

ETHICAL CODE

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;
- 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.

INTERNAL CONTROL SYSTEM

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.

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.

COMPLIANCE WITH THE CODE

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.

LINES OF CONDUCT

This document will describe the Lines of Conduct in order to avoid the formation of environmental situations favorable to the commission of offences in general, and the offences ex Legislative Decree 231/2001 in particular.

The Lines of Conduct identify, albeit not exhaustively, behaviors relative to the areas of “what to do” and “what not to do” specifying in an operational vein what has been expressed in the Company’s Code of Ethics.

§.1 “AREA OF WHAT TO DO”

- Corporate bodies and all employees are committed to respect the laws and regulations in effect in all the countries where the Company operates.
- Corporate bodies must be knowledgeable about the above-mentioned laws and regulations, as well as the resulting behaviors to be adopted.
- Corporate bodies and all employees are committed to respecting Company procedures and are guided by the principles of the Code of Ethics in their every decision or action relative to the management of the Company.
- Those in charge of functions must ensure that:
 - all employees are knowledgeable about the laws and the resulting behaviors and, in the event they have any doubts as to how to proceed, should receive adequate guidance;
 - a program is put in place for continuous training and sensitizing on the subject of problems pertaining to the Code of Ethics.
- When participating in competitions called by the Public Administration and in every dealing with the Public Administration in general, all employees must act within the laws and regulations in force and according to proper business practices.
- Those in charge of functions that currently have dealings with the Public Administration must:
 - provide their collaborators with directives on the modes of operational behavior to be adopted both in formal and informal contacts with various public individuals, within the spheres of their particular activities, transmitting knowledge of the norms and consciousness of situations at risk for the commission of offences;
 - provide adequate mechanisms for tracing the official flow of information towards the Public Administration.

- Any consultants, suppliers and third parties in general acting on behalf of the Company are committed to respecting the laws and regulations in force in all the countries in which the Company operates; no relationship shall be initiated or pursued that does not strive to conform to this principle. The duty of said individuals to operate as representatives of or in the interests of the Company must be conferred in written form and provide a specific clause¹ binding them to observe the ethical and behavioral principles adopted by the Company. Failure to respect the above rule may involve the termination of the contractual agreement for reasons of non-fulfillment.
- Any consultants, suppliers or third parties in general acting on behalf of the Company are identified and selected with absolute impartiality, autonomy and independence of judgment. In its selections, the Company is careful to evaluate their skills, reputation, independence, organizational capacity and suitability for the proper and timely execution of the contractual obligations and the tasks assigned them.
- Any consultants, suppliers or third parties in general acting on behalf of the Company must operate, at all times and without exception, with integrity and diligence, in full respect of the lawfulness provided for by the ethical codes, which must be eventually adopted by same.
- When contributions, funding or financing are requested from the State or other public organizations, any individuals involved in these procedures must:
 - comply with accuracy and truth, by using and presenting declarations and presentations that are complete and pertinent to the activities for which the benefits may be legally obtained;
 - upon obtaining the requested funds, employ them to the ends for which they were obtained.
- Those in charge of administrative/accounting functions must ensure that every operation and transaction is:
 - legitimate, coherent, congruous, authorized and verifiable;
 - accurately and adequately registered so as to make it possible to check the decision process, authorization and development;
 - accompanied by a documentary support allowing verifications to be performed at any time on the characteristics and motivations of the operation, as well as the identification of who authorized, carried out, registered and verified this same operation.
- Any employees involved in activities related to formulating the Balance Sheet or other similar documents must conduct themselves with propriety, collaborate fully, and guarantee the completeness and clarity of the information they provide,

¹ *The standard clause is written by the qualified function/administration.*

as well as the accuracy of data and its processing, signal any conflicts of interest, etc.

Administrators shall inform the Board of Directors and the Board of Statutory Auditors of any interests that, whether personally or by means of third parties, have a determined operation on the Company, specifying the terms, the origin, and the scope; in the event it is the managing director, he/she must abstain from carrying out the operation, assigning it instead to the body of Statutory Auditors.

- Administrators and their collaborators:
 - when drafting the balance sheet, communications for the market or other similar documents, must represent the economic, patrimonial or financial situation clearly and completely;
 - must comply with requests for information from the Board of Statutory Auditors and facilitate in every way the carrying out of controls and auditing activities legally assigned to partners, other corporate bodies or auditing companies;
 - present documents to the Assembly that are complete and correspond to accounting entries;
 - provide the supervisory bodies with correct and complete information on the economic, patrimonial or financial situation.

- Only authorized employees may have contacts with the press, and they must advance news on the Company consistent with the truth, in accordance with the laws and regulations in force.

- The Supervisory Body² is obligated to point out the following, among other things:
 - any violation or suspected violation of the Organizational Model³ and/or of the Code of Ethics and the Lines of Conduct. The information must be provided exclusively in non-anonymous form.
 - provisions and/or notices from judicial policy bodies or from any other authority, of which one officially has knowledge, regarding illegal acts and/or presumed offences according to Legislative Decree 231/2001 with the risk of corporate impact.

