
**CONSOLIDATED
NON-FINANCIAL
STATEMENT -
LEGISLATIVE
DECREE 254 OF
30 DECEMBER 2016**





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METHODOLOGICAL NOTE

This document, Non-Financial Statement (hereinafter in short also “DNF” or “Statement”) is published by Piaggio & C. S.p.A. (hereinafter “Piaggio” or “Group”) in application of Legislative Decree 254/2016 (“Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain companies and certain large groups). This Non-Financial Statement is subject to a limited review (“limited assurance engagement” in accordance with the criteria set out in ISAE 3000 Revised) by Deloitte & Touche S.p.A.

REPORTING PERIOD	Financial year 2023 (1 January to 31 December 2023). The figures for the financial year 2022 are shown for comparative purposes only.
DATE OF PUBLICATION	This document was published on 26 March 2024. The NFS 2022 was published on 27 March 2023.
REPORTING PERIMETER	<p>The scope of information and economic data is the same as that of the Consolidated Financial Statements of the Piaggio Group. The perimeter of environmental and social information and data contained in the DNF consists of the companies consolidated on a line-by-line basis in the Consolidated Financial Statements of the Piaggio Group. It should be noted that some environmental data (consumption, emissions, water resources, waste), purchasing and health and safety data include production sites only, as the data of sales companies, research centres and offices are not significant on the whole and, as regards environmental data, in some cases impossible to measure as they sometimes operate in buildings shared with third parties.</p> <p>For more details on the scope of consolidation for the various topics covered, see the table in the section “Materiality Analysis”.</p> <p>It should be noted that with regard to contributions and initiatives in support of the community, information relating to the Piaggio Foundation, an entity not included in the Group’s consolidation scope, is also included. This information constitutes qualitative aspects useful for understanding the attention paid to the social context, even though such information does not fall within the scope of consolidation of the DNF quantitative information.</p> <p>The document duly indicates when aggregate data derive from estimates; any restatements of data from previous years with respect to published figures, due to improvements in the collection and reporting process, are clearly indicated as such. In some cases, data could be affected by rounding off defects due to the fact that figures are represented in thousands/millions; changes and percentages are calculated based on specific data.</p>
CONTENT	The contents of the NFS were chosen on the basis of the materiality process according to the GRI Standards, as well as focusing on the non-financial issues referred to in Legislative Decree 254/2016.
SELECTED REPORTING STANDARD	This Statement, published on an annual basis, is prepared pursuant to Legislative Decree 254/2016 and in accordance with the GRI Sustainability Reporting Standards published by Global Reporting Initiative - GRI (with application level ‘In Accordance’).
DISCLOSURE PURSUANT TO REGULATION (EU) 2023/2486 AND RELATED DELEGATED REGULATIONS (SO-CALLED “EU TAXONOMY”)	<p>Piaggio & C. S.p.A. has an obligation to include in the NFS, published on or after 1 January 2022, disclosure required by the so-called “EU Taxonomy” regulation regarding the Group’s eco-sustainable activities, in relation to which reference is made to the paragraph “European Taxonomy”.</p> <p>This disclosure for the 2023 financial year concerns the proportion, compared to the total, of the Group’s turnover, investments and operating costs (as defined by Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021) relating to activities eligible for and aligned with the Taxonomy with reference to the 6 objectives described in the annexes to Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, as well as certain qualitative information.</p> <p>In this regard, it should be noted that the limited review of this Consolidated Non-Financial Statement carried out by the independent auditors Deloitte & Touche S.p.A. does not extend to this disclosure.</p>

DESCRIPTION OF THE PROCESS TO IDENTIFY MATERIAL TOPICS FOR NON-FINANCIAL STATEMENT PURPOSES

For the purposes of sustainability reporting, Piaggio applies the Standards published by the Global Reporting Initiative, which call for a materiality analysis process to identify the topics considered most relevant and which, therefore, must form the backbone of the information provided by the Group.

Piaggio updates its materiality analysis every year in order to capture the Group's significant economic, environmental and social impacts, which can substantially influence stakeholders' assessments and decisions.

Materiality analysis

According to the GRI Standard methodology, a sustainability topic is material (impact materiality) if it is related to negative or positive, actual or potential impacts on the economy, environment, and people, including impacts on their human rights, caused by the organisation's activities and investments, its products and/or services or its value chain, in the short, medium and long term. The materiality of impacts is measured by considering their severity as well as the likelihood of occurrence.

The Group's materiality analysis process was coordinated by the CSR Manager (Finance Department) with the support of the Group's Consolidated Financial Statements and Sustainability Function. This process, consistent with the GRI 3 Material topics 2021, was carried out in the following stages:

1. understanding and assessing the context (business, environment, social/political) in which the Group operates, and the issues relevant to it.
In the absence of automotive sector standards (not yet made available by GRI), we started from a benchmark analysis of the materiality analyses reported in the 2022 financial statements of some international groups operating in the same business sector as us, in order to update our materiality topics;
2. identification of the above topics in one or more positive and negative, actual and potential impacts that the Group's activities could generate on the economy, the environment and people, including human rights;
3. preparation of a materiality sheet listing the impacts defined above, through which the evaluations of the group's top management and stakeholders could be collected;
4. sending of the materiality sheet to:
 - the Group's Top Management, comprising the company's front line and Risk and Sustainability Committee;
 - Relevant stakeholders consisting of:
 - a representative sample of suppliers worldwide,
 - a small sample of financial stakeholders,
 - a small sample of employees;
5. evaluation of the impacts by the two categories. Each respondent was asked to rate for each of the impacts reported the severity, size/amplitude of the impact generated, as well as its likelihood of occurrence;
6. the prioritisation of impacts and their re-aggregation into topics.

The topics that were found to be material as a result of the materiality analysis are summarised in the following table:

MATERIAL TOPIC	IMPACT	GROUP INVOLVEMENT	PERIMETER	MONITORING AND MITIGATION ACTIONS
Supporting local communities	Support for charity initiatives and organisation of cultural events (current/positive)	Caused by the Group	All Group companies	
	Direct and indirect employment impacts (potential/positive)	Caused by the Group	All Group companies	
Climate change	CO ₂ emissions from production activities in group plants (actual/negative)	Caused by the Group	Manufacturing companies	<ul style="list-style-type: none"> - ISO 14001 environmental certification - Continuous infrastructure improvements aimed at rationalising energy use - Decarbonisation Plan - Plans to audit and monitor energy consumption
	Indirect CO ₂ emissions from: suppliers' production activities - logistics (actual/negative)	To which the Group contributes indirectly and related to the Group through its business relations	Suppliers of all Group companies	<ul style="list-style-type: none"> - Suppliers must sign Piaggio's Code of Ethics or general terms and conditions of supply, which require an explicit commitment to the pursuit of sustainable development while respecting the environment and environmental regulations - The vehicles and equipment used by logistics operators must meet the quality standards required by Piaggio and are subject to inspections by Piaggio
	Indirect CO ₂ emissions from the use of products sold (actual/negative)	To which the Group contributes indirectly and related to the Group through its business relations	All Group companies and customers	<ul style="list-style-type: none"> - Development of alternative engines (i.e. hybrid/electric) - Huge investments in research and development - Decarbonisation Plan
	Other polluting emissions (Volatile Organic Compounds -i.e. paint solvents) (actual/negative)	Caused by the Group	Manufacturing companies	<ul style="list-style-type: none"> - ISO 14001 environmental certification - Continuous infrastructure improvements and rigorous maintenance plans
Product innovation	Other polluting emissions (CFC, Nox, Sox) (potential/negative)			
	Meeting the need for sustainable mobility with vehicles at the cutting edge of technology, low/zero emissions, low running costs (potential/positive)	Caused by the Group	All Group companies	<ul style="list-style-type: none"> - Development of alternative engines (i.e. hybrid/electric) - Huge investments in research and development - Decarbonisation plan
	Reduced recyclability/recoverability of end-of-life vehicles (potential/negative)	Caused by the Group	All Group companies	<ul style="list-style-type: none"> - The technologies and materials used in the design and construction of the Group's vehicles are aimed at environmental compatibility and effective end-of-life disposal

MATERIAL TOPIC	IMPACT	GROUP INVOLVEMENT	PERIMETER	MONITORING AND MITIGATION ACTIONS
Creation of economic value	Creation of wealth for shareholders, suppliers, lenders and employees (actual/positive)	Caused by the Group	All Group companies	
	Possible insolvency with suppliers and lenders and/or unsatisfactory shareholder remuneration attributable to a failure to achieve established growth targets (potential/negative)	Caused by the Group	All Group companies	<ul style="list-style-type: none"> Externally audited mandatory financial information Group management is subject to an ongoing skills training programme
Waste handling	Generation of hazardous and non-hazardous waste (actual/negative)	Caused by the Group	Manufacturing companies	<ul style="list-style-type: none"> ISO 14001 environmental certification
Conserving water resources	Water resource use with related withdrawals and discharges (actual/negative)	Caused by the Group	Manufacturing companies	<ul style="list-style-type: none"> Piaggio is careful to choose technologies that minimise the use of water resources, monitors water withdrawals and partly reuses the water withdrawn
Customer Satisfaction	Possible customer dissatisfaction due to sales network not up to standard in terms of competence and/or coverage, a low product quality level (potential/negative)	Caused by the Group and related to the Group through its business relations	All Group companies and the sales network	<ul style="list-style-type: none"> Customer satisfaction' analyses and development of action plans to identify points for improvement with reference to the service provided by the network New computerisation systems to improve the control activities of the sales/after-sales network and level of customer care Geo-marketing system for optimal territory coverage via the network Huge investments in Research and Development
Developing human resources	Potential employee dissatisfaction due to the company's inability to provide a motivating and satisfying work environment and the lack of a training and professional development plan (potential/negative)	Caused by the Group	All Group companies	<ul style="list-style-type: none"> Piaggio adopts personnel selection, development and remuneration systems that recognise and reward merit and performance The key role of human resources and development of core competencies for the evolution of the business are at the heart of Piaggio's relationship with people and are reflected in its company policies Internal communication tools The Group's human resources development policies are focused on building, maintaining and developing the determining factors for competing in international and constantly evolving contexts Development paths/Career paths Transparency of the appraisal system Training Plan
	Potential tensions in the company's relations with trade union representatives (potential/negative)	Caused by the Group	All Group companies	<ul style="list-style-type: none"> The Piaggio Group recognises the role of trade union organisations and workers' representatives and is committed to establishing relations with them focused on attention, engagement and a common understanding

