability governance, based in the **Sustainability Steering Committee**, optimizes the group's management of the economic, social and environmental impacts of its processes, products and services. Pirelli's sustainability strategy, as producer and supplier, has received many certifications for quality, environment, health/safety and social responsibility.