§.2 “AREA OF WHAT NOT TO DO”

- In relationships with members of the Public Administration, whether Italian or from other countries, it is forbidden to:
 - promise or offer them (or their relatives, friends or kindred, etc.) money, gifts or promotions except in the case of gifts or access to benefits of modest

² Instituted in accordance with Legislative Decree 231/2001

³ Enacted in accordance with Legislative Decree 231/2001

value (for example, trips, sojourns, memberships to clubs are not of modest value);

- examine or propose employment opportunities to representatives from the Public administration (or their relatives, friends or kindred, etc.) and/or business opportunities of any other type that could benefit them on a personal level;
- promise or offer representatives from the Public Administration (or their relatives, friends or kindred, etc.) consulting services and/or other services that could benefit them on a personal level;
- effect unjustified marketing expenses and for other ends than the mere promotion of the Company image;
- promise or provide, including through third parties, work/services of personal utility (for example, restructuring buildings they own or use – or are owned or used by their relatives, friends or kindred, etc.)
- provide or promise to provide, solicit, or obtain information and/or confidential documents or at any rate such as to be able to compromise the integrity or reputation of one or either of the parties;
- favor, in the purchasing processes, suppliers or sub-suppliers if indicated by representatives of the Public Administration as a condition for the subsequent carrying out of activities (for example, granting a commission, concession of subsidized finance, concession of license).

These actions and behaviors are forbidden whether committed directly by the Company through its employees, or through persons that are not employees but acting on its behalf.

- Furthermore, regarding the Public Administration, it is forbidden to:
 - exhibit false or altered documents/data;
 - subtract from or omit true documents;
 - engage in duplicitous conduct that could induce the Public Administration to wrongly evaluate the technical-economic properties or products and services offered or provided;
 - omit required information, for the purposes of undeservedly influencing decisions by the Public Administration in one's favor;
 - engage in behaviors however intended to undeservedly influence decisions by the Public Administration;
 - have consultants or third parties represent one when this may create conflicts of interest;
 - take advantage of the position of a public service official to obtain benefits for oneself or the Company.
- In general, it is forbidden to hire as Company employees the former employees of the Public Administration that personally and actively engaged in business dealings or endorsed requests made to the Public Administration by the Company or its subsidiaries, or companies connected to or under common control with the Company.

- During the course of civil, criminal or administrative trials, it is forbidden to directly or indirectly undertake an illicit action that could favor or damage one of the parties to the lawsuit.
 - Administrators are forbidden to:
 - return ordinances to partners or free them from the obligation of carrying out said ordinances, except in cases of a legitimate reduction of corporate assets, or to effect reductions in corporate assets or mergers with other companies or divisions, in violation of the provisions of the law for the protection of creditors;
 - distribute profits or accounts on profits not actually earned or legally reserved, or to distribute reserves that may not be distributed according to law;
 - have the Company acquire or underwrite corporate shares, issued by the Company or the controlling company, except in cases allowed by law;
 - fictitiously form or increase the Company's capital through actions forbidden by law.
 - In general it is forbidden to:
 - obstruct the control functions of the partners, the auditing firm, the Supervisory Body or the Group Internal Audit in charge of internal controls;
 - cause harm to the integrity of corporate assets and carry out operations damaging to creditors;
 - influence the Assembly of Partners, diffuse false news about the Company.
 - Administrators, Statutory Auditors and employees are forbidden to:
 - buy, sell or effect other operations on financial instruments, directly or indirectly, personally or through third parties, using privileged information (by which are meant—according to art. 181 of Legislative Decree n. 58/1998 – information of a precise nature that has not been made public directly or indirectly concerning one or more issuing financial instruments, that, if made public, could influence the prices of said financial instruments in a noticeable way);
 - recommend that or induce others to carry out the above-mentioned operations on the basis of privileged information;
 - communicate privileged information to third parties outside of normal working activities;
 - It is also generally forbidden to diffuse false or misleading news or to enact simulated operations or other artifices geared to provoke a noticeable change in the price of financial instruments, or to provide false or misleading information about it.
 - Employees, consultants, suppliers and third parties in general acting on behalf of the Company must abstain from any behavior that may be damaging to the
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Company's image.

- Any consultants, suppliers and any third parties in general acting on behalf of the Company are obligated to avoid any situation involving a conflict of interest with same, and are obliged to immediately inform the Company should a conflict of interest arise.
- Any consultants, suppliers and any third parties in general acting on behalf of the Company are forbidden to carry out any action that might be considered contrary to the laws and/or regulations in force, even in the case that, pursuant to such conduct, the Company derives or could derive any advantage or benefit whatsoever.

§.3 SANCTIONS

Conduct not in compliance with the provisions of the Code of Ethics and the current Lines of Conduct shall involve, independently and above and beyond any possible criminal proceedings against the author(s) of the violation, the application of disciplinary sanctions according the norms in force and/or collective bargaining.