MATERIAL TOPIC	IMPACT	GROUP INVOLVEMENT	PERIMETER	MONITORING AND MITIGATION ACTIONS
Product safety and reliability	Product defects that compromise product reliability and rider safety (potential/negative)	Caused by the Group and to which the Group contributes indirectly and related to the Group through its business relations	Manufacturing companies	<ul style="list-style-type: none"> - Huge investments in R&D - Development of ARAS, motorcycle airbags and electronic controls - Intensive scouting and inspection of suppliers
				<ul style="list-style-type: none"> - ISO 9001:2015 certification - Strict quality control system during product development, the production process and before shipment to the customer - Huge investments in Research and Development
Respect for human rights	Possible non-compliance with human rights in the company and/or by suppliers (potential/negative)	Caused by the Group and to which the Group contributes indirectly and related to the Group through its business relations	All Group companies and suppliers	<ul style="list-style-type: none"> - Piaggio has defined its own Group Code of Ethics that all employees in every Group company must respect - Policy of Prevention of Sexual Harassment of women at the workplace (India) - Piaggio requires its suppliers to sign general supply conditions that specifically refer to the Group's Code of Ethics or require an explicit commitment to comply with laws on the environment, pollution, health and safety and respect for workers' rights, so as to ensure compliance with its ethical values throughout the production and sales cycle of its products
Health and Safety	Potential injuries to workers, occurrence of occupational diseases and risk of contagion (potential/negative)	Caused by the Group	All Group companies and external workers	<ul style="list-style-type: none"> - ISO 45001 certification - Periodic training in occupational health and safety - Personal Protective Equipment and Operating Instructions - Product compliance with Regulation No 1907/2006 (REACH) and Directive 2000/53/EC on end-of life vehicles
Responsible management of the supply chain	Failure to manage responsibly due to abuse of commercial power vis-à-vis suppliers (potential/negative)	Caused by the Group and related to the Group through its business relations	Manufacturing companies	<ul style="list-style-type: none"> - Group Code of Ethics
	Failure to manage responsibly due to a failure to assess suppliers according to ESG principles (potential/negative)	Caused by the Group and related to the Group through its business relations	Production companies and suppliers of production companies	<ul style="list-style-type: none"> - Obligation to sign the Code of Ethics
Business integrity	Any conduct in violation of laws and regulations and unlawful acts of collusion/corruption by employees (potential/negative)	Caused by the Group	All Group companies	<ul style="list-style-type: none"> - Adoption of the Group's Code of Ethics - Adoption of tools, including organisational tools, to ensure compliance with the principles in the Group's Code of Ethics
	Incorrect or non-transparent information provided to third parties (potential/negative)	Caused by the Group	All Group companies	<ul style="list-style-type: none"> - Externally audited mandatory information

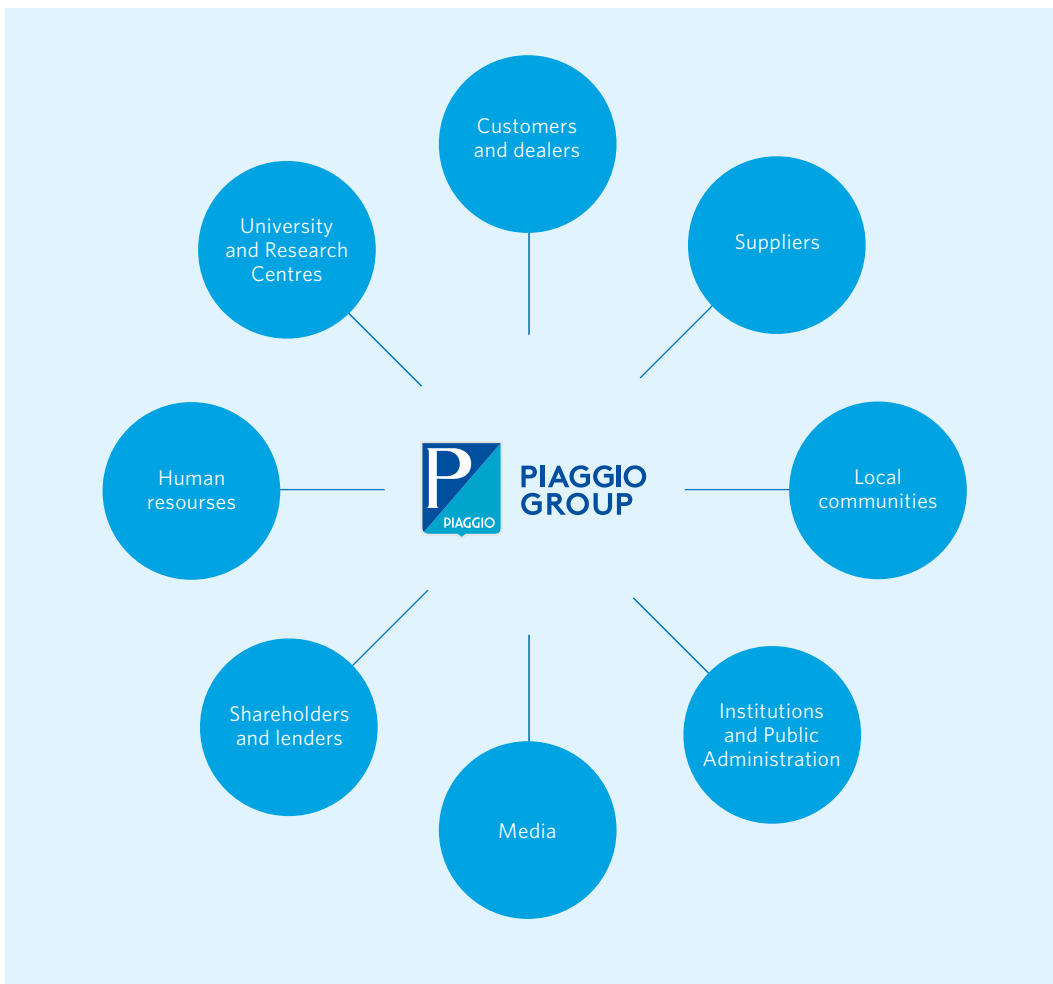
Compared to last year, there were no significant changes in the topics identified; as in previous years, only the topic of biodiversity did not cross the threshold of materiality. Piaggio's production sites are not located in protected areas or areas with high levels of biodiversity. The sole exception is the Scorzè site, which although located in an industrial zone, conveys its waste water into the drainage basin of the Venetian Lagoon. As such, the production site is subject to restrictions imposed by specific laws.

The 2023 materiality analysis was reviewed by the Audit, Risk and Sustainability Committee in its meeting of 21 February 2024 and approved by the Board of Directors of Piaggio & C. S.p.A. on 23 February 2024.

Expectations and ways of involving stakeholders

The Piaggio Group has always paid considerable attention to engaging with stakeholders, i.e. all entities inside and outside the organisation whose activities have an impact on company operations. Stakeholders, in fact, qualify as bearers of interests or expectations of various kinds (social, economic, professional, human) towards the Company.

Based on this definition, the Group has identified categories of stakeholders in relation to its operations.



MAP OF
PIAGGIO GROUP
STAKEHOLDERS

Customers and Dealers

Methods of engagement:

- Contact center
- Customer satisfaction surveys
- Communication channels (websites, social media)
- Events (travelling tests, trade fairs)
- Dealer Websites
- Dealer Support Services/Help desks
- Motoplex (new sales format)

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Product quality, safety and reliability.	<ul style="list-style-type: none"> - Investments in increasingly safe and reliable products. - Obtaining quality certification.
Low/zero consumption and emissions. Timely response and problem solving.	<ul style="list-style-type: none"> - Study of innovative engines with low/zero fuel consumption and emissions. - Effort to improve professionalism, timeliness and courtesy of contact centre and dealer staff.
Support for commercial activity.	<ul style="list-style-type: none"> - Development of a dedicated website and a new sales format.

Suppliers

Methods of engagement:

- Daily reports
- Supplier Portal
- Impact assessment questionnaire

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Continuity of supply.	<ul style="list-style-type: none"> - Implementation of the Supplier Portal, also used for the automated management of supply orders.
Collaboration and sharing of best practices.	<ul style="list-style-type: none"> - Vendor Rating Campaigns. - Appropriate conduct guidelines to prevent incidents of corruption.

Local communities

Methods of engagement:

- Meetings, Exhibitions and Events
- Rallies
- Charity activities
- Job offers

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Contributions in support of charity initiatives. Organisation of rallies and events for enthusiasts.	<ul style="list-style-type: none"> - Support for numerous charity initiatives. - The Group historically organises rallies and races for its customers.
Local community development.	<ul style="list-style-type: none"> - The Foundation and the Piaggio Museum act as a hub and cultural reference point for the area.
Respect for the environment.	<ul style="list-style-type: none"> - Obtaining environmental certification for production facilities.
Job opportunities for the local community.	<ul style="list-style-type: none"> - Piaggio promotes and supports the inclusion of candidates from the local communities where its companies are located.

Institutions and the public administration

Methods of engagement:

- Continuous dialogue on regulatory developments
- Periodic ad hoc meetings
- Participation in parliamentary committees appointed to discuss and formulate new legislation
- Meetings and presentations

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Compliance with laws and regulations.	- Appropriate conduct guidelines to prevent incidents of corruption.
Proactive participation in environmental and social issues.	- Investments in the R&D of innovative products that are abreast of any restrictions of current regulations.
Support on specific technical issues.	- Active participation in parliamentary committees appointed to discuss and formulate new legislation
Pursuit of common goals.	- Participation in trade associations.

Media

Methods of engagement:

- Press releases
- Events and institutional communication initiatives
- Product press launches
- Product test rides
- Piaggio Group Magazine "Wide"
- Websites

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Availability, transparency and timeliness of information about the company and its products.	- Abiding by the governance code of business communications. - Strengthening relations with the media in the various countries where the Group operates.

Shareholders and Lenders

Methods of engagement:

- Conference calls/Road Shows
- Piaggio Analyst and Investor Meetings
- Corporate Website

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Clear and timely information.	- Promotion of an ongoing dialogue with analysts and lenders.
Remuneration and defending value of investments.	- Buy-back policy and dividend policy.

