2019 Sustainability Report on Value Chain Responsible Management

April 2020
THE COMMITMENT OF PROMETEON TYRE GROUP

PTG wants to communicate its commitment in the fight against the Covid-19 which started in 2019 and became a priority for the world and the Companies. Prometeon Tyre Group has joined forces to support workers, communities and businesses affected by the COVID-19 pandemic. In fact, The Company immediately took action for the health of people who are human capital and for the protection of the company's assets. PTG is supporting the World Health Organization and the Public Health Emergency of International Concern through several activities aimed to support the internal and external community.

INTERNAL COMMUNITY

- raising awareness of the risks associated with the pandemic and providing information on contagion prevention measures and techniques;
- "smart working" methods was applied, making all the necessary equipment and technologies available, carrying out adequate coordination work, facilitating communication between remote resources (video and call conference systems with the implementation of additional tools);
- PTG provided to all its employees additional and specific insurance coverage to cover the contagion from COVID-19;
- an extraordinary sanitization of the workplace has been carried out in order to safeguard employees;
- PTG encouraged employees to adopt safe behavior (hand sanitization, safety distance, use of medical / protective devices, etc.);
- meetings / visits of external guests have been canceled and all trips by PTG’s employees were promptly suspended.

Specific actions have been undertaken in all the countries where PTG operates with production plants. Following main action have been implemented:
- increase the number of company buses entering and leaving the factories so as to allow people to position themselves at least two meters from each other;
- extraordinary cleaning plans have been provided for the production areas and common areas (e.g. canteen and changing rooms);
- employee temperature measurement is expected at the beginning of each shift. Shift that can be suspended if needed;
- carriers cannot access company offices for any reason;
- for suppliers / transporters and / or other external personnel, it is planned to identify and / or install dedicated toilets;
- production departments must comply with the strict distance of one meter;
- staggered entry /exit times are encouraged in order to avoid contacts in the common areas as much as possible (entrances, changing rooms, canteen);
- sterilization of lockers, bathrooms, restaurants, offices, mosque production (Egypt) areas and parking areas carried out on a daily basis and at every shift, prevent handshaking and hugs inside the facility;
- water with saline solution will be fed into the factory to clean the throat and nose.
THE COMMITMENT OF PROMETEON TYRE GROUP

EXTERNAL COMMUNITY

- As a commitment to the external community, Prometeon Tyre Group has decided to proceed with an internal donation campaign with the support of all employees devolved to ASST Fatebenefratelli Sacco in Milan which is an important research center for epidemiological emergencies. The total amount of the donation will be used to purchase devices to support the intensive care unit and to support research on COVID19.

- In addition, Prometeon Tyre Group is organizing to provide further donations, in all the Countries where the Company operates, to local hospitals and international organizations that can provide medical furniture and thus with the support of its strong partnerships with customers and suppliers.

Supports, through donations to international organizations, the World Health Organization in the fight against the Covid-19
PROMETEON TYRE GROUP & THE UNITED NATIONS GLOBAL COMPACT

- PTG is the only global tyre manufacturer entirely dedicated to the Industrial market, which includes truck, bus, agro and OTR tyres.
- PTG 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.

To enhance its management capacity, for the creation and maintenance of sustainable values, in August 2019 PTG joined the United Nations Global Compact, which count 10,435 companies in 166 countries and offers leadership guidelines envisaged to inspire advanced and innovative Sustainability Performance Management for business community.

The United Nations Global Compact and its 10 principles:

- **Human Rights**
  1. Businesses should support and respect the protection of internationally proclaimed human rights;
  2. Businesses to ensure that they are not complicit in human rights abuses.
- **Labour**
  3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
  4. The elimination of all forms of forced and compulsory labour;
  5. The effective abolition of child labour;
  6. The elimination of discrimination in respect of employment and occupation.
- **Environment**
  7. Businesses should support a precautionary approach to environmental challenges;
  8. Requires Businesses to undertake initiatives to promote greater environmental responsibility;
- **Anti-Corruption**
  10. Businesses should take part in fight against corruption in all its forms, including extortion and bribery.

