

ESRS			Impact	Time horizon	Own Operations/ Value Chain	Effects on the environment and people and involvement with respect to impacts
Topic	Sub topic	Sub sub-topic				
Climate Change	# Climate change mitigation	-	- A I CO ₂ emissions from Pirelli sites (scopes 1 + 2)	Short, Medium	Own Operations	Contribution to climate change due to greenhouse gas emissions from the combustion of hydrocarbons within production sites during tyre manufacturing and from the supply chain.
			- A I CO ₂ emissions from Pirelli's Suppliers (Scope 3), for quotas related to goods and services supplied to Pirelli	Short, Medium, Long	Upstream and Downstream Value Chain	
			+ A I CO ₂ emissions by Pirelli's customers (Scope 3) for quotas related to tyres purchased by Pirelli	Short, Medium, Long	Upstream and Downstream Value Chain	Contribution to climate change through atmospheric emissions from fossil energy consumption during tyre manufacturing and by the supply chain
	Energy	-	- A I Use of energy from fossil sources by Pirelli sites (Scope 1 + 2)	Short	Own Operations	Contribution to climate change through atmospheric emissions from fossil energy consumption during tyre manufacturing and by the supply chain
			- A I Use of energy from fossil sources by Pirelli suppliers (Scope 3)	Short, Medium, Long	Upstream and Downstream Value Chain	
Pollution	Pollution of air	-	- P I Release of pollutants into the air by Pirelli suppliers	Short, Medium	Upstream Value Chain	Potential impact on climate change and air quality degradation resulting from the activities of Pirelli suppliers
	# Microplastics	-	- A I Release of tread material during tyre consumption in the use phase	Short, Medium, Long	Downstream Value Chain	Potential pollution of water, air, soil, and ecosystems due to the release of tread material during tyre consumption in the use phase.
Water and marine resources	Water	Water consumption Water withdrawals Water discharges	- A I Water consumption at Pirelli sites, including in water-stress areas	Medium	Own Operations	Contribution to the depletion of natural resources
			- P I Water consumption by Pirelli suppliers, including in water-stress areas	Short, Medium, Long	Upstream Value Chain	
Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Land use change Direct exploitation	- P I Ecosystem degradation / land exploitation by raw material suppliers	Short	Own Operations	Contribution to biodiversity loss and potential damage to ecosystems resulting from supplier activities
Circular economy	# Resources inflows, including resource use	-	+ A I Use of recycled or recyclable materials by Pirelli, with a potential positive impact on resources conservation	Short, Medium, Long	Own Operations	Contribution to the conservation of natural resources
	Resource outflows related to products and services	-	+ P I Potential contribution of Pirelli to resource conservation, such as through product durability, recyclability, etc.	Short, Medium, Long	Own Operations	Reduced exploitation of natural resources through the design of tyres with increasingly higher content of natural or recycled raw materials
			- P I In the downstream value chain, waste generation, namely end-of-life tyres	Short, Medium, Long	Downstream Value Chain	Potential contribution to human health and environmental impacts caused by poor management of end-of-life tyres (ELTs), such as unregulated dumping, fire risks from tyre piles, and illegal reuse of ELTs without safety standards

32. In the "Impact" column, the letter A indicates an actual impact, while the letter P stands for potential impact

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Own workforce Own workforce	Working conditions	Health & Safety	- P I Pirelli Group's employees are exposed to health and safety risks, which could lead to occupational injuries and illnesses of varying severity.	Short, Medium, Long	Own Operations	Contribution to the well-being, satisfaction, and improvement of working conditions for the company's workforce
		Work-life balance	+ A I Working schemes (flexibility, remote-working, work permit, etc.) aimed at promoting work-life balance	Short, Medium, Long	Own Operations	
		Working time	+ A I Efficient organization of working activities for Pirelli employees, including observance of working hours limits as defined by contracts, regulations, standards and characteristics of the sector of reference	Short, Medium, Long	Own Operations	
		Secure employment	+ A I Permanent employment contracts and employment stability for Pirelli own workforce	Short, Medium, Long	Own Operations	
		Adequate wages	+ A I Alignment of Pirelli own workforce wages with contracts, regulations, standards and the characteristics of the sector of reference	Short, Medium, Long	Own Operations	
		Social dialogue Freedom of association, [...] Collective bargaining, including percentage of workers covered by collective agreements	+ A I Presence of collective agreements and engagement opportunities for the Pirelli own workforce	Short, Medium, Long	Own Operations	
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value Diversity	+ A I Equal opportunities in the workplace, respect for diversity and inclusion in terms of gender and minorities and equal pay for work of equal value among genders (Pirelli own workforce)	Short, Medium, Long	Own Operations	Psycho-physical wellbeing of employees, influence on people's culture with positive impact both within the company and in the community outside the company due to the values conveyed
			+ A I Pursuit of Gender balance in Pirelli (own workforce)	Short, Medium, Long	Own Operations	
		Training and skills development	+ A I Training and skills development of Pirelli own workforce throughout all working-life	Short, Medium, Long	Own Operations	Growth prospects, improving employee skills and maintaining a high-quality workforce with benefits for both the company and the economic and social context in which it operates
Workers in the value chain	Working conditions Equal treatment and opportunities for all	Secure employment Working time Adequate wages Social dialogue Freedom of association, including the existence of works councils Collective bargaining Work-life balance Gender equality and equal pay for work of equal value The employment and inclusion of persons with disabilities Measures against violence and harassment in the workplace Diversity	+ A I Respect of contractual rules, freedom of association, collective bargaining, job stability, and equal treatment for workers on the Pirelli upstream and downstream value chain, to ensure adequate working conditions and equal treatment	Short, Medium, Long	Upstream Value Chain	Contribution to the well-being, satisfaction, and improvement of working conditions for the workforce throughout Pirelli's supply chain
		Health & Safety	- A I Workers along Pirelli's upstream and downstream value chain are exposed to health and safety risks, which could lead to occupational injuries and illnesses of varying severity	Short, Medium, Long	Upstream Value Chain	Possible health and safety risks for workers across the supply chain
		Training and skills development	+ A I Training and skills development of the workers along upstream and downstream value chain throughout all working-life	Short, Medium, Long	Upstream Value Chain	Improvement of employee skills and maintenance of a highquality workforce along the supply chain
	Other work-related rights	Child labour Forced labour	- P I Violation of workforce human rights along Pirelli upstream and downstream value chain through, for example, the the use of child or forced labour	Short, Medium, Long	Downstream Value Chain	Potential violation of human dignity and compromise of workers' fundamental rights along the supply chain