Human Resources

Methods of engagement:

- Corporate Intranet
- Piaggio InfoPoint
- Piaggio Net International
- Webmail service
- Evaluation Management System
- Piaggio Group Magazine "Wide"
- Trade union meetings

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Clear and timely corporate communication.	- Promoting an ongoing and constructive dialogue with employees.
A safe, healthy working environment.	- Obtaining health and safety certification for Group sites.
Professional development and training opportunities.	- Providing professional and managerial career paths for young talent.
Transparent rewarding policies.	- Remuneration policy based on meritocracy and fairness.
Respect for human rights and diversity.	- Abiding by a code of ethics that explicitly prohibits any form of discrimination and forced labour.
Open, constructive dialogue.	- Promoting an ongoing, constructive dialogue with trade unions.

Universities and Research Centres

Methods of engagement:

- Cooperation on research projects
- Teaching activities/internships

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Cooperation on common projects.	- Collaboration with universities and research institutes on research projects.
Training activities.	- Promoting internships for undergraduates and graduates. - Teaching activities of own staff at some faculties.



THE BUSINESS MODEL

The Piaggio Group today has three distinct core segments:

- 2-wheelers, scooters and motorbikes from 50cc to 1,100cc;
- light commercial vehicles, 3- and 4-wheelers;
- the robotics division with Piaggio Fast Forward, the Group's research centre on the mobility of the future based in Boston.

No significant changes in either the corporate structure or the chain of control or supply chain were reported in the financial year 2023.

Sustainable value generation

The Piaggio Group pursues the creation of value and growth over the long term through a responsible management of all available resources.

For this purpose, the Group uses the following capital:

FINANCIAL CAPITAL	- Financial resources from internal and external funding sources.
PRODUCTION CAPITAL	- Own and third-party property, plant and equipment, available to carry out activities.
INTELLECTUAL CAPITAL	- Intangible assets and knowledge that represent a competitive advantage for the Group.
HUMAN CAPITAL	- The expertise, skills and knowledge of people working at Piaggio.
RELATIONAL CAPITAL	- The intangible resources relative to relations with key stakeholders (suppliers, sales and service network, etc.).
NATURAL CAPITAL	- The environmental resources used in Group activities.

Our resources

FINANCIAL CAPITAL

Shareholders, bondholders and banks guarantee Piaggio the financial resources it needs on condition that their expectations of a return on investment are met.

PRODUCTION CAPITAL

The Piaggio Group operates worldwide with a number of production sites located in:

- **Pontedera (Pisa)**, the Group's main technical headquarters where two-wheeler vehicles under the Piaggio and Vespa brands, light transport vehicles for the European market and engines for scooters, motorbikes and Ape are manufactured;
- **Noale (Venice)**, the technical centre for the development of motorcycles for the entire Group and headquarters of Aprilia Racing;
- **Scorzè (Venice)**, the site for the production of two-wheeler vehicles under the Aprilia trademark;
- **Mandello del Lario (Lecco)**, the Moto Guzzi motorcycle and engine production plant;
- **Baramati (India, in the state of Maharashtra)**, with sites dedicated to the production of three-wheeler commercial vehicles, two-wheelers under the Vespa and Aprilia brands, and engines;
- **Vinh Phuc (Vietnam)** for the production of Vespa and Piaggio scooters and engines;
- **Jakarta (Indonesia)** for the assembly of Vespa scooters.

The Piaggio Group also operates with a joint venture company in **China** (Zongshen Piaggio Foshan Motorcycles, in **Foshan**, in the province of Guangdong province), 45% owned by Piaggio (and therefore not included in the line-by-line consolidation of the Group).

INTELLECTUAL CAPITAL

The Piaggio Group is aware of the great value of innovation and research and believes in the importance of sharing knowledge and ideas and in the stimulus that it can give to improving technologies, processes and products. For this reason, the Piaggio Group has always been engaged on many fronts to consolidate the synergy between its research and development centres, the world of research and its industrial sector.

Moreover, since 2015, with the establishment of the Piaggio Fast Forward company, the Piaggio Group has developed a new way of doing research, to interpret the signs of change and find intelligent solutions to problems and new needs that will arise.

Piaggio Fast Forward aims to help the Piaggio Group, in cooperation with its Research and Development Centres around the world, to develop increasingly technological and innovative products that meet the changing needs of consumers.

Every year, the Group's intensive research and development activities lead to patents being filed in the countries where it works.

HUMAN CAPITAL

Human resources with their skills, capabilities and passion are the cornerstone of Piaggio's competitiveness and growth worldwide. Strategic vision, a strong focus on results, constant pursuit of customer satisfaction, a drive for innovation and attention to future market needs are the main drivers that guide every action, both individual and team, aimed at creating value for all stakeholders. People are the fundamental element that makes it possible to face challenges in an increasingly dynamic and competitive international scenario. For these reasons, Piaggio places people at the centre of its organisation, ensuring their respect and protection in every Group Company.

RELATIONAL CAPITAL

The Piaggio Group has a direct sales presence in the main countries of Europe, in the USA, Canada, India, Vietnam, Indonesia, Singapore, China and Japan, while it operates through importers in other markets of the Middle East, Africa, Central and Latin America and Asia Pacific.

How we build our strategic advantage

ORGANISATIONAL STRUCTURE

The Piaggio Group is structured into and operates within geographic segments (EMEA and Americas, India and Asia Pacific), for the development, manufacture and distribution of two-wheeler and commercial vehicles, as well as new mobility solutions.

Each geographic segment is equipped with production facilities and a sales network specifically dedicated to customers in this region.

The Group boasts an agile and flexible production capacity, enabling it to adapt quickly to the needs of the market.

A UNIQUE PORTFOLIO OF BRANDS

The Piaggio Group sells two-wheeler vehicles under the brands **Piaggio**, **Vespa**, **Aprilia**, **Moto Guzzi**, and commercial vehicles under the brands **Ape** and **Porter**. Some of the Piaggio Group brands are the most prestigious and historic in the world of motorcycle racing. **Moto Guzzi** celebrated its centenary in 2021. One hundred years of stunning motorcycles, of victories, of adventures, of extraordinary characters who have created the myth of the "Brand of the Eagle". **Aprilia** has made a name for itself as one of the world's most successful manufacturers participating in the World Speed and Superbike Championships. In the scooter sector, the legendary **Vespa** brand has been synonymous with two-wheel mobility since 1946, and with nearly 20 million units produced to date, it represents a commercial success story of incredible longevity, as well as being one of the most recognisable icons of Italian style and technology in the world.

DISTRIBUTION AND SERVICE NETWORK

Piaggio, which distributes its products in more than 100 countries, has an extensive distribution and sales network of qualified and reliable partners.

Since the right location is essential in order to enable each brand to express its values, for a number of years Piaggio has been using a new distribution format called "Motoplex" across the globe. The Motoplex concept is based on the idea of showcasing "brand islands", giving the customer the real experience of the brand represented.

PRODUCT RANGE

The Piaggio Group's primary objective is to meet the most advanced mobility needs, deeply understanding people and their habits, minimising the environmental impact and consumption of the vehicles it produces and guaranteeing excellence in performance. In striving to ensure the sustainability of its products, the Piaggio Group considers their entire life cycle, which includes design, the acquisition of raw materials, production, use of the asset by the customer up to its disposal at the end of its life and the disposal and/or recycling of components and raw materials.

The Piaggio Group's product range includes scooters and motorcycles from 50cc to 1,100cc, also with electric engines, three- and four-wheeler light commercial vehicles and an electric scooter distributed under the Aprilia brand. In addition, only in the US, starting from November 2019, an intelligent robot powered by an electric motor, equipped with sensors and cameras that allow it to follow people and avoid obstacles and capable of carrying a load of up to 40 pounds (Gita), has been marketed by the US affiliate Piaggio Fast Forward.

In a society which is increasingly aware of sustainability, creating products with a low environmental impact, in factories that are safe, non-polluting and do not waste resources, is becoming vital for survival.

A constant focus is placed on research into vehicles that are at the cutting edge in terms of:

- **Ecology and ability to contribute to the mitigation of Climate Change:** products able to avoid or in any case reduce emissions of polluting gases and greenhouse gases (CO₂) both in urban and extra-urban areas; this is achieved by introducing electric engines and further developing traditional engine technologies (increasingly sophisticated internal combustion engines);
- **Reliability and safety:** vehicles that enable a greater number of users to move easily in urban centres, helping to reduce traffic congestion and guaranteeing a high level of active, passive and preventive safety;
- **Recyclability:** products that minimise environmental impact at the end of their useful life;
- **Cost-effectiveness:** vehicles with reduced maintenance and running costs per kilometre.

QUALITY CONTROL

Piaggio has an accurate Quality Management System to monitor the quality level of the product at the various stages of the production process and before it is sent to the customer. Standard procedures introduced in all Piaggio Group plants allow the quality level of all vehicles produced to be constantly monitored, ensuring product standards that fully meet both specific homologation regulations and end customer expectations.

SUPPLY CHAIN

Some components are purchased externally according to a global sourcing model that guarantees the quality of the supply and its cost-effectiveness.

Piaggio requires its suppliers to sign general supply conditions that specifically refer to the Group's Code of Ethics or require an explicit commitment to comply with laws on the environment, pollution, health and safety and respect for workers' rights, so as to ensure compliance with its ethical values throughout the production and sales cycle of its products.

ENVIRONMENTAL SUSTAINABILITY

Piaggio aims to adopt a model of sustainable development that not only meets the expectations of stakeholders (investors, shareholders, staff, suppliers, community, public administration) by guaranteeing economic and social sustainability, but also roots its actions in environmental sustainability, meaning the ability to contribute to mitigating climate change, and safeguarding natural resources and the possibility for the ecosystem to absorb direct and indirect impacts generated by production activities. Specifically, Piaggio seeks to

minimise the environmental impact of its industrial activities by carefully defining the manufacturing technological cycle and by using the best technology and the most modern production methods. The pursuit of these environmental sustainability goals is blazing a trail of ongoing improvement in environmental performance.

Results

LENDER REMUNERATION

During 2023, dividends for €79,755,690.90 were distributed.

In 2023, the Piaggio share, after having outperformed the main benchmarks in the first part of the year, reaching an all-time high of €4.1 in April, closed the year up by 6.21% at €2.978, the highest year-end level since 2006.

EMPLOYEES

In 2023, the Piaggio Group employed 6,232 people (average annual number), guaranteeing them and their families health care. During the same period, the accident frequency index remained at the physiological minimum level in all plants. Lastly, 88,178 hours of training were provided.