By incorporating the Ten Principles of the UNGC into strategies, policies and procedures, and establishing a culture of integrity Prometeon Tyre Group is not only upholding its basic responsibilities to people and planet, but also setting the stage for long-term success.
PTG is inspired also by the Seventeen Sustainable Development Goals of the United Nations.

The SDGs are the blueprints to achieve a better and more sustainable future for the global challenges that companies have to face out including:

- Poverty;
- Inequality;
- Climate change;
- Environmental degradation;
- Peace and justice.

The 17 Goals are all interconnected, it is important that all the companies work to achieve them all by 2030.

The Sustainability Plan has been developed in accordance with “Value Driver” model drawn up by the UNGC which sets targets that combine:

- Growth;
- Productivity;
- Governance and risk management.

Through the inspiration for the 17 SDGs, the Company endeavors to create the perfect correlation between the 10 Principles of UNGC and the 17 SDGs.
MANAGEMENT MODEL & SUSTAINABILITY MISSION


- **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, Green Gas emissions and Waste recovery Management.

- **Economic Dimension**: Distribution of added value is detailed along with the management and performance relating to customers and suppliers. 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 work or has business with PTG:

- 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); and
- SAP: HR module (SAP Human Resources) and HFM module (SAP Financial Accounting).
GOVERNANCE & BUSINESS ETHICS

Policies published on Prometeon’s web:

- “Ethical Code”;
- “Code of Conduct”;
- “Anti-Corruption Program”;
- “Health, Safety and Environment” Policy;
- “Social Responsibility Policy for Occupational Health, Safety and Rights, and Environment”;
- “Global Tax” Policy;
- “Group Whistleblowing - Group Reporting Procedure” Policy;
- “Global Antitrust and Fair Competition” Policy;
- “Conflict Minerals” Policy;
- “Natural Rubber hedging” Policy;
- “Tax Governance” Policy;
- “Compliance with limitation on relationships issued by authorities” Policy;
- “Sustainable Natural Rubber” Policy;
- “Corporate Social Responsibility” Policy;
- “Global Human Rights” Policy;
- “Group “Equal Opportunity Statement”;”
- “Global Quality” Policy.

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 PTG’s intranet and website.
- Corporate reference for prevention of corruptive practices and represents a collection of principles and rules aimed at preventing or reducing the risk of corruption.
- **UK Tax evasion**: The Company is committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter tax evasion facilitation.

CERTIFICATIONS & MANAGEMENT STANDARDS

- IATF 16949:2016 - International Standard for Automotive Quality Management Systems;
- ISO 9001:2015 - Quality Management System;
- ISO/IEC 17025 - General requirements for the competence of testing and calibration laboratories (Pt2);
- OHSAS 18001 - Requirements on Occupational Health and Safety Management Systems;
- ISO 14001 - Environmental Management System;
- European Regulation 1907/2006 - Registration, Evaluation, Authorization and Restriction of Chemicals (REACH);
GOVERNANCE & BUSINESS ETHICS

WHISTLEBLOWING PROCEDURE

- 23 whistleblowings flew in from 7 countries in 2019.
- 14 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.
SOCIAL DIMENSION

PTG employees at December 31, 2019 amounted to a total of 7,171 resources:

<table>
<thead>
<tr>
<th>2019</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HQ - EUROPE</td>
<td>218</td>
<td>96</td>
<td>312</td>
</tr>
<tr>
<td>AMERICAS</td>
<td>3,848</td>
<td>190</td>
<td>4,038</td>
</tr>
<tr>
<td>MEA - AFME</td>
<td>2,754</td>
<td>64</td>
<td>2,818</td>
</tr>
<tr>
<td>APAC</td>
<td>25</td>
<td>7</td>
<td>33</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,844</td>
<td>327</td>
<td>7,171</td>
</tr>
</tbody>
</table>

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

At global level PTG worked on an onboarding program “Together in Prometeon”, a program structured for new hired aimed to introduce and share Company’s history, vision, mission, business, strategic goals, brand, products, and processes. In the countries where the Company operates, the program was applied with local initiatives matching with local culture and needs.

