

MAIN PERFORMANCE INDICATORS

ECONOMIC AREA (in million of Euro)

	2013	2012	2011
Net sales	6146.2	6071.5	5654.8
<i>of which tyre (%)</i>	99.5%	99.34%	99.1%
<i>of which tyre Green Performance revenues on tyre revenues (%)</i>	42.4%	39.6%	37.4%
Gross Operating Profit	1079.9	1063.8	806.8
Operating income	791.0	792.5	581.9
<i>% on sales</i>	12.9%	13.1%	10.3%
Net income attributable to equity holders	303.6	387.1	451.6
Earnings per share	0.622	0.793	0.926
Capital expenditure	402	456	618
<i>% on sales</i>	6.5%	7.5%	10.9%
Number of ordinary shares (millions)	475.7	475.7	475.7
Number of savings shares (millions)	12.3	12.3	12.3
Stock market capitalisation*	5570.3	4257.5	3219.6
Gross global added value	2217.7	2210.6	1918.1
<i>of which external donations</i>	5.2	5.1	5.1
<i>% of gross global added value</i>	0.23%	0.23%	0.26%
Research and development expenses	199	179	170
<i>% on sales</i>	3.2%	2.9%	3.0%
Group ROE	12.70%	17.39%	20.89%
Gearing	0.54	0.50	0.34
Sales per employee (average)	163	167	181

* Calculated on basis of average market quotations for December.

ENVIRONMENTAL AREA

	2013	2012	2011
Energy specific consumption [GJ / ton _{pp}]	14.58	14.75	13.94
CO ₂ equivalents specific emission [ton / ton _{pp}]	1.08	1.09	1.00
Water specific withdrawal [m ³ / ton _{pp}]	14.60	16.40	15.00
Waste specific production [kg / ton _{pp}]	158.0	151.0	130.0
Waste recovery	80%	76%	69%
ISO 14001 certified Tyre operating facilities	96%**	100%	100%

** The missing portion is comprised by the Russian plant of Voronezh, included in the environmental reporting boundary in 2013; the certification is on-going.

SOCIAL AREA

	2013	2012	2011
Scope of Pirelli subject to application of SA8000® reference standard	100%	100%	100%
OHSAS 18001 certified Tyre operating facilities	83%***	83%	90%
Accident frequency index	0.6	0.8	1.1
Headcount at end of year	37,979	37,338	34,259
<i>of whom % women in managerial positions</i>	18%	18%	18%
Average number of training days per employee	7.2	5.1	6.2
ISO 9001 certified Tyre operating facilities	100%	100%	100%
Whistleblowing reports	11	8	2
Number of independent audits on suppliers' sustainability	62	62	56

*** The missing portion is comprised by the new Russian and Mexican plants, both with planned certification, and the Rome Plant in the USA which is not certified insofar as the the management system applied pursuant to local law is similar to application of the OHSAS 18001 standard.

PRINCIPAL SUSTAINABILITY TARGETS 2013-2017 WITH SELECTED TARGET TO 2020

In accordance to the new Industrial Plan presented in London on November 6th, 2013. It updates and fortifies the previous 2012-2014 plan.

Economics	Deadline
Green Performance tyre revenues on total tyre revenues: 48%	2017
R&D investments on Premium products equal to 7% of Premium net sales	recurrent
Growth in the business segments with the highest value - Premium: 60% of Car revenues	2016
Growing investment in risk mitigation and prevention of business interruption: CAGR -8.3% vs. 2013	2017
Investors and Financial Community	
Communication focused on highlighting the progressive implementation of the Industrial Plan	recurrent
Steady increase in road shows dedicated to Social Responsible Investors	recurrent
Suppliers	
Supplier Award - sustainable performance integrated in rating	recurrent
New ESG audits on suppliers identified with the Risk Assessment	recurrent
Green Purchasing Guidelines: diffusion and implementation among key suppliers and inclusion of new KPIs in the vendor rating	2014/2015
Engagement activity on ESG high value projects	recurrent
CDP Supply Chain: monitoring and engagement activity on suppliers	2014/recurrent
Customers	
On-going innovation of products: 14 new lines of Car products, 21 of Moto products and 11 of Truck products	2017
Market release of the second version of Cyber Tyre	2015
Customer Satisfaction survey	recurrent
Extension to all markets of on-line training platform Tyre Campus - The Road to Success, devoted to Dealers (already spread to Pirelli main markets in 2013)	2014
Environment	
Specific energy consumption -18% vs. 2009	2020
Specific CO2 equivalents emissions -15% vs. 2009	2020
Specific water withdrawal -58% vs. 2009	2020
Waste recovery ratio >95%	2020
ISO 14001 certification of Voronezh (Russia)	2014
Expansion of Pirelli technology to produce silica from risk husks in Latin America	2017
Expected results of research on alternative sources of natural rubber (guayule - project conducted with Versalis - ENI Group)	2016
Diffusion of the use of innovative, function-enhancing polymers to reduce environmental impact, improve driving safety and process efficiency	2015
Average Rolling Resistance of CAR tyres -40% vs. 2007	2020
Average Rolling Resistance of TRUCK tyres -20% vs. 2007	2020
Average Rolling Resistance of MOTO tyres -10% vs. 2007	2020
Employees	
Focus on employee welfare	recurrent
Group Opinion Survey	recurrent
OHSAS18001 certification of Voronezh and Kirov (Russia)	2014

Implementation and consolidation of Behaviour Based Safety (BBS), LockOut tagOut (LOTO), Point of Work Risk Assessment (POWRA) systems	2015
Employee training: maintaining 7 average days pro-capita	recurrent
New Sustainability Audits at Pirelli sites performed by Group Internal Audit function	recurrent
Green Performance Tyres revenues su totale vendite Tyre: 48%	2020
External Community	
Continual pro-activity for the dissemination of good sustainability practices at the local and international level (through UN Global Compact LEAD Programme, CSR Europe, World Business Council For Sustainable Development, EU-OSHA, etc.)	recurrent
Information and training campaigns into road safety, youth sport and training programs	recurrent
Proactive participation to the creation of the "Natural Rubber Sustainability" Standard, together with the IRSG working group	recurrent

TARGET 2013

Economics	Status
Green Performance revenues >45%	partially achieved
Maintenance of investments in R&D at about 3% of net sales	achieved
Refinement and strengthening of the ESG Risk Assessment system	achieved
Suppliers	
Sustainability Training of Suppliers: new session with "security services" target	achieved
New audits on Suppliers identified on the basis of the Risk Assessment	achieved
Customers	
New web-based search platform to listen Dealers feedbacks	achieved
Extension to new markets of on-line training platform Tyre Campus - The Road to Success, devoted to Dealers	achieved
Environment	
Specific consumption of solvents in production processes -15% vs. 2009	achieved
Entire range of tyre products without highly aromatic oils worldwide	achieved
Pirelli Group Carbon & Water Footprint Calculation	achieved
Green Sourcing Policy: definition and implementation of the operational guidelines	achieved
Employees	
Group Opinion Survey	achieved
New International Mobility Policy - implementation in all Group countries	achieved
Launch of new Training Model	achieved
Welfare: launch of new portal - Italy pilot	achieved
OHSAS18001 certification of Silao (Mexico)	achieved
Employee training: 7 average days pro-capita	achieved in advance