CERTIFICATION

The Piaggio Group has excellent environmental, quality and occupational management systems in place at all its production sites. All of the Group's sites have been certified for several years for **Quality** (ISO 9001), **Environment** (ISO 14001) and **Health and Safety** (ISO 45001).

As regards certification of Occupational Health and Safety Management Systems, before switching to ISO 45001 certification, the Group had previously obtained BS OHSAS 18001 certification for all operational sites.

	PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI ENGINE PLANT	BARAMATI TWO-WHEELER PLANT	BARAMATI COMMERCIAL VEHICLES PLANT	VINH PHUC	JAKARTA	
Certification	ISO 9001 - Quality Management Systems	• since 1995	• since 2006	• since 2010	• since 2018	• since 2013	• since 2018	• since 2009	• since 2023
	ISO 14001 - Environmental Management Systems	• since 2008	• since 2008	• since 2010	• since 2015	• since 2013	• since 2015	• since 2011	• since 2023
	ISO 45001 - Occupational health and safety management systems	• since 2019	• since 2019	• since 2019	• since 2021	• since 2021	• since 2021	• since 2019	• since 2023

During 2023, audits were conducted by the certification body TUV NORD Indonesia¹⁶ to obtain the three certifications for **Quality** (ISO 9001), **Environment** (ISO 14001) and **Health and Safety** (ISO 45001) for the Indonesian site, operational since November 2022. The outcome of the audits was positive.

In November 2023, audits were conducted by the certification body Det Norske Veritas (DNV)¹⁷ to maintain the three certifications for **Quality** (ISO 9001), **Environment** (ISO 14001) and **Health and Safety** (ISO 45001) of the Italian sites (including the Milan sales office). The outcome of the audits was positive.

16. TUV NORD is one of the world's leading certification bodies.

17. DNV: Det Norske Veritas is one of the world's leading certification bodies.

The annual audits conducted by the certification body demonstrate the Company's commitment to its Quality, Health and Safety and Environmental policies established by Top Management and are proof of the reliability of the Management Systems which are adopted with the contribution of managers and staff from all departments.

Finally, the Vietnamese plant obtained FAMA¹⁸ certification last October to be able produce vehicles with the 'Walt Disney' logo.

VEHICLES PRODUCED

2W VEHICLES	EMEA AND AMERICAS			INDIA	ASIA PACIFIC 2W		TOTAL
	PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI 2W	VINH PHUC	JAKARTA	
2023	124,785	21,069	16,985	54,112	188,452	6,956	412,359
2022	135,734	26,913	18,066	69,374	245,682	2,080	497,849
Delta 2023-2022	(10,949)	(5,844)	(1,081)	(15,262)	(57,230)	4,876	(85,490)
Delta %	-8.1%	-21.7%	-6.0%	-22.0%	-23.3%	234.4%	-17.2%

COMMERCIAL VEHICLES	EMEA AND AMERICAS		INDIA	TOTAL
	PONTERERA	BARAMATI 3-4W		
2023	9,073	112,838	121,911	
2022	9,487	104,091	113,578	
Delta 2023-2022	(414)	8,747	8,333	
Delta %	-4.4%	8.4%	7.3%	

ENGINES	EMEA AND AMERICAS			INDIA	ASIA PACIFIC 2W	TOTAL
	PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	
2023	104,883	18,648	17,327	89,211	206,944	437,013
2022	103,962	24,448	18,316	127,897	250,187	524,810
Delta 2023-2022	921	-5,800	-989	-38,686	-43,243	-87,797
Delta %	0.9%	-23.7%	-5.4%	-30.2%	-17.3%	-16.7%

R&D

In 2023, the Piaggio Group continued its policy aimed at maintaining technological leadership in the sector, allocating total resources of €67.2 million to R&D, of which €45.2 million capitalised under intangible assets as development costs.

The Piaggio Group is convinced of the importance of exchanging knowledge and ideas, and of the resulting encouragement that can lead to improvements in technologies, methodologies and products. For this reason the Piaggio Group has always been engaged on many fronts to consolidate the synergy between the world of research and its industrial sector.

18. FAMA Facility And Merchandise Authorisation.

The Group has continual exchange and research initiatives with universities and research centres. The objective of these partnerships has been to support continuing innovation over the last few years through:

- partnerships in research and development projects;
- participation in European Projects;
- experimental research dissertations.

	2023			2022		
	CAPITALISED	EXPENSES	TOTAL	CAPITALISED	EXPENSES	TOTAL
IN MILLIONS OF EUROS						
Two-wheelers	18.6	18.6	37.2	29.0	19.8	48.8
Commercial Vehicles	26.6	3.4	30.0	12.1	3.7	15.9
Total	45.2	22.0	67.2	41.1	23.6	64.7
<hr/>						
EMEA and Americas	32.5	17.9	50.3	29.4	19.1	48.5
India	9.1	2.1	11.2	7.3	2.0	9.3
Asia Pacific 2W	3.7	2.0	5.7	4.5	2.5	6.9
Total	45.2	22.0	67.2	41.1	23.6	64.7

*The figures shown do not include research, development and prototyping costs incurred by Piaggio Fast Forward.

The intense research and development carried out by the Group at its research centres has continually led to patent registrations in the countries where Piaggio operates.

ESG INDICES

Some economic studies point to a link between sustainability and long-term value creation. The economists Porter and Kramer, in their well-known 2011 article 'The big idea: Creating shared value', identified the concept of shared value as the ability of corporate policies and practices to create value that simultaneously generates greater competitiveness for the company and responses to the needs of the communities and challenges of the society in which the company operates.

In recent years, the European Union has issued provisions to encourage the financing of sustainable economic activities.

Investors are increasingly interested in investing in sustainable companies as they are considered less risky and more profitable in the long term.

Analysts and international rating agencies constantly monitor Piaggio's ESG performance.

Below are the scores obtained from the international Carbon Disclosure Project, which assesses CO₂ emissions and water use, and the MSCI ESG Research rating agency, which measures the performance of companies based on ESG factors.

	CDP SCORE CLIMATE CHANGE	CDP SCORE WATER SECURITY	MSCI ESG RESEARCH
2023	B	B	AA
2022	B	B	AA

**AS OF 2023,
PIAGGIO & C S.P.A
RECEIVED AN MSCI ESG
RATING OF AA**



RESEARCH, DEVELOPMENT AND INNOVATION GUIDELINES

Mobility and Innovation

The Piaggio Group has been involved in mobility since it was founded in 1884, and always with an innovative focus. As early as the beginning of the 20th century, Rinaldo Piaggio aimed to expand the company into the aeronautical sector, when this also symbolically represented the cutting edge of technology.

In almost 140 years of activity¹⁹, Piaggio has designed and built every means of transport: aircraft (single, twin and four-engine), seaplanes, engines for their own planes, trains, trucks, buses, trailers, cable cars, funiculars, speedboats, outboard motors, small cars; and, of course, perhaps the most innovative product in its history: the Vespa.

The Piaggio Group is therefore traditionally structured to respond to changes in the technical and social environment and ready for those in the near future. It pioneered both electric (1970s) and hybrid mobility (2009) and is ready for the challenges of the present and the future.

Now more than ever, mobility is strongly directed by regulations, for example through the limits on CO₂ and other polluting gases (HC, NOx, etc.) that regulate the type approval of new models and limit the usage of vehicles already on the road (e.g. access to urban areas)²⁰.

There is also a constant change in customer preferences, as they are increasingly inclined towards the personal use of electric vehicles rather than those powered by combustion engines, and also more open to new solutions, such as sharing.

The Group sees its ability to combine industry-specific expertise, robotics and proprietary software generation as the key to improving future mobility systems in cities and through its capabilities in electric vehicle production and related infrastructure management, it intends confirming its leadership in the ongoing revolution.

Technical trends in the field of mobility are described internationally with the suggestive acronym ACES, which stands for **A**utonomous, **C**onected, **E**lectrified and **S**mart(Mobility). These designations also describe the Piaggio Group's research priorities, in the continuous study of technologically advanced solutions conducted in Research Centres around the world. Added to these is the fifth letter, **D**ecarbonisation, i.e. reducing CO₂ emissions from both products and processes. Due to their nature, 2-wheeler vehicles can make a major contribution to decarbonisation, compared to cars, due to their low energy requirements for production, savings in materials and low emissions in their use²¹.

19. Rinaldo Piaggio founded his company in 1884 in Sestri Levante:

<http://www.impresesan.beniculturali.it/web/impresesan/enterprise/dettaglio-soggetto-produttore?id=1275&codiSan=san.cat.sogP.1275>

20. The evolution of the Euro 3 (01/2006), Euro 4 (01/2014) and Euro 5 standards in particular (01/2020), has seen a huge reduction in polluting gas emissions; for example, in the transition from Euro 3 to Euro 5 on the Vespa GTS 300, CO₂ decreased by 77.8%, HC by 85.5% and NOx by 79.4% (comparison of official type approval values).

21. The entire two-wheeler sector accounts for 1.3% of European transport CO₂ emissions (Source: European Environment Agency 2022) and 0.31% of global emissions (Source: European Commission eu-action/transport/road-transport-reducing-co2-emissions-vehicles).

ACES for Two-Wheelers (PTWs)



These are automated systems with sensors, computing power and analytical capabilities that can react according to the data they collect. In the field of two-wheelers, the use of these systems has to be fine-tuned in order to be effective due to their particularly dynamic behaviour. In addition to technical capabilities, this requires the vast experience that the Piaggio Group has acquired in over 75 years in the industry. Leveraging the expertise of its affiliate Piaggio Fast Forward (PFF) in Boston, which specialises in robotics, Piaggio has equipped some of its models with²² ARAS systems²³ based on Radar technology and called the "PFF Rider Assistance Solution"²⁴. It has also experimented with 'By Wire' systems for clutches and gearboxes, and implemented electronic-assisted gear change for its flagship motorcycle brands²⁵. It also has 'By Wire' braking systems in its portfolio, which at the moment are not seen as strategic given the high quality of the ABS in use.

Driving assistance software aimed at reducing energy consumption has also been developed for both ICE²⁶ and electric vehicles, while driving style analysis systems are being studied with the aim of increasing dynamic safety by intervening on the rider's awareness.



The debut of Connectivity on a Piaggio vehicle came with the Beverly scooter in 2012, the first product to adopt the Mia system that allows a smartphone to be integrated into the vehicle's electronic system. Since then, development has been rapid, involving Piaggio Fast Forward in the development of the dedicated app. It is in fact a bi-directional V2I connectivity, responding both to the customer's needs (maps, weather, places of interest, display of more vehicle parameters, music, telephone, etc.) and for a data exchange with the parent company and for possible distress calls (call).

Added to this is the possibility, on some models, to have alerts for attempted theft, battery charging etc., up to and including fleet management. Obviously, the connectivity of vehicles, as well as of any device, requires a high level of focus on cybersecurity, for which a 'cyber secure by design' methodology must be adopted.

Mia is also the gateway to eCommerce and 'in-app' shopping²⁷, already present and set to grow in importance and value in the coming years.

22. Piaggio Mp3 530; Moto Guzzi V100 Mandello, Moto Guzzi Stelvio V100.

23. ARAS: Advance Rider Assistance System.

24. The system uses 4D Imaging Radar technology to provide reliable monitoring independently of environmental conditions. It includes: FCW (Forward Collision Warning), which uses the front radar to prevent potential collisions with objects and vehicles, alerting the rider through signals on the display; FCC (Following Cruise Control), which enhances cruise control by intervening on the engine brake based on the behaviour of vehicles ahead; BLIS (Blind Spot Information System), which detects vehicles entering the blind spot within a 30-metre radius and warns the rider via signals on the display and in the rear-view mirrors; LCA (Lane Change Assist), which warns the rider via signals on the display and in the rear-view mirrors of potential collisions with vehicles coming from behind or from the side when changing lanes.

25. Aprilia RSV4 e Tuono V4; Aprilia RS660 and Tuono 660; Moto Guzzi V100.

26. ICE: Internal Combustion Engine.

27. In-app purchases allow you to buy additional services and features, from within an application such as Mia.

E

ELECTRIFICATION TECHNOLOGIES

Although in the ACES acronym Electrification is the third factor, in reality the effort to make Mobility sustainable is the most challenging. As 2030 approaches, Piaggio has decided to embark on a path based mainly on electric technology²⁸, pursuing its idea of Sustainable Mobility even more strongly. "To achieve this goal, the large-scale adoption of electric vehicles, such as motorbikes, scooters and light commercial vehicles equipped with battery swap or plug-in technology, must be promoted, fostering a more sustainable battery life cycle management and greater environmental friendliness."²⁹

The strategy starts in Pontedera, where Piaggio set up its new eMobility department in 2021, dedicated to the development of two-, three- and four-wheeler vehicles and components for Electric Mobility³⁰. Piaggio's range of Electric Products is evolving rapidly, not only for the EMEA market but for the entire world. It already includes the Group's flagship product, the Vespa Elettrica (moped and motorbike version), of which other versions dedicated to various markets will be produced, in addition to the Piaggio 1 scooter (moped and scooter version). The Ape Elettrica, specifically designed for the Indian market, also enjoys commercial success and perfectly represents how an iconic and evergreen vehicle can be electrified.

The near future will see more models for other segments, all equipped with lithium-ion (Li-Ion) batteries with BMS and remote control, with a focus on standardisation and end-of-life recovery. Prominent among these projects is the Porter Electric, the Zero Emission Version (ZEV) of the classic but very modern four-wheeler for transport. Other projects will result from the agreement between the Piaggio Group and the Chinese giant Foton Motor Group "for the development of a new range of four-wheeler light commercial electric vehicles"³¹. Moreover, Piaggio has never stopped studying hybrid propulsion, the system that combines the advantages of electric motors and ICE to improve performance and consumption. Building on the experience gained since 2009 with the Piaggio Mp3 Hybrid, the world's first Parallel Hybrid scooter, the Group is also continuing its research in the field of Mild Hybrids. However, in addition to the main line of research in eMobility, Piaggio is also keeping a close eye on alternative energy vectors, such as Hydrogen with Fuel Cells (HEV), which has already been experimented with in the past³² and other renewable fuels, which could bring classic ICEs up to date in applications where they are difficult to replace.

S

SMART INTELLIGENT MOBILITY SOLUTIONS

In this field, Piaggio's ongoing commitment is to ensure that its vehicles are ready to be part of the intelligent mobility chain. This means being electric, connected, remotely manageable, easy to use, equipped with exchangeable batteries: all qualities that Piaggio electric vehicles have and will have.

28. Guideline outlined by Roberto Colaninno, former Chairman and CEO of the Piaggio Group.

29. Statement by Michele Colaninno, CEO of the Piaggio Group.

30. The future of Electric Mobility requires a change in pace in infrastructure, primarily for charging vehicles.

31. On 19/10/2023, the CEO of Piaggio & C. S.p.A., Michele Colaninno, and the Vice-President of Foton Motor Group, Ma Rentao, updated previous agreements of 2022 by signing a contract in Beijing for the joint development of a new range of electric-powered Porters. Piaggio's range of commercial vehicles will thus be expanded with two new four-wheeler electric-powered variants, produced at the Piaggio Group's Pontedera plant.

32. Piaggio has built a prototype FCEV (Fuel Cells Electric Vehicle) scooter powered by compressed hydrogen.

As anticipated, the game of the future is played with five ACES: the fifth ace, a key theme for research at Piaggio is

D

DECARBONISATION

This is a process that involves the Group's entire production chain³³ but, even just focussing on R&D alone, it translates into concrete actions: a new design philosophy³⁴, choice of materials and, in general, promoting a 'circularity' culture. The Group's medium-term objective is to succeed in reducing the demand for raw materials, in particular those that are scarce or have a polluting production cycle (e.g. energy-intensive, with high CO₂ emissions), favouring the RRR (**Recycle, Reuse, Save**) production philosophy:

Recycling: through the use of recyclable materials, the foundations are laid for a Product suitable to be part of the Circular Economy³⁵.

Reuse: an example of possible (direct) reuse is lithium batteries. They usually have a longer life than the vehicle, so they can be reused, provided they are easily separable and standardised³⁶. The batteries of the Piaggio 1, for example, are designed with this in mind: they are removable, made of recyclable materials and are also a dimensional standard for future Piaggio electric vehicles in the same range.

Saving: another example of attention to the use of resources is the elimination of rare earths from electric motors, as well as other precious and hardly reusable materials usually found in electronic components.

Alternative fuels: decarbonisation also and above all concerns Products, and is the main driver for research in Sustainable Mobility. The Piaggio Group is pursuing the road to electrification with conviction, but believes that this alone cannot solve all problems. Other approaches to **decarbonisation** exist, and are needed: for example, the use of alternative, non-fossil fuels in internal combustion engines³⁷, alongside the direct electrification of vehicles.

The Piaggio Group's attention is also focused on synthetic and biofuels, which will solve problems of autonomy and architecture, which are typical of electric engines in the motorcycle sector³⁸. The use of these fuels will make it possible to **reuse** a large part of existing ICE vehicles, making them Zero Emission Vehicles by changing the fuel and associated technology.

This is one of the reasons why the Piaggio Group is also continuing research into conventional engines, in order to make them ever more efficient. The strong technical and economic effort being made to adapt production to the Euro5+ standard, which is stricter than the previous one, is therefore also having a positive impact on the future use of synthetic and biological fuels. This category also includes (green) hydrogen, the use of which is directed towards Fuel Cell Electric Vehicles (FCEVs)³⁹, as its use in internal combustion engines is not energy-efficient.

Piaggio's commitment to decarbonisation took concrete form in the presentation of the Decarbonisation Plan in 2023.

33. The Piaggio Group adheres to REACH and ELV - N1.

34. Example: Design aimed at reducing the number of parts in a vehicle. The elimination of a body part, through its integration with an adjacent one, generates a cascade of benefits: reduction in moulds to be built with consequent savings in materials and energy throughout their production process; elimination of material scraps; reduction in moulding energy; reduction in the number of packaging; reduction in the energy required for transport; reduction in the time and energy required for assembly of the finished product; reduction in stock and spare parts management - all without having changed the content of the Product, but only steering design in this direction.

35. Piaggio's commitment in this field includes a close relationship with the University of Florence aimed at optimising the design of new vehicles in RRR terms, in place since 2011 when the first survey of this kind was conducted on a scooter (Piaggio Mp3 Hybrid). In 2023 the survey focused on the Vespa GTS 300 and highlighted the substantial design quality of the product, which turned out to be 93.3% recyclable.

36. The Piaggio Group, HONDA Motor Co., Ltd., KTM F&E GmbH, and YAMAHA Motor Co, Ltd. established the Swappable Batteries Motorcycle Consortium (SBMC), in order to promote the widespread use of light electric vehicles such as motorised mopeds, scooters, motorcycles, tricycles and quadricycles, and to encourage a more sustainable management of the life cycle of batteries, in keeping with international climate policies.

37. Synthetic and biological fuels, as well as electricity, must be produced from and with renewable energy to be truly carbon footprint-free.

38. Apart from city or intercity scooters, there is an important market segment of two-wheeler vehicles whose physical and functional characteristics do not allow for their electrification; these products could be safeguarded, on the same level as decarbonisation, through the use of synthetic and biofuels.

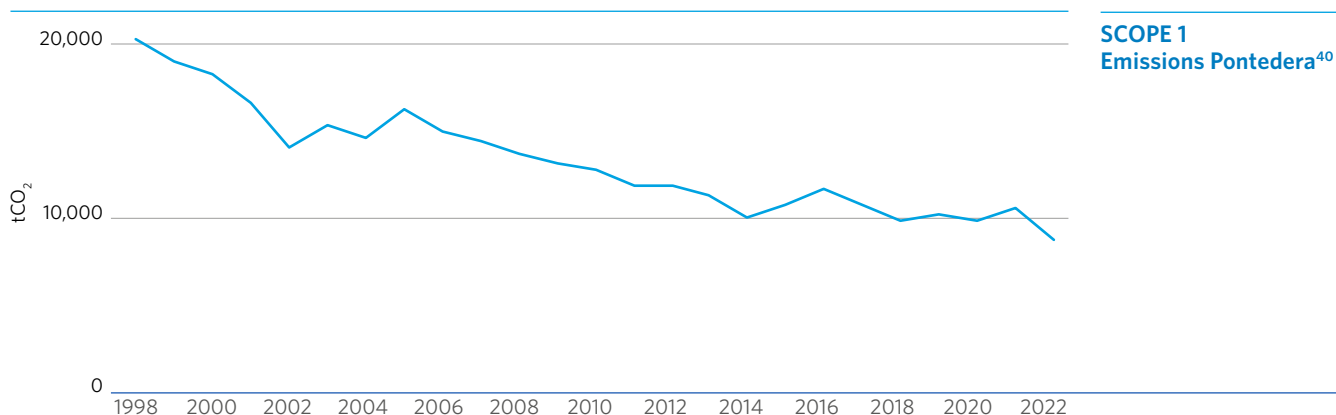
39. As we have already seen, FCEV stands for Fuel Cells Electric Vehicle, just as BEV stands for Battery Electric Vehicle. Hydrogen stored in a cylinder plus a FC that converts it into electricity is the equivalent of a charged battery.

Decarbonisation Plan

Always sensitive to environmental issues, over the years the Piaggio Group has implemented continuous initiatives to improve energy efficiency and reduce CO₂ emissions in its plants and the vehicles it produces.

As evidence of the efforts made and the results achieved, it should be noted, for example, that:

- from 1998 to 2022, Scope 1 emissions at the Pontedera plant were reduced by 56.2% thanks to investments in energy efficiency;



- Continuous engine improvements on the bestselling Vespa 125cc resulted in a reduction of Scope 3 category 11 emissions by 29.4% from 2008 to 2022.

SCOPE 3 CATEGORY 11

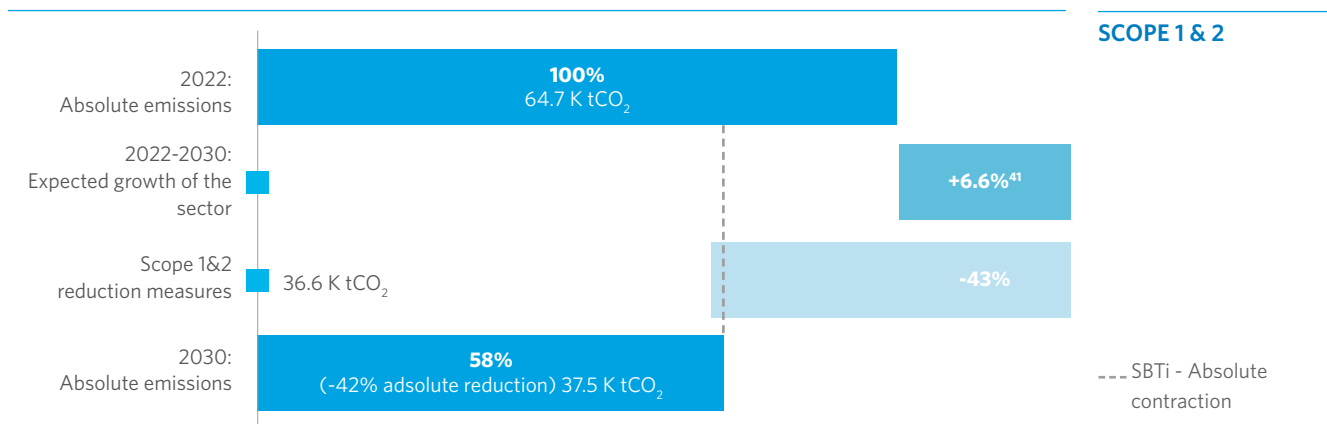
VESPA 125		CO ₂ EMISSIONS
Vespa 125 carburatore	g/km	85 year 2008
Vespa 125 primavera	g/km	60 year 2022
Variation	g/km	25
		29.4%

Continuing with its strategy, at the end of December 2023 Piaggio defined its own Decarbonisation Plan to reduce its emission footprint developed over two time horizons: 2030 and 2050. The Plan, drawn up with the support of the PATH framework provided by the European Investment Bank (EIB) and the consulting firm EY, was approved by the Board of Directors on 15 December 2023.

40. ETS-certified emission data from 2005 (inclusive).

Vision 2030

By 2030, the Group has committed to reducing emissions associated with production activities by 42% compared to 2022, using a science-based methodology in line with the Paris Agreement targets.



This ambitious goal will be achieved through numerous initiatives, including:

- the restructuring of the Mandello del Lario production site according to sustainability criteria;
- the installation of photovoltaic systems at the Pontedera and Mandello del Lario plants;
- the installation of a new painting system in Vietnam that will allow for diesel to be replaced with LPG;
- the purchase of green energy for plants in Italy, India, Vietnam and Indonesia;
- the replacement of company cars with more energy-efficient models.

The range of electric vehicles will be expanded, with a target of 18% of the total two-wheelers sold by 2030. For commercial vehicles, the Group is aiming for 30% of electric vehicles sold in both India and Europe by the same period.

Piaggio has already presented new products on the market that are representative of this commitment, such as the electric powered Vespa Primavera and Vespa Sprint, and announced the launch of the electric Porter NP6 project.

The Piaggio Group also aims to further reduce emissions generated by the use of its vehicles by customers through improvements to engines, changes in product design and the use of new-generation fuels called e-fuel and biofuels, for the use of which the engines currently fitted on Piaggio vehicles are already prepared.

The technical feasibility of using recycled materials in vehicle manufacture will also be investigated.

41. Estimated growth of volumes produced between 2022 and 2030.

		2030 SCENARIO ⁴²	
MACRO-LEVERS	TIMING	PIAGGIO'S AMBITION	
Scope 1 & 2	Process efficiency	<ul style="list-style-type: none"> - Within 2028 - Within 2029 - 33% within 2025, 66% within 2026, 100% within 2027 	<ul style="list-style-type: none"> - Mandello del Lario renovation - New painting process in Vietnam - Hybrid company cars
	Green energy (purchased/self-produced)	<ul style="list-style-type: none"> - Within 2026 Pontedera, within 2027 Mandello - Within 2026 in Italy, within 2030 in India, Vietnam and Indonesia 	<ul style="list-style-type: none"> - Installation of photovoltaic in Pontedera and Mandello del Lario - 100% renewable energy in Italy, 30% in India, Vietnam, Indonesia by 2030⁴³
Scope 3.1	Supply chain decarbonisation	- Under evaluation	- Recycled materials utilisation ⁴⁴
Scope 3.11	Fuel efficiency	- Within 31.12.2024 for European markets	<ul style="list-style-type: none"> - Update of 2W engines for the European market to Euro 5+ regulations The Plan does not highlight any benefit in terms of CO ₂ reduction
	Electric vehicles (EVs) switch	- Within 2030	<ul style="list-style-type: none"> - 18% 2W, - 30% Porter, - 30% 3W in India
	E-fuel utilisation	- Piaggio's current combustion engines are ready to use e-fuel (zero impact) fuels. The hypotheses currently validated by the EU envisage, in the short/medium term, allocating these fuels to those sectors (aeronautical) that have no other technical possibility for decarbonisation	

Vision 2050

The Piaggio Group believes that diversified technologies such as e-fuels and biofuels, widespread electric vehicles, total use of renewable energies, electrification of heating systems, low environmental impact logistics, recycled materials and product circularity are crucial to achieving the target set by the international community for 2050 (90% reduction in emissions).

42. The scenario presented was developed by EY in terms of emission reduction potential based on various assumptions.

43. Renewable Energy Certificates (RECs) are available for the countries in which the Group operates.

44. Technical feasibility to be investigated and possible benefits of the measure not included in the Plan.



THE EUROPEAN TAXONOMY

Introduction to European Taxonomy

The European Union, in line with the contents of the 2015 Paris Climate Agreement and the 17 Sustainable Development Goals of the UN 2030 Agenda, has developed an ambitious strategy towards more sustainable economic models for achieving the 2050 climate neutrality target. To achieve these targets, the EU intends to promote investment in sustainable assets and activities through the use of public and private resources.

In this context, as part of the action plan on sustainable finance adopted in 2018 by the European Commission, the classification system or "taxonomy" of sustainable activities was established, set out in Regulation (EU) 2020/852 (hereinafter "the Regulation"), in which the criteria are defined to determine whether an economic activity can be considered as eco-sustainable, thus reducing the risk of greenwashing and guaranteeing financial institutions and investors a greater compatibility as regards the degree of eco-sustainability of an investment associated with it. In particular, the Regulation classifies the economic activities that can potentially be aligned with the 6 environmental objectives defined by the European Union:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and reduction
- Protection and restoration of biodiversity and ecosystems

In addition to the previous year's targets, the EU Commission, through the Taxonomy Environmental Delegated Act (EU) 2023/2486, applicable for publications after January 1, 2024, introduced the technical screening criteria for the 4 environmental targets relating to the determination of the substantial contribution of an economic activity to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and reduction of pollution or to the protection and restoration of biodiversity and ecosystems, and if it does not significantly harm any other environmental objective.

In addition to the remaining four targets, the EU Delegated Regulation 2023/2485, supplementing the EU Delegated Regulation 2021/2139 relating to the first two climate objectives, was published, marking an important change from the previous 2022 disclosure. In this regard, the Regulation classifies economic activities in such a way as to be potentially eligible under the Taxonomy and thus "Eligible" for all 6 of the aforementioned environmental objectives and eco-sustainable and thus "Aligned" in relation to them.

To understand whether your "Eligible" activities can also be considered "Aligned", the organization is required to verify compliance with two types of criteria:

- technical screening criteria described in the Delegated Regulations which ascertain whether the activities considered make a substantial contribution to adaptation and mitigation to climate change;
- "DNSH" - Do Not Significant Harm criteria, which ascertain whether the activities considered do not cause significant damage to any of the other environmental objectives.

In addition to these specific technical requirements, the Regulation also requires that an economic activity, to be considered eco-sustainable (i.e. "Aligned"), is carried out in compliance with the minimum safeguard guarantees ("Social Minimum Safeguards"). In this context, the organization must demonstrate through the procedures implemented its compliance with the OECD Guidelines for Multinational Enterprises, as well as the United Nations Guiding Principles on Business and Human Rights. This includes respect for the principles and rights outlined in the eight fundamental conventions identified in the International Labor Organization's declaration on fundamental principles and rights at work and in the International Bill of Human Rights.

Article 8 of Regulation (EU) 2020/852 defines the taxonomy reporting obligation, which are now applicable to non-financial companies subject to the Non-Financial Reporting Directive and, in July 2021, Regulation (EU) 2021/2178 further supplemented the content of the Regulation to clarify how the Taxonomy disclosure should be calculated and presented.

From 1 January 2022 onwards, with regard to data from the 2021 financial year, companies have reported the information necessary to meet the requirements of the Regulation in their non-financial statement. In particular, the information that the Taxonomy requires non-financial undertakings to report, refers to the following indicators:

- a. the proportion of turnover from products or services associated with economic activities considered by the Taxonomy;
- b. the proportion of capital expenditure and the proportion of operating expenditure related to activities or processes associated with economic activities considered by the Taxonomy.

Following the first-time adoption of the Regulation for the 2021 financial year, non-financial companies were requested to report on their proportion of own turnover, investments (Capex) and operating costs (Opex) (as defined by Commission Delegated Regulation

(EU) 2021/2178) related to eligible economic activities, within the meaning of the Taxonomy. Starting from 1 January 2023, in relation to data for the 2022 financial year, non-financial companies are required to report the above parameters relating not only to the share of "Eligible" activities, but also to environmentally sustainable activities (so-called "Aligned" activities).

Furthermore, for publications occurring in the period 1 January - 31 December 2024, in addition to the disclosure applicable for the 2022 financial year, non-financial entities are required to provide disclosure of the same KPIs in relation to eligible activities with reference to environmental objectives (referred to in EU Delegated Regulation 2023/2486) and to the additional activities identified for the climate objectives by EU Delegated Regulation 2023/2485.

In this context, in 2023 the Piaggio Group, in order to comply with the requirements of the legislation, continued the analyzes of its activities already identified as "Eligible" and "Aligned" with reference to the objective of Mitigation of climate change (as identified mainly as most suitable in relation to the types of economic activities carried out by the Group) in the disclosure relating to the 2022 financial year, and to identify any further eligible activities among those contemplated by the EU Delegated Regulations 2023/2485 and EU 2023/2486.

Methodological Approach

Technical Screening Criteria and DNSH Criteria

Following the analysis described above, in its 2023 Non-Financial Statement, the following economic activities related to the Piaggio Group's "core business" were identified as Taxonomy-Eligible:

- Climate change mitigation, 3.3 'Manufacture of low-carbon technologies for transport', concerning the production and marketing of vehicles;
- Climate Change mitigation, 3.18 'Production of Automotive and Mobility Components', concerning the production and marketing of spare parts;
- Climate Change mitigation, 6.4 'Management of Personal Mobility Devices, Cycling', concerning the sale of Kick Scooters;
- Climate change mitigation, 7.6 'Installation, maintenance and repair of renewable energy technologies, concerning the installation of photovoltaic panels';
- Transition to a circular economy, 2.3 'Collection and transport of non-hazardous and hazardous waste';
- Sustainable use and protection of water and marine resources, 2.2 'Urban waste water treatment', concerning water discharge facilities;
- Pollution Prevention and Control, 2.4 'Remediation of Contaminated Sites and Areas'.

With regard to the Eligible activities carried out by the Group in relation to the objective of climate change mitigation, we therefore proceeded with the analysis of the specific technical screening criteria and identifying as potentially assessable, for alignment purposes, only activities 3.3 and 6.4, with reference only to vehicles that produce zero CO₂ emissions at the exhaust and the production of automotive and mobility components and personal mobility devices, cycle logistics (in this regard, please remember that for activity 3.18 the disclosure for the exercise 2023 concerns eligibility only).

Furthermore, in order to analyse the DNSH criteria, considering the absence of changes in the organizational Group's context and in the reference scenarios, the scenario analysed in relation to the physical risks of a climatic nature carried out in February 2023 for the 2022 disclosure on the Pontedera (Italy) and Baramati (India) plants were considered still valid. Pontedera (Italy) and Baramati (India) plants are the only ones where the production of the identified vehicle types takes place.

Again with reference to economic activities 3.3 and 6.4, Eligible for the climate change mitigation objective, the identified DNSH criteria were analysed and the activities carried out with the Owners for the two plants were mapped, from which the following findings emerged:

	OBJECTIVE 2 CLIMATE CHANGE ADAPTATION	OBJECTIVE 3 SUSTAINABLE USE AND THE PROTECTION OF WATER AND MARINE RESOURCES	OBJECTIVE 4 TRANSITION TO A CIRCULAR ECONOMY	OBJECTIVE 5 PREVENTION AND REDUCTION OF POLLUTION	OBJECTIVE 6 PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS
Baramati	<ul style="list-style-type: none"> Climate Risk Self Assessment for the assessment of climate-related physical risks carried out 	<ul style="list-style-type: none"> Compliance with MPCB environmental regulations⁴⁵ No water discharges Water resource treatment for reuse and certification according to quality standards 	<ul style="list-style-type: none"> Adoption of circular economy practices where possible, prioritising recycling and design to ensure durability standards Compliance with local and European hazardous waste regulations 	<ul style="list-style-type: none"> The activity does not involve the manufacture, placing on the market or use of certain substances (mercury) Pollution risk assessment of research projects 	<ul style="list-style-type: none"> The plant is not located in an area characterised by biodiversity
Pontedera	<ul style="list-style-type: none"> Climate Risk Self Assessment for the assessment of climate-related physical risks carried out 	<ul style="list-style-type: none"> Achievement of the AIA⁴⁶ for the certification of the environmental protection plan A dedicated sewage network for industrial painting waste is in operation 	<ul style="list-style-type: none"> Management that prioritises recycling and design to ensure durability standards Compliance with REACH COBAT membership Products 90% recyclable 	<ul style="list-style-type: none"> The activity does not involve the manufacture, placing on the market or use of certain substances (mercury) Research and use of BAT⁴⁷ 	<ul style="list-style-type: none"> EIA conducted⁴⁸ and compliance with environmental regulations Arpat analysis carried out

At the end of these analyses, it was found that the activities 3.3 and 6.4 identified by the Piaggio Group as “eligible” for the climate change mitigation objective are carried out, with reference to the plants which manufacture eligible vehicles, in full compliance with technical screening criteria for substantial contribution and DNSH criteria.

Social Minimum Safeguards

The above activities were carried out in parallel with assessing compliance with Minimum Safeguards in the areas of human rights, corruption, fair competition and taxation, as defined in the EU Taxonomy Regulation, also with reference to the suggestions put forward in the Platform on Sustainable Finance’s “Final Report on Minimum Safeguards” published in October 2022. In this context, we have seen how the Code of Ethics and, in general, the policies and practices adopted by the Piaggio Group in conducting its business, establish the principles and standards applicable to the protection of human rights, fundamental rights and, in general, the rules of fair and ethical conduct in business, and require all stakeholders to whom they are addressed (employees, external staff, suppliers, distributors and other business partners) to comply with them. Moreover, there were no final convictions against the Piaggio Group, also with reference to the other areas covered by the Minimum Social Safeguards; however tax disputes are still pending, but their economic and reputational impact risk assessment is no greater than “low”, as the Piaggio Group is not reasonably expected to lose the case.

For more on human rights, corruption, fair competition and taxation, please refer to the chapter ‘Sustainability Governance’ in this Non-Financial Statement.

45. Maharashtra government Pollution control board.

46. Integrated Environmental Authorisation.

47. Best Available Technologies.

48. Environmental Impact Assessment.

Methodological Approach to calculating KPIs

Identification of 'eligible' (Taxonomy-Eligible) and 'environmentally sustainable' (Taxonomy-Aligned) activities

The first stage of the process made it possible to identify, through an analysis of the activities included in the Delegated Regulations, those applicable to the Piaggio Group's business in view of the description provided by the annexes to them.

Based on the above analysis, the Piaggio Group's activities that can contribute to achieving the listed objectives are:

	ACTIVITY DESCRIPTION TAXONOMY-ELIGIBLE	KPI APPLICABLE	REFERENCE CONSOLIDATED BALANCE SHEET ITEM
		Turnover	Net Revenues - sale of 2, 3 and 4-wheeler motor vehicles
3.3	Manufacture of low-carbon technologies for transport	CapEx	Property, Plant and Equipment, Intangible Assets and Rights of Use
		OpEx	External maintenance and cleaning costs
3.18	Production of automotive and mobility components	Turnover	Net Revenues - spare parts
		CapEx	R&D, Property, plant and equipment - investments to provide technical specifications to spare parts suppliers
6.4	Management of personal mobility devices, cycling	Turnover	Net Revenues - sale of Kick Scooters and Wi Bikes
2.4	Remediation of contaminated sites and areas	CapEx	Land and Buildings - investments in remediation work at the Mandello site and for the asbestos roofing on building 45 at Pontedera
7.6	Installation, maintenance and repair of renewable energy technologies	CapEx	Property, plant and equipment - investments in solar panels - Piaggio Vehicles Pvt Limited
2.3	Collection and transport of non-hazardous and hazardous waste	CapEx	Property, plant and equipment - investments for a new area of waste treatment - Piaggio Vehicles Pvt Limited and Piaggio Vietnam
		OpEx	Operating expenses - waste treatment plant maintenance - Piaggio Vietnam
2.2	Urban waste water treatment	CapEx	Property, plant and equipment - urban waste water treatment - Piaggio Vietnam
		OpEx	Operating expenses - urban waste water treatment plant maintenance - Piaggio Vietnam and Piaggio Vehicles Pvt Limited

The results of these assessments are summarised in the table below and, in full, in the tables in the Appendix, which follow the templates provided in Annex II to Regulation (EU) 2021/2178.

The analyses were carried out on the basis of the interpretations of the taxonomy regulations available to date, as well as taking into account, where possible, the clarifications officially provided by the EU Commission regarding the practical application of the regulations, as well as the preparation of the relevant disclosures. In this context, consistent with evolving interpretations and regulatory requirements, the information presented in this chapter may be subject to further updates and revisions.

Defining the perimeter

Based on the requirements of the Regulation, the calculation of the percentages of “eligible” and “aligned” activities was carried out for 2023 and includes all companies of the Piaggio Group consolidated on a line-by-line basis.

Calculating the KPIs

Based on the Group's Consolidated Financial Statements for the year ended 31.12.2023 (hereinafter also referred to as the 'Financial Statements'), the percentage of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) in relation to respective total values was calculated for each identified 'eligible' and 'aligned' activity.

Calculating turnover

The share of the Turnover referred to in Article 8(2)(a) of Regulation (EU) 2020/852 is to be calculated as the part of net revenue obtained from products or services, including intangible products, associated with economic activities aligned with the taxonomy (numerator), divided by net revenue (denominator) in accordance with Article 2(5) of Directive 2013/34/EU.

For the 2023 financial year, the Piaggio Group carried out the following activities to produce goods or services considered Taxonomy-eligible and Taxonomy-aligned:

- activity '**3.3 Manufacture of low-carbon technologies for transport**' with specific reference to the sale of 2-, 3- and 4-wheeler motor vehicles and GITA robots;
- activity "**6.4 Management of personal mobility devices, cycling**" with specific reference to the sale of kick scooters and personal mobility devices.

For the 2023 financial year, the Piaggio Group carried out the following activities for the production of goods or services considered only Taxonomy-eligible:

- activity '**3.18 Production of automotive and mobility components**' with specific reference to the production and sale of spare parts.

Starting from the Net Revenues, in order to identify the portion considered Taxonomy-eligible, the portions of revenues related to “Accessories” were subtracted, as they were deemed not applicable for eligibility purposes. The Taxonomy-Aligned percentage in relation only to the activity 3.3 and 6.4 equal to 6.27%, was identified by comparing the turnover achieved with the sale of vehicles producing zero CO₂ emissions to the total turnover achieved.

Calculation of the proportion of capital expenditure (CapEx)

The share of the capital expenditure referred to in Article 8(2)(b) of Regulation (EU) 2020/852 is to be calculated as the numerator defined in point 1.1.2.2 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 divided by the denominator defined in point 1.1.2.1 of the same Delegated Regulation.

Specifically, the numerator for the calculation of CapEx is represented by the additions to property, plant and equipment and intangible assets and rights of use “Aligned” that occurred during the year, before amortisation, depreciation, any revaluations and excluding changes due to fair value.

The denominator, on the other hand, includes total capital expenditure and increases in rights of use, before amortisation, depreciation, any revaluations and excluding changes due to fair value.

For the year 2023, the Piaggio Group incurred the following capitalised costs considered Taxonomy-Eligible and Taxonomy-Aligned:

- activity '**3.3 Manufacture of low-carbon technologies for transport**' at all the Group's production sites, with specific reference to investments in the design and manufacture of zero-emission vehicles (with the sole exclusion of those made for Racing).

For the year 2023, the Piaggio Group incurred the following capitalised costs considered Taxonomy-eligible:

- activity "**3.18 Production of automotive and mobility components**" with specific reference to the production and sale of spare parts;
- activity "**7.6. Installation, maintenance and repair of renewable energy technologies**" with specific reference to investments in plants that produce energy through the installation of photovoltaic panels;
- activity "**2.4. Remediation of contaminated sites and areas**" with specific reference to the remediation of production sites;
- activity "**2.3. Collection and transport of non-hazardous and hazardous waste**" with specific reference to the activities of waste classification, registration and management according to the national laws of each establishment;
- activity "**2.2. Urban Waste Water Treatment**" with specific reference to urban waste water treatment activities.

Moreover, as recalled by Annex I of Delegated Regulation (EU) 2021/2178, point 1.2.2.3. "Breakdown of KPIs" in cases where the detail by type of vehicle was not available, in order to determine the Taxonomy-Aligned capital expenditure, the allocation of capital expenditure related to the production of electric vehicles was made on the basis of the units of zero CO₂ emission vehicles sold in the financial year 2023. Specifically, in order to identify Taxonomy-Aligned CapEx, a non-financial metric was identified, which was calculated by relating the units sold of zero-CO₂-emitting vehicles to the total units sold for all vehicles, with both combustion engine and electric versions, resulting in a percentage of 5.422%.

Calculation of the proportion of operating expenditure (OpEx)

The share of operating expenditure referred to in Article 8(2)(b) of Regulation (EU) 2020/852 is to be calculated as the numerator defined in point 1.1.3.2 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 divided by the denominator defined in point 1.1.3.1 of the same Delegated Regulation.

Specifically, the numerator for the calculation of OpEx is represented by the total value of non-capitalised indirect costs of research and development and any other direct expenditure related to the ordinary maintenance and repair of property, plant and equipment necessary to ensure the continuous and effective operation of such assets. The denominator, on the other hand, is the total value of these costs.

For the year 2023, the Piaggio Group incurred the following operating costs considered Taxonomy-Eligible and Taxonomy-Aligned:

- activity **'3.3 Manufacture of low-carbon technologies for transport'** with specific reference to maintenance and repair costs, both of buildings and of plant and equipment, relating to production facilities where zero-emission vehicles are produced;
- For the year 2023, the Piaggio Group incurred the following operating costs considered Taxonomy-eligible:
- activity **"2.3. Collection and transport of non-hazardous and hazardous waste"** with specific reference to the activities of waste classification, registration and management according to the national laws of each establishment;
 - activity **"2.2. Urban Waste Water Treatment"** with specific reference to urban waste water treatment activities.

In addition, as indicated in the section "Calculation of Capital Expenditure (CapEx)", in order to determine operating expenditure Taxonomy-Aligned the same procedure was applied, i.e. identifying a non-financial metric.



Table pursuant to Regulation (EU) 2020/852

PROPORTION OF TURNOVER DERIVED FROM PRODUCTS AND SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - DISCLOSURE FOR THE YEAR 2023

ECONOMIC ACTIVITIES (1)	CODE(S) (2)	CRITERIA FOR SUBSTANTIAL CONTRIBUTION								CRITERIA FOR 'DO NOT SIGNIFICANT HARM'								PROPORTION OF TURNOVER ALIGNED WITH THE TAXONOMY, YEAR 2022 (18)	CATEGORY (ENABLING ACTIVITY) (19)	CATEGORY (TRANSITIONAL ACTIVITY) (20)
		ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	MARINE WATERS AND RESOURCES (7)	CIRCULAR ECONOMY (8)	POLLUTION (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER AND MARINE RESOURCES (13)	CIRCULAR ECONOMY (14)	POLLUTION (15)	BIODIVERSITY AND ECOSYSTEMS (16)	MINIMUM SAFEGUARDS (17)				
		ML €	%	Y/N; EL	Y/N; EL	Y/N; EL	Y/N; EL	Y/N; EL	Y/N; EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	124.95	6.26%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	3.31%	E		
Activity 2: Management of personal mobility devices, cycling	CCM 6.4	0.02	0.00%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0.00%			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		124.97	6.27%	6.27%	0.00%	0.00%	0.00%	0.00%	0.00%	-	Y	Y	Y	Y	Y	Y	3.31%			
Of which enabling		124.95	6.26%	6.26%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	3.31%	E		
Of which transitional		0	0%	0%						-	-	-	-	-	-	-	0%		T	
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	1,650.55	82.75%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								86.11%			
Activity 2: Production of automotive and mobility components	CCM 3.18	9.11	0.46%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-			
Turnover from activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)		1,659.66	83.21%	83.21%	0.00%	0.00%	0.00%	0.00%	0.00%								86.11%			
Turnover of Taxonomy Eligible activities (A.1+A.2)		1,784.63	89.47%	89.47%	0.00%	0.00%	0.00%	0.00%	0.00%								89.42%			
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																				
Turnover from activities not eligible for the taxonomy (B)		209.95	10.53%																	
Total		1,994.58	100.00%																	

	ALIGNED FOR THE TAXONOMY	PROPORTION OF TURNOVER/TOTAL TURNOVER ELIGIBLE FOR THE TAXONOMY
CCM	6.27%	83.21%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

PROPORTION OF CAPITAL EXPENDITURE FROM PRODUCTS AND SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - DISCLOSURE FOR THE YEAR 2023

ECONOMIC ACTIVITIES (1)	CODES (2)	ABSOLUTE CAPITAL EXPENDITURE (3)	PROPORTION OF CAPITAL EXPENDITURE (4)	CRITERIA FOR SUBSTANTIAL CONTRIBUTION						CRITERIA FOR 'DO NOT SIGNIFICANT HARM'						MINIMUM SAFEGUARDS (17)	PROPORTION OF CAPITAL EXPENDITURE ALIGNED WITH THE TAXONOMY, YEAR 2022 (18)	CATEGORY (ENABLING ACTIVITY) (19)	CATEGORY (TRANSITIONAL ACTIVITY) (20)
				CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	MARINE WATERS AND RESOURCES (7)	CIRCULAR ECONOMY (8)	POLLUTION (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER AND MARINE RESOURCES (13)	CIRCULAR ECONOMY (14)	POLLUTION (15)	BIODIVERSITY AND ECOSYSTEMS (16)				
		ML €	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY

A.1 Environmentally sustainable activities (taxonomy-aligned)

Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	26.96	15.46%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	10.01%	E	
Capital expenditure of environmentally sustainable activities (taxonomy-aligned) (A.1)		26.96	15.46%	15.46%	0.00%	0.00%	0.00%	0.00%	0.00%	-	Y	Y	Y	Y	Y	Y	10.01%		
Of which enabling		26.96	15.46%	15.46%	0.00%	0.00%	0.00%	0.00%	0.00%	-	Y	Y	Y	Y	Y	Y	10.01%	E	
Of which transitional		0	0.00%	0.00%						-	-	-	-	-	-	-	0%		T

A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned)

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	134.53	77.12%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										59.86%
Activity 2: Production of automotive and mobility components	CCM 3.18	0.01	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										0.00%
Activity 3: Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.02	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										0.00%
Activity 4: Collection and transport of non-hazardous and hazardous waste	CE 2.3	0.03	0.02%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										0.00%
Activity 5: Remediation of contaminated sites and areas	PPC 2.4	0.43	0.25%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										0.00%
Activity 6: Urban waste water treatment	WTR 2.2	0.13	0.07%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										0.00%
Capital expenditures of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		135.15	77.47%	77.14%	0.00%	0.07%	0.02%	0.25%	0.00%										59.86%
CapEx of Taxonomy Eligible activities (A.1+A.2)		162.12	92.93%	92.60%	0.00%	0.07%	0.02%	0.25%	0.00%										69.87%

B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY

Capital Expenditure of activities not eligible for the taxonomy (B)	12.34	7.07%
Total	174.45	100%

	ALIGNED FOR THE TAXONOMY	PROPORTION OF CAPITAL EXPENDITURE /TOTAL CAPITAL EXPENDITURE ELIGIBLE FOR THE TAXONOMY
CCM	15.46%	77.14%
CCA	0.00%	0.00%
WTR	0.00%	0.07%
CE	0.00%	0.02%
PPC	0.00%	0.25%
BIO	0.00%	0.00%

PROPORTION OF