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.

PTG organizes worldwide 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 graduates candidates to work in collaboration with Research & Development and Open Innovation function.

In 2019 PTG focused on Linkedin with the support of the official website www.prometeon.com:
- “Who we are”: showing the corporate identity, the mission and the management model adopted by the Company;
- The Company decided to link the section “Careers” automatically with Linkedin page.

April 2019: Summer training program for students of 2nd & 3rd Year College: training experience concerning multinational work environment. At the end of the session students received a certificate of completion and a compensation of 200 EGP.

PTG Egypt participated at the Engineering Job Fair College of Alexandria presenting the Company and meeting young engineers.
TALENT MANAGEMENT

Pro Generation: a pilot development project launched in HQ on April 2019 with the aim to support the professional growth of Prometeon Tyre Group’s new talent. The project implemented specific actions for young talent to develop new competences and managerial skills.

36 young HQ employees, from different functions and with the following criteria: age, seniority and a general evaluation from Top Management.

A six months program giving to young talent the possibility to measure themselves through the participation of:
- specific trainings;
- project works regarding strategic topics;
- working in group;
- methodologies of time management and individual contribution;
- presentation of final project to Top Management.

Specific development assessment divided in two different stages:
- an online assessment including online multimedia and interactive tests (business case, questionnaires, etc.) designed for skill mapping aligned with PTG skills model;
- a face to face assessment.

The path ended with a feedback on the assessment and specific development activities monitored with a dedicated App for self-learning.

PROPeople

At the end of 2019 PTG has launched PROPeople, a 3 years Human Resources roadmap aimed to support Company growth. Project is based on 5 pillars:

- Employer Branding, Communication & Talent Acquisition;
- Learning & Development;
- Employees Experience, Rewards & Welfare;
- Organization & HR Analytics;
- Industrial Relations & HSE

The project:

- 1° step: definition of new Prometeon Identity and Mindset.
- 2° step: listen more than 450 people (top managers, employees, sales, talents and customers) in more than 20 focus groups and meetings organized at worldwide level.

Employees contributed answering in several selfie videos at 2 questions:

- the Company needs;
- challenges for the future.

In 2020 Next steps of the project: implementation for each pillar of specific actions at global and local level, following methodology of innovation, commitment and digitalization.

New initiatives and improvements will be implemented in the next years.
SOCIAL DIMENSION

The Company promotes at worldwide level initiatives for the Internal and External Community in each country where it operates encouraging personal development and improving living standards through educational, cultural, and social initiatives.

EMPLOYEE EXPERIENCE AND INTERNAL COMMUNITY

- **lifestyle**: health care, social security plan, family welfare, information and awareness campaigns;
- **family support**: scholarships, summer camps for employees’ children, inter-company crèche;
- **free time**: open days, celebration of Christmas, Family Day, Women Day, volunteering activities and; sports events such as Marathon Run, Pilates.

EXTERNAL COMMUNITY

In line with its inspiration for achieving SDG “1 No Poverty”, PTG kept endeavoring to reach out and help as many people as possible. PTG collaborates with: Save the Children, TEV (Turk Eğitim Vakfi), Insieme per Croce Rossa and Caritas Ambrosiana.

For PTG sustainable development starts with quality education of children, which are tomorrows’ sustainable world’s future. In line with its inspiration for SDG “4 Quality Education”, Company organizes various activities and sponsors projects aimed at ensuring that children receive quality education.

- **PTG’s projects**: Progirls in Egypt, collaboration with Goethe Institute in Italy, Chasing Innovation Project in Turkey, Locomotiva and Escola de Kart in Brazil.
HEALTH SAFETY AND ENVIRONMENT DAY

In line with both the Company’s relevant policies and inspiration for SDGs “3 Good Health and Well-Being”, “8 Decent Work and Economic Growth”, PTG promotes a healthy way of life and to raise awareness on environment and safety at work.

