

PIRELLI

Pirelli transforming tyres

Pirelli is among the world's leading producers of tyres and suppliers of associated services.



Established in 1872, Pirelli is the only pure consumer tyre company with a distinctive positioning in High Value tyres, products made to achieve the highest levels in terms of performance, safety, silence and road grip, characterized by high level technological content and customization. With around 31,500 employees, 19 factories located in 12 countries, with more than 15,900 points of sale in over 160 countries, Pirelli had a turnover of more than €5.19 billion in 2018.

Pirelli Asia was established in Singapore in 1995 as the headquarters for car and motorcycle tyre business in SEA and APAC. Additionally, Pirelli Asia is the center of rubber purchasing globally. Pirelli Asia focuses on providing operational support to importers and dealers in the region as well as delivering the best Pirelli products and services to end consumers. Over the years, Pirelli Asia has grown into a reputable multinational

corporation and is on track for further growth and expansion in the region.

ADAPTING TO THE NEW MARKET THROUGH INNOVATION

The automotive industry is evolving in four main directions: electric, connected, share and autonomous. Correspondingly, tyre industry is acting in response to these rapid changes. Pirelli is continuously undergoing research on these topics to develop technologically-advanced products and solutions that meet the demands of future mobility.

"In the past 3 to 5 years, the whole automotive industry – including the tyre industry – has experienced great transformations with the introduction of electrical and autonomous vehicles. We at Pirelli are following these transformations, and we now see ourselves as not just a commodity provider but also a mobility provider. By installing sensors in our tyres

and shaping them to the needs of our individual customers but also of commercial vehicles who wish to enhance efficiency through tracking, we are adapting to the new realities of the market," explains Adrian Thio, Managing Director at Pirelli Asia.

Technological innovation is an essential element of the Pirelli strategy and plays a central role in the company's business model, in particular with respect to High-Value products. In recent years Pirelli's investment in R&D has been over 6 percent of its revenues from High Value products, one of the highest levels among the world's major tyre producers.

The company has more than 6,500 patents and in 2018 spent over €219 million on R&D. In 2016 and 2018 it received the Oscar Masi Award for Innovation from the Italian Association for Industrial Research. Some 1,900 people are involved in R&D for Pirelli (approximately 6 percent of the group's employees) in 11 countries including Italy, Germany, Romania, the UK, Brazil, the US, Mexico, China and Russia.

Pirelli also has in place a series of R&D collaborations and Joint Development Agreements with external players such as suppliers, universities and car manufacturers. It has 33 collaboration projects with Universities, 20 Joint Development Agreements and more than 50 NDAs with suppliers and universities, over 150 outsourced projects in materials, processes, software and electronics and over 100 R&D collaborations with Premium car manufacturers in innovative technologies.

In the coming ten years there will be huge innovations in the automotive world such as electric cars and driverless ones. With its strong, long-standing relationships with car manufacturers, Pirelli has for some time been working on these future

trends, in particular developing tyres for electric vehicles and solutions and services for connected vehicles. Pirelli provides the only part of the vehicle that comes into direct contact with the road – the tyre. It can use data gathered by the tyres to provide solutions and services for connected vehicles that can be helpful to customers, dealers and car manufacturers by maximizing safety, minimizing operating costs, enabling a vehicle's full performance potential and reducing their development time.

PIRELLI IN SINGAPORE AND ASEAN

One of Pirelli's most recent initiatives took place in the region of Indonesia and Thailand where Pirelli launched the project "Being Fast Takes Time" which aims to promote awareness of the world of natural rubber. It is a journey through images that begins at the rubber tree and ends with the production of a tyre, passing through a description of the farmers' lives and their cultivation and processing techniques, fundamental phases of natural rubber's production and supply cycle. The project seeks to help understand how precious the natural equilibrium is and follows the path on which Pirelli embarked in 2017 with its Sustainable Natural

Rubber Policy, born of the ongoing multi-stakeholder dialogue conducted by the company to govern the sustainable and responsible supply of natural rubber along the whole value chain. The policy's goal is to promote and develop a sustainable and responsible natural rubber supply chain involving farmers, traders, processors, sellers and producers.

Back in Singapore, they are also working towards a more sustainable future by taking small steps in accordance to their global direction on the topic of sustainability. Though the benefits are yet to be seen at the moment as it is a long-term strategy and approach, Pirelli believes they are on the right track.

Furthermore, Pirelli will continue to strengthen their presence in Singapore and in ASEAN by expanding sales network, introducing exciting high-value products to the end consumers and at the same time bringing the Pirelli brand closer to them through exceptional service and experiential events.

Indeed, over the years Pirelli has received great support from the Singapore government and Singapore has had a conducive business cli-

mate for Pirelli. For this reason, the company has been able to organise a series of successful activities in Singapore throughout the year such as event collaborations with high-end automotive brands for their customers to experience the various product offerings as well as their most important annual event at the Singapore Grand Prix.

Adrian Thio, Managing Director at Pirelli Asia, added that "Singapore is an incredibly open place, where companies from abroad are welcome, and where we can develop pilot programmes for the whole of Asia. The pool of talent we can find here and the transfer of technology that takes place in the city-state means that Pirelli privileges Singapore as the best base in the region."

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