

## ASSURANCE STATEMENT



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#### ASSURANCE STATEMENT OF PIRELLI & C. S.p.A. 2010 SUSTAINABILITY REPORT

SGS Italia S.p.A. was commissioned to conduct an independent assurance of Pirelli & C. S.p.A. 2010 Sustainability Report.

The information in the Sustainability Report is the exclusive responsibility of Pirelli & C. S.p.A. SGS Italia S.p.A. was not involved in the preparation of any of the material included in this document.

The responsibility of SGS Italia S.p.A. is to express an opinion concerning the 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. 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.

#### Scope of Assurance

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

- evaluation of the report against the Global Reporting Initiative Guidelines (GRI-G3), with reference to level A+;
- evaluation of content veracity;
- Type 2 evaluation of the Accountability Principles and of the Performance information against AA1000 Assurance Standard (2008).

Furthermore, the paragraph related to "Risk Governance System", within the chapter "Governance tools for long-term development", has been subject to a high assurance level.

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

#### Assurance methodology and limitations

The verification was performed by a pre-assurance research activity, examination of registrations and documents, interviews with personnel and management, and analysis of policies, procedures and customs of the Organisation. The texts, graphs and tables included in the Report have been verified by selecting, on a sample basis, qualitative and/or quantitative information, with the aim to confirm the accuracy and reliability of the process of collection and consolidation of data.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

Audit activities were carried out during March 2011 at Italy's Head Quarters and in several sites of the Group in Brazil, Romania, Turkey and China.

Financial data, drawn directly from independently audited financial accounts at 31<sup>st</sup> December 2010, has not been checked back to source as part of this assurance process.

#### Assurance Opinion

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. 2010 Sustainability Report verified 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 regards to the AA1000 principles, the Audit Team provides the following opinion:

- **Materiality:** as already underlined in previous evaluations, we believe that Pirelli & C. S.p.A. is deemed to have focused, in a adequately and extensive way, the material issues of interest for their Stakeholders.
- **Inclusivity:** we believe that Pirelli & C. S.p.A., through a constant dialogue with their stakeholders and through different communication channels, meets the principle of Inclusivity. It is now in action a process with the aim to structure in a more systemic way the mechanism of involvement and collection of the topics from the stakeholders, to be addressed to the attention of the Board.
- **Responsiveness:** the Pirelli & C. S.p.A. commitment to the sustainability issues, addressed and formally in charge and discussed by the Sustainability Steering Committee, is assurance of continuous revision of systems and processes in order to address and to effectively manage all the fundamental matters of interest for the Stakeholders.

With reference to the assurance of specified performance sustainability information, the audit team believe that the information stated in the paragraph "Risk management" are reliable and in compliance with the AA1000 principles; the methodology applied is a best practice of governance and offers, to the top management, adequate tools to support strategic decisions in the respect of the strategic objectives, included those related to the sustainability.

Furthermore, it is confirmed that the planning of the sustainability model adopted by Pirelli & C. is in line with the requirements of the Guidance on by the Social Responsibility Guidelines UNI ISO 26000. The Governance of the sustainability, through the specific support of the Sustainability Department, guarantees, at Group level, the spreading and the monitoring of the engagements taken and the relative improvement targets in theme of sustainability.

It is also confirmed that the report is aligned with the requirements of GRI-G3 A+ application level with the following recommendations and opportunities of improvement:

Reporting principles for defining content and for ensuring report quality of the information are satisfying. The audit team recognizes the continuous and progressive level of reliability of the process of collection, elaboration and aggregation of the data; the Organization is invited to continue in the constant process of revision and qualitative extension of the indicators.

Milan, March 31<sup>st</sup> 2011



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SGS Italia S.p.A.

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