PTG organizes each year “Health, Safety and Environment”.
- **June 2019 2nd edition of the HSE Day**: focus topic was healthy way of life both at work and in private life.
- **to promote a healthy lifestyle** HQ organized Pilates courses and running sessions ending with the participation to the marathon Deejay Ten Milano.

OCCUPATIONAL HEALTH, SAFETY AND HYGIENE

The Business plan with specific target for 2020 is aimed to reduce the Frequency Index of -70% compared to 2009. In 2019 the Company reached an injury Frequency Index (FI) of 0,11 with a reduction of 54% compared to 2018.

The Injury Frequency Index (FI),

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency Index (FI)</td>
<td>0,24</td>
<td>0,11</td>
</tr>
</tbody>
</table>

\( FI = \frac{\text{number of injuries}}{\text{number of hours worked}} \times 100.000 \)

The Injury Severity Index (SI) of the Group in 2019 was 0.10 compared to 0.12 in 2018. A summary of the SI values in the last two-year period is provided below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severity Index (SI)</td>
<td>0,12</td>
<td>0,10</td>
</tr>
</tbody>
</table>

\( SI = \frac{\text{number of days absence, starting from the first day following the injury}}{\text{per injury/number of hours actually worked}} \times 1.000 \)
ENVIRONMENTAL DIMENSION

ENVIRONMENTAL MANAGEMENT MODEL ADOPTED BY PTG (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.

END-OF-LIFE TYRES

- Thanks to collaborations (Ecopneus in Italy, ANIP in Brazil, Aliapur in France, Recytyre in Belgium), 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).

NOx EMISSIONS

In 2019, the index based on tons of finished product recorded a decrease of – 4.7% compared to 2018. Emissions were calculated by applying the emission factors indicated by the EEA (European Environment Agency) to the energy consumption data.

ENERGY MANAGEMENT

Company’s efforts aimed at improving the energy efficiency of manufacturing plants, machineries and offices. With the inspiration to the SDGS “7 Affordable and Clean Energy”, “9 Industries, Innovation and Infrastructure” and “12 Responsible Consumption and Production”, PTG recorded in 2019 an improvement in the specific energy index (weighted on tons of finished product) of about 6.49% compared to 2018.

MANAGEMENT OF GREENHOUSE GAS EMISSIONS AND CARBON

Prometeon Tyre Group 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”.

PTG 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 and in 2019, for the first time in the course of the last 3 years, specific emissions in tons per euro of Operating Income decreased.

SOLVENTS

In 2019 the reduction of solvents was equal to -21.9% compared to 2018. The Company is committed to the progressive reduction of these substances by spreading solvent-free technologies for operations.
The year 2019 recorded absolute withdrawal of about 1,061 million cubic meters, with a reduction of specific withdrawal of 4.71% compared to 2018.

Distribution of absolute withdrawals by type of use and water supply weight by type of source is provided here below:

<table>
<thead>
<tr>
<th>TYPE OF WATER SOURCES (m³)</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public water supply system and other sources</td>
<td>1,038,540</td>
<td>1,061,251</td>
</tr>
<tr>
<td>Surface water</td>
<td>3,61</td>
<td>3,44</td>
</tr>
<tr>
<td>Inside wells</td>
<td>14,32</td>
<td>12,48</td>
</tr>
<tr>
<td>Total</td>
<td>1,056,275</td>
<td>1,061,251</td>
</tr>
</tbody>
</table>

40% of the water withdrawn was pumped from wells inside the facilities and authorized by the competent authorities.

- The Company obtained 10% of its necessities from surface water, while dedicating special care to guaranteeing that this withdrawal was marginal in relation to the volume of the affected water bodies;
- About 219,672 cubic meters of water were used, equivalent to approximately 21% of total consumption which were obtained from the waste water treatment of PTG production processes.

