

The Values and Ethical Code of the Pirelli Group

The identity of the Pirelli Group has historically been shaped by a set of values which, over the years, we have all sought to pursue and safeguard. Over the years these values have allowed us to consolidate and enrich our company culture and to embrace sustainable growth as the mainspring of long-term responsible development that serves the interests of all our stakeholders. The rules that follow from these principles and the regulations for pre-empting illegal conduct are all formalized in our Ethical Code. This document is given the widest possible distribution so that our employees are conversant with it and anyone can consult it. Each of us in our daily action must feel that weight of personal responsibility which is essential for any body of rules to ensure effective compliance.

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Chairman, Pirelli & C. SpA

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The Mission

Backed by a strong industrial tradition, the Pirelli Group today is a world leader in tyre manufacturing and ranks alongside players of international stature in all its operating sectors. Through its development over the years our Group has acquired international scale that is complemented by its strong roots across a variety of local communities. We owe our competitive strength to the professional expertise of our human resources, to our technological know-how and research capability, to quality, and to an unwavering focus on customer needs. Thanks to these factors we can produce and market high-quality products and operate successfully out of different locations and in various markets worldwide.

A talent for innovation and an ability to pioneer industrial changes spurs us to continually improve on them in terms of quality and of environmental and social impact, as in our development of products and solutions in the green economy sector. In our conduct we are guided by an Ethical Code which anyone involved with the Pirelli Group, all over the world, is required to put into practice consistently and responsibly. The internationally renowned excellence of the Group's Corporate Governance is a foremost and systematic commitment for our top management. Our approach to enterprise aims to strike the best balance between personal responsibility and team work as well as between strategy that is planned centrally and operating responsibility that is decentralised locally. Our sustained growth owes its impetus to the sound creation of value for shareholders and investors in general and to our due regard for the interests of all who interact with the Group and with the companies in it.

Pirelli Group Values

→ FAIRNESS AND PROPRIETY

Displaying fairness and correctness in doing one's job both in dealings inside and outside the company.

→ TRANSPARENCY

Giving a clear, accurate, and timely report of economic/financial results within the Group and outside of it. Encouraging debate, to the extent of voicing disagreement with decisions by your superiors where there is an arguably better alternative. Being open to different views and encouraging change. Exchanging information across all levels in the organization.

→ SUSTAINABLE GROWTH

Working to ensure long-term responsible growth in full awareness of the inter-dependence of the economic, social, and environmental spheres, and being mindful of the effects a decision in one such sphere has on the others. Seeking to be a leader of R&D in green technologies and products, ahead of market demand, in the knowledge of the benefits that today's achievements will bring to tomorrow's world. Linking together value creation, social progress, concern for stakeholders, and higher standards of living and environmental quality.

→ CUSTOMER FOCUS

Understanding the market in which the Pirelli Group operates and considering the impact on clients of all your actions and conduct. Turning any opportunity that arises in your work to the advantage of customers, anticipating their needs.

→ RESPONSIBILITY AND STRIVING AFTER RESULTS

Striving determinedly after results by becoming personally involved in forming plans, in developing them, and in generating concrete results.

→ PROFESSIONAL EXCELLENCE

Possessing technical know-how and applying the leverage it provides to

become a front runner. Doing your job methodically and with relish while keeping to the rules.

→ INNOVATION

Being the first to come up with radical product/service/process solutions that can be implemented. Pursuing excellence and never accepting current standards as good enough. Constantly looking out for opportunities to upgrade existing processes and systems.

→ QUALITY AND PERFORMANCE

Ensuring the maximum quality of products as well as the excellence of production systems and processes. Maintaining an unflagging commitment to performance as a way of meeting customer expectations in terms of safety and service delivery and.

→ INTEGRATION

Appreciating how a given action fits into the wider scheme of events. Cooperating across and within functions and geographical boundaries to achieve common goals. Raising efficiency and facilitating change while ensuring that duplication of effort is kept to a minimum.

→ SPEED

Sensing the urgency of delivering solutions that address stakeholder requirements, through early recognition of them. Reacting quickly to development needs, effectively identifying the best solutions.

Introduction

The Pirelli Group conducts its internal and external operations in accordance with the principles set out in this Ethical Code (the “**Code**”), in the belief that business ethics must be pursued alongside business success.

Any director, statutory auditor, manager, and employee in the Pirelli Group and, in general, anyone in Italy and abroad who works for or on behalf of the Pirelli Group, or has business dealings with it (“**Addressees of the Code**”) must, in carrying out their functions and responsibilities, comply with the principles and rules in this Code.

Principles of Conduct

Integrity, transparency, rectitude, and propriety mould the action of the Pirelli Group.

In particular, the Pirelli Group:

- strives after excellence and competitiveness in the market by offering its customers high-quality products and services that provide an effective response to their needs;
- ensures that its action is fully transparent to all its stakeholders without compromising the confidentiality entailed in running its business and ensuring its commercial operations are competitive: for this reason the Addressees of the Code must observe the utmost confidentiality regarding the information acquired or derived through or when carrying out their functions;
- undertakes to champion fair competition, a vital requirement in the pursuit of its own self interest and a guarantee for all market operators, for customers, and for stakeholders in general;
- eschews and condemns the recourse to any conduct that is illegal or in any way improper as a means of securing its economic aims, the latter being pursued solely through the excellence of its performance in terms of innovation, quality, and economic, social, and environmental sustainability;
- safeguards and develops its human resources;
- subscribes to the principle of equal opportunity in the workplace regardless of sex, marital status, sexual persuasion, religious faith, political and trade-union views, skin colour, ethnic origin, nationality, age, and disability;

