



ASSURANCE STATEMENT

STATEMENT OF PIRELLI & C. S.p.A. 2013 SUSTAINABILITY REPORT

SGS Italia S.p.A. was commissioned to conduct an independent assurance of Pirelli & C. S.p.A. Sustainability Report 2013, prepared 'in accordance' with the *Comprehensive* option of the GRI G4 Sustainability Reporting Guidelines.

The Sustainability Report represents the Volume 3 of the Annual Financial Report of Pirelli & C. S.p.A., at December 31, 2013.

The information in the Sustainability Report is the exclusive responsibility of Pirelli & C. S.p.A. SGS Italia S.p.A. expressly disclaims any liability or co-responsibility in the preparation of any of the material included in this document or in the process of collection and treatment of the data therein.

The Group is responsible for identification of stakeholders and material issues and for defining objectives with respect to sustainability performance.

SGS Italia S.p.A. affirms its independence from Pirelli & C. S.p.A., being free from bias and conflict of interests with the Organization, its subsidiaries and stakeholders.

Responsibilities and Scope of Assurance

The responsibility of SGS Italia S.p.A. is to express an opinion concerning the qualitative and quantitative information, the graphs, the tables and the statements included in the Report, within below mentioned assurance scope, with the purpose to inform all the Interested Parties.

The scope of assurance agreed with Pirelli & C. S.p.A. includes the verification of following aspects:

- review of the Group approach to materiality analysis and stakeholder engagement processes and initiatives;
- evaluation, through a Type 1 and Type 2 assurance, of the application of the AA1000 AccountAbility Principles Standard (2008), and reliability of the information reported;
- completion of an high level assurance review of the information within "Human rights Governance" and "Our suppliers" sections, with reference to a new set of GRI G4 Key Performance Indicators related to supply chain processes and ESG impacts monitoring;
- evaluation of the Report against the Global Reporting Initiative Guidelines (GRI-G4) with reference to the 'in accordance' *Comprehensive* option;
- verification of greenhouse gases emissions (GHG) inventory carried out according to ISO 14064-1:2012 criteria.

SGS Italia was also commissioned to give a feedback on the adherence of the sustainability model adopted by Pirelli & C. with the requirements of the Guidance on Social Responsibility UNI ISO 26000.

Assurance methodology and limitations

The verification process started from materiality analysis and stakeholder engagement methodology validation activities and was performed through examination of records and documents, interviews with personnel and management and analysis of policies, procedures and practices adopted within the organization. The texts, graphs and tables included in the Report were verified by selecting, on a

sample basis, qualitative and/or quantitative information to confirm the accuracy and reliability of the process for collecting and consolidating data.

Audit activities were carried out during February and March 2014 at Head Quarters in Milan (Italy) and at sites of the Group in Settimo Torinese (Italy), Yanzhou (China) and Alexandria (Egypt), and they referred to data and performance of the whole Group.

The audit team was assembled based on their technical know-how, experience and the qualifications of each member in relation to the various dimensions assessed.

Financial data are drawn directly from the Annual Financial Report of Pirelli & C. S.p.A. at December 31, 2013, already certified by the auditing firm.

Statement of conclusion

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within Pirelli & C. S.p.A. 2013 Sustainability Report are accurate, reliable and provides a fair and balanced representation of Pirelli & C. S.p.A. sustainability activities, and in addition represents a key communication tool with Stakeholders.

With reference to the approach of the Group to materiality analysis and stakeholder engagement processes and initiatives, the Audit team provides the following opinion:

- the 2013 Materiality analysis, the Group Multi-Stakeholder Engagement activities carried out and the update of the new 2013-2017 Industrial Plan objectives, with 2020 Sustainability Targets, are tangible signs of the Group's commitment and integration of Sustainability issues into the activities of the Group. Furthermore, the constant dialogue with its stakeholders carried out represents a further step towards the continual goal to identify and prioritize economic, environmental and social aspects as well as the related impacts.

Concerning the new GRI G4, with regard to the fulfillment of the principles for defining report content and the principles for ensuring the quality of the information therein, and the level of adherence to the principles of AA1000 (Inclusivity, Materiality and Correspondence), the Audit Team provides the following opinion:

- the governance of human rights, developed by the Group, is strongly integrated into business strategy. The Group exercises the due diligence in adopting measures to ensure that the organization avoids active participation or passive acceptance in the violation of human rights, by implementing policies for the prevention and mitigation of any actual or potential impacts;
- The governance of human rights is perceived as a key strategic business priority and the respect of human rights is extensively applied also through a responsible management of the supply chain, which is considered an important component of Risk Governance. As a matter of fact, Pirelli has pursued particularly advanced monitoring processes of the sustainability performance including, also, an extensive verification - by requiring Suppliers to filling out the EICC GeSI form - in order to ascertain that there are no "conflict minerals" all along their supply chain;
- The third party audits on suppliers on sustainability issues, especially in countries at ESG risk, are a concrete example of the actions that have been carried out in accordance with the principles of the Group "Values and Ethical Code of Conduct, the Policy of the Group "Social Responsibility Policy for Occupational Health, Safety, Rights, and Environment" , the Group Code of Conduct, the SA8000 prescriptions and the UN Global Compact Principles, to which the Group adheres since 2004.
In addition, the Pirelli Whistleblowing Procedure is the channel available to internal and external Stakeholders to report any acts or omissions adopted by any party within Pirelli, in its relations with Pirelli or on its behalf such that constitute or may constitute a violation or inducement to violate laws and/or regulations, the principles enshrined in the Pirelli Values and Ethical Code, principles of internal control, company policies, rules and procedures thus including violation, suspect violation and induction to violation related to Human Rights and ILO normative core aspects of child labour, forced labour, non-discrimination, freedom of association and collective bargaining right. Critically observing the contents of the whistleblowing reports received by the Company in 2013 and the results of the Audits performed by the Company directly or through third party, again in 2013 no violation of Human & Labour Rights was found.

With reference to the GRI-G4, the Audit Team confirm the completeness and accuracy of KPIs reported within the Sustainability Report, with particular reference to a new set of KPIs added in the new version of the guidelines.

The Audit Team positively remarks the accuracy of the Organization's work to report the data requested by the Energy and Emissions set of KPIs. With reference to the verification of

greenhouse gases emissions (GHG), carried out according to ISO 14064-1:2012 criteria the Audit Team received detailed information on the quantification of emissions of greenhouse gases (GHG). It is recognized the effort that has made the Group to develop and prepare its inventory of greenhouse gas (GHG) emissions with reference to internationally recognized Standards. For this purpose, specific audit activities for the assessment of conformity with the requirements of the GHG inventory ISO 14064-1:2012 was also carried out and the verification had a successful response.

Furthermore, it is confirmed that the sustainability model adopted by Pirelli & C. is in line with the requirements of the Social Responsibility Guidelines UNI ISO 26000; the performed analysis considered all Specific Aspects, the Actions and the Expectations related to the Seven Core Subjects mentioned in Clause 6 of the Guidance, confirming that Pirelli has already in place mechanisms, initiatives and policies to comply, in a satisfactory way, to the above mentioned core subjects.

In relation to the above mentioned AA1000 principles, the information contained in the 2013 Sustainability Report is considered reliable and complete. With reference to the new Guidelines GRI G4, the organization satisfies the principles for defining report content and the principles for ensuring the quality of reported information. We confirm that the Report is aligned with the requirements of the GRI-G4 'in accordance' Comprehensive option.

Milan, 11th April, 2014

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