2019 saw an improvement in the amount of waste sent for recovery: 97.25% of waste has been recovered, recording an increase of 0.25% compared to 2018. Hazardous wastes represent only 2.75% of total production and were sent in their entirety to plants located in the same Country where they were produced.

- 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.
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.

ZERO EMISSION MOBILITY

Synergies between safety and sustainability measures should be exploited encouraging the use of zero-emission modes of transport, new and safer forms of mobility may also go hand-in-hand with improved access to mobility for all members of society.

- New technologies are radically changing the mobility landscape and therefore disrupting conventional transport business models and industries, bringing new opportunities in the form of new mobility services and new players, but also challenges.

Project of the Municipality of Milan to build Smart Mobility District in terms of Sustainability and Innovation:

- In 2019 PTG has joined a specific task group formed by: Deutsche Bank, Engie, ING, Prysmian Group, Pirelli, the University of Milano-Bicocca and the National Research Council of Italy (Consiglio Nazionale delle Ricerche), all located in Bicocca District. The initiative is aimed at transforming the District into an exemplary Smart Mobility District.

The implementation of sustainable and innovative transport solutions in the District such as:

- promotion of the use of public transport giving possibility of having more stops for buses passing in the area;
- adoption of alternative transport systems: car and bike sharing stations.

ROAD SAFETY

The commitment of PTG is to spread road safety culture and sustainable mobility through:

- Training;
- Awareness-raising campaigns;
- Innovative technological solutions.

Safe mobility: “PRO-Drive” with GreenRoad: GreenRoad system is real-time feedback on driver behavior, monitored through a cloud based contextual intelligence. Fleets will be able to reduce risks and improve operational efficiency by predicting crashes and maintenance needs. Overall improvement in operational efficiency leads also to a further reduction in fuel consumption and consequently in exhaust gas emissions too.

QUALITY AND SYSTEM CERTIFICATION


- 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.
ECONOMIC DIMENSION

PRODUCT SAFETY, PERFORMANCE & ECO-SUSTAINABILITY

R&D Department is always working with the aim to improve retreading methods that can enhance the re-utilization process of end-of-life tyres in new products and thus providing a profitable contribution to the Company as per a sustainable solution to circular economy.

To ensure the management of correct recovery of all end-of-life tyres, PTG collaborates with various local and international initiatives such as Ecopneus, a nonprofit organization for the tracking, collection, processing and final destination of end-of-life tyres in Italy.

PTG offers a wide portfolio focused on (i) performance; (ii) safety; (iii) environmental; and (iv) high efficiency. Product lines designed by R&D answer to the main request coming from professional market. The products are a combination of performance and safety in every road condition.

In 2019 the Company improved the environmental impact through:
• new compound and steel reinforced elements;
• new tread concept design to increase the mileage performance and decrease the rolling resistance;
• noise impact;
• new processes to reduce the industrial impact, saving energy and reducing water consumption to produce the tyres.

All these innovations allowed the Company to reduce:
• environmental impact in terms of fuel consumption (which means lower CO₂ emissions);
• noise emission;
• longer durability of the products.

ETRMA – EUROPEAN TYRE AND RUBBER MANUFACTURERS ASSOCIATION

• Commitment to road safety is another important driver of ETRMA’s members’ activities. Being the only contact point between the vehicle and the road, tyres make a critical contribution to road vehicle performances and through continued investments in research and innovation.
• PTG is constantly devoted to the development of tyre technologies towards an even safer and more environmentally sound mobility. In 2019, review of the EU regulation related to the labeling of tyres in European Countries has been one of the main topics where the Association worked closely with the industry.
• PTG was involved in the review process of the regulation and ETRMA was particularly interested in health and environmental issues related to the industry.
ECONOMIC DIMENSION

New environmental policies and legislations enacted by national, international and supranational authorities require original equipment manufacturers to improve vehicles’ fuel consumption performance. PTG continues to work on creating solutions that help the manufacturers to meet the requirements and in 2019 the Company developed a new “Profuel” tyre line which has been designed for original equipment market and has the lowest rolling resistance class of the Company’s Pirelli branded premium range.