Internal Control System

- pursues and endorses the protection of internationally proclaimed human rights;
- makes responsible use of resources, consistent with the aim of achieving sustainable development, having regard to the environment and the rights of future generations;
- will not tolerate corruption in any guise or form, or in any jurisdiction, or even in places where such activity is admissible in practice, tolerated, or not challenged in the courts. For this reason, Addressees of the Code are prohibited from offering complementary gifts or other benefits that could constitute a breach of rules, or are in conflict with the Code, or might, if brought to public notice, damage the Pirelli Group or just its reputation;
- defend and protect its corporate assets, and shall procure the means for preventing acts of embezzlement, theft, and fraud against the Group;
- condemns the pursuit of personal interest and/or that of third parties to the detriment of social interests;
- is committed, within the Group and in its dealings outside, to complying and securing compliance with local national legislation, as befits its role as an active and responsible member of the communities it operates in;
- creates organizational mechanisms to prevent breaches by its employees and non-employee workers of the rules and principles of transparency, propriety, and fairness, and it checks that these rules are adhered to and put into effect.

The efficiency and effectiveness of the internal control system are essential for operating the business in keeping with the rules and principles of this Code.

“Internal control system” refers to a mix of aids, activities, procedures, and organizational units that, through an integrated process of identification, measurement, and monitoring of major risks, secures the following aims:

- the efficacy and efficiency of business operations, so also guaranteeing that documents and decisions are traceable;
- the reliability of accounting and management information;
- compliance with laws and regulations;
- the safekeeping of Company assets.

For the purposes of the above the Addressees of the Code are required to contribute to the constant improvement of the internal control system.

In carrying out their work and in connection with their separate spheres of responsibility, the control and supervisory bodies, Internal Audit, and the independent auditors enjoy direct, full, and unfettered access all personnel, activities, operations, documents, archives, and assets of the business.

Stakeholders

The Pirelli Group adopts a multi-stakeholder approach, meaning that it pursues long-term and sustainable growth intended to represent a fair compromise between the expectations of all those who interact with the Group and the companies in it.

→ SHAREHOLDERS, INVESTORS, AND THE FINANCIAL COMMUNITY

In its relations with all classes of shareholders, with institutional and private investors, financial analysts, market operators and, in general, with the financial community, the Pirelli Group is fully transparent, complies with the requirements of accuracy, timeliness, and equal access, and aims to ensure that a proper valuation of Group assets can be made.

→ ENVIRONMENT

In running its operations the Pirelli Group is mindful of the Environment and public health.

A key consideration in investment and business decisions is environmental sustainability, with the Group supporting eco-compatible growth, not least through the adoption of special technologies and production methods (where this is operationally feasible and economically viable) that allow for the reduction of the environmental impact of Group operations, in some cases even below statutory limits.

The Group has adopted certified Environmental Management Systems to control its operations, chooses production methods and technologies that reduce waste and conserve natural resources, and assesses the indirect and direct environmental impact of its products and services.

The Group works alongside leading national and international organizations to promote environmental sustainability both on a local and a global scale.

→ CUSTOMERS

The Pirelli Group bases the excellence of its products and services on non-stop innovation. Its goal is to anticipate customers' needs and meet their demands with an immediate and professional response that is delivered with propriety, courtesy, and unstinting cooperation.

→ HUMAN RESOURCES

The Pirelli Group recognizes the crucial importance of human resources, in the belief that the key to success in any business is the professional input of the people that work for it in a climate of fairness and mutual trust. The Pirelli Group safeguards health, safety and industrial hygiene in the workplace, both through management systems that are continually improving and developing and by promoting an approach to health and safety based on prevention and the effective handling of occupational risk. The Pirelli Group consider respect for workers' rights as fundamental to the business. Working relationships are managed placing particular emphasis on equal opportunity, on furthering each person's career development, and on turning their diversity to account by creating a multi-cultural working environment.

→ SUPPLIERS AND OUTSIDE WORKERS

Suppliers and outside workers play a key role in improving the competitiveness of the business.

While seeking the keenest competitive edge, the Group bases its relations with suppliers and outside workers on fairness, impartiality, and ensuring equal opportunities for all parties concerned.

The Pirelli Group requires that its suppliers and outside workers comply with the principles and rules in this Code.

→ THE WIDER COMMUNITY

Relations between the Pirelli Group and public authorities at local, national, and supranational levels are characterized by full and active cooperation, transparency, and due recognition of their mutual independence, economic targets, and the values in this Code.

The Pirelli Group intends to contribute to the prosperity and growth of the communities it operates in by providing efficient and technologically advanced services.

The Pirelli Group endorses and, where appropriate, gives support to educational, cultural, and social initiatives for promoting personal development and improving living standards.

Compliance with the Code

The Pirelli Group does not provide contributions, advantages, or other benefits to political parties or trade union organizations, or to their representatives or candidates, this without prejudice to its compliance with any relevant legislation.

→ COMPETITORS

The Pirelli Group acknowledges that proper and fair competition is essential if businesses and markets are to flourish. In operating its own business it embraces competition based on innovation and on the quality and performance of its products. Group companies and all their employees must eschew unfair commercial practices and, under no circumstances, does a belief that they are acting in the interest of the Group justify conduct that is at variance with these principles.

The Pirelli Group requires that the conduct of all Addressees of the Code is consistent with the general principles it states. Accordingly, there is a duty on all Addressees of the Code to avoid any action that conflicts with those principles.

The Group undertakes that it will adopt procedures, rules, or instructions for specifically ensuring that the values affirmed herein are reflected in the effective conduct of the Group, its employees, and its outside workers.

A breach of the principles and content of this Code may amount to non-performance of the primary obligations under the offender's employment agreement and/or their contract, with the possibility they may face disciplinary measures as provided in legislation, collective agreements, or by contract.