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Affected communities	Communities' economic, social and cultural rights	Land-related impacts	+ A Social cohesion, individual and community development, and the general well-being of people within the community in which Pirelli operates, through the development of dedicated initiatives	Short, Medium, Long	Downstream Value Chain	Contribution to the well-being and improvement of the quality of life of local communities
Consumers and end users	Information related impacts on consumers and/or end-users	Freedom of expression	+ A Presence of channels by Pirelli dedicated to listening to its customer needs	Short, Medium, Long	Downstream Value Chain	Contribution to customer satisfaction and the ability to make informed choices
		Access to (quality) information	+ A Availability of adequate and qualitative information on Pirelli products for the benefit of its customers	Short, Medium, Long	Downstream Value Chain	
	# Personal safety of consumers and/or end users	Health & Safety Security of a person	- A Accidents involving the customers caused by product defects or characteristics	Short, Medium, Long	Downstream Value Chain	Contribution to road safety by reducing possible car accidents thanks to tyres that meet the highest quality and safety standards
Business conduct	Corporate culture	-	+ A Sharing of Pirelli corporate rules and principles with Group's internal and external stakeholders	Short, Medium, Long	Own Operations	
	Management of relations with suppliers including payment practices	-	+ A Development and empowerment of the local supply chain	Medium, Long	Upstream Value Chain	
	# Corruption and bribery	Prevention and detection including training Incidents	- P Corruption and misconduct by the company in its own business conduct	Short, Medium, Long	Own Operations	

The topics marked with the symbol # are topics that have been identified as relevant based on the double perspective of Impact and Financial Materiality and have therefore been deemed by the Group to be of greater importance. In particular, the topics of Climate Change, Pollution, Circular Economy, Consumer Safety and Corruption are considered the most relevant for the Group, given that these are the topics for which material impacts, risks and opportunities have been jointly identified. To this end, Pirelli has taken steps to implement appropriate controls and activities to manage impacts, mitigate risks and seize opportunities with a view to sustainable development.

RISKS AND OPPORTUNITIES TABLE³³

ESRS			Risk/opportunity	Time horizon	Own Operations/ Value Chain
Topic	Sub topic	Sub sub-topic			
Climate Change	Climate change adaptation	-	R: Increase in costs or unavailability of bio based materials, leading to price volatility, supply chain disruptions, and interruptions to business operations	Long	Own Operations
			R: Damage to assets caused by the occurrence of extreme weather events	Long	Own Operations
			O: Increase in market share related to the rapid growth of the electric market	Medium	Own Operations
	Climate change mitigation	-	O: Reduction in energy consumption and related costs resulting from the implementation of projects aimed at improving energy efficiency	Medium	Own Operations
			O: Increased market share related to the ability to respond quickly to requests for low-emission products before competitors	Long	Upstream and Downstream Value Chain
Pollution	Microplastics	-	R: Increase in costs along the value chain due to the introduction of new regulations related to material/product pollution	Long	Catena del valore Upstream e Downstream
Circular economy	Resources inflows, including resource use	-	R: Increase in the cost of "carbon-intensive" goods (e.g. steel, aluminium) following introduction of the Carbon Border Adjustment Mechanism (CBAM)	Short, Medium, Long	Own Operations
			O: Competitive advantage from early adoption of circular economy solutions and technologies such as management of resource scarcity and product end-of-life	Long	Own Operations Downstream Value Chain
			O: Cost reduction as a result of AI "predictive maintenance" measures that minimise errors and failures on machinery, resulting in reduced material waste	Long	Own Operations
Consumers and end users	Personal safety of consumers and/or end users	Health & Safety Security of a person	O: Increased market share due to increasingly safe products, for example thanks to intelligent and connected tyres that transmit useful information for safe mobility in real time	Medium, Long	Own Operations Downstream Value Chain
Business conduct	Corruption and bribery	Prevention and detection including training Incidents	R: Non-compliance with company criminal regulations (e.g. 231/2001)	Short, Medium, Long	Own Operations
			R: Non-compliance with anti-corruption rules and regulations	Short, Medium, Long	Own Operations