- Anteo Tegrys and Eracle, are the result of “Prometeon Technology”, a series of technological packages that have given birth to some deposits of patent applications and owned know-how, which have contributed to improve the performance of all tyres manufactured and marketed by Prometeon Tyre Group.

- Great attention has been paid to the new compound formulations which, together with a tread pattern design technology, have allowed the Company to achieve reduction levels of fuel consumption of absolute excellence, with a strong focus on the environment also from the point of view of the raw materials and also inside the compounds used for production.

NEW LAUNCH & NEW PRODUCTS

2019 Prometeon Tyre Group launched new brand and tyre lines such as: ANTEO, ERACLE and TEGRY, which are devoted to give the right answer to the needs of the markets where the Company operates.

ANTEO: developed with a special focus on safety and offers an excellent performance for Wet Grip, optimized rubber compound to guarantee the right tire life performance and retreadability.

New tyre MC:01TM e-URBAN: designed to meet the specific requirements of electric vehicles such as energy saving performance, which has impacts on the vehicle autonomy, and higher level of load capacity to support the increased vehicle load due to the weight of the battery.
In 2019 was officially launched the SuperTruck network, first in Europe (Italy, Germany and Poland) and second in South America and Mexico. PTG took part to important local trade fairs dedicated to Agriculture business to give visibility to the product range and to promote the business.

In 2019 the Company in order to increase brand awareness around Prometeon Tyre Group decided to launch a new brand identity changing the logo and other standards guidelines.
OUR SUPPLIERS:

- Policies adopted by the Company highlight the full integration of the sustainable supply chain. PTG 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.

In 2019 the activities continued regarding specific self-assessment with an ad hoc questionnaire to send to the potential suppliers to verify the level of compliance with respect to the principal national and international regulations on Work, Environment and Business Ethics.

### VALUE OF PURCHASES BY TYPE

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Materials</td>
<td>515,042,967,68 €</td>
</tr>
<tr>
<td>Consumables Material</td>
<td>16,308,575,95 €</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>46,775,392,81 €</td>
</tr>
<tr>
<td>Logistics + International Freight PP</td>
<td>68,097,860,27 €</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>647,724,786,71 €</strong></td>
</tr>
</tbody>
</table>

### MIX OF RAW MATERIALS PURCHASED

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Rubber</td>
<td>29%</td>
</tr>
<tr>
<td>Synthetic Rubber</td>
<td>14%</td>
</tr>
<tr>
<td>Carbon Black</td>
<td>14%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>18%</td>
</tr>
<tr>
<td>Textile</td>
<td>2%</td>
</tr>
<tr>
<td>Steel</td>
<td>23%</td>
</tr>
</tbody>
</table>

### NUMBER OF PURCHASES BY GEOGRAPHIC AREA

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>15%</td>
</tr>
<tr>
<td>North America</td>
<td>3%</td>
</tr>
<tr>
<td>Others</td>
<td>14%</td>
</tr>
<tr>
<td>Latin America</td>
<td>31%</td>
</tr>
<tr>
<td>Asia</td>
<td>31%</td>
</tr>
<tr>
<td>Africa</td>
<td>7%</td>
</tr>
</tbody>
</table>

COMPLIANCE WITHIN CUSTOMERS RELATIONSHIP IN 2019:

- no cases emerged of non-compliance with regulations or voluntary codes concerning marketing activities, including advertising, promotion and sponsorship;
- no significant final penalties were levied and/or paid relating to infringement of laws or regulations, including those relating to the supply and use of the Group’s products and/or services;
- no cases of non-compliance with regulations or voluntary codes concerning information and labelling of products and/or services;
- no cases of non-compliance with regulations or voluntary codes concerning health and safety impacts of products and/or services during their life cycle;
- there were no documented complaints concerning both violation of privacy and/or the loss of consumers’ data;
- no sales related to products sold by PTG were banned or disputed.