



## **Pirelli Implementation Plan and Performance 2020**

In 2020 the international health emergency situation led to the suspension of those activities planned for the period that, in order to achieve the expected level of effectiveness, would have had to be held on site with the actors in the supply chain (processors, traders, farmers). The resources allocated for these activities were then redirected and used to purchase almost 3,000 food packages donated to farmers affected by the pandemic.

Although the health situation significantly affected the activities in which an on-site presence was planned, through remote activities Pirelli was able to continue with the engagement of the supply chain aimed at improving traceability and risk mapping. Cooperation also continued with the aim of perfecting the plan of activities defined with them between 2019 and 2020; in fact, it should be noted that, at the beginning of 2020, 100% of natural rubber suppliers shared with Pirelli the activities aimed to cascade Pirelli's Sustainable Natural Rubber Policy along their supply chain. The roadmap was defined after training sessions in which all suppliers participated in 3 days of training organised in local languages in 5 different areas of the globe. The suppliers' implementation plans were drawn up on the basis of the mapping of Pirelli supply chain risks, an analysis completed by specialised consultants during 2019.

In early 2020, Pirelli also published a study<sup>1</sup> on natural rubber tree diseases, diseases that have begun to have a major impact on the livelihoods of farmers (an estimated loss of productivity of around 15% in Indonesia<sup>2</sup>). The study, the result of an in-depth dialogue between farmers and specialists in the sector sponsored by Pirelli and held in late 2019, identifies the causes of the phenomenon and gathers possible solutions, with the intention of putting this wealth of information on the table.

Although it was not possible to organise the historic "tapping competition" in 2020, a major training event that the Group has been organising in Indonesia since 2014, the Group and its supplier Kirana Megatara confirmed the awarding of scholarships to the children of local producers, in the belief that the future sustainability of the natural rubber business absolutely cannot ignore the adequate training and development of the new generations, and their right to study. A total of 65 scholarships were awarded.

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<sup>1</sup> [https://psi-dotcom-prd.s3-eu-west-1.amazonaws.com/corporate/Drill\\_Down\\_Study\\_Report\\_08.04.2020\\_final.pdf](https://psi-dotcom-prd.s3-eu-west-1.amazonaws.com/corporate/Drill_Down_Study_Report_08.04.2020_final.pdf)

<sup>2</sup> Jakarta Post, « Plant disease threatens thousands of hectares of rubber plantations », July 2019, <https://www.thejakartapost.com/news/2019/07/25/plant-disease-threatens-thousands-of-hectares-of-rubber-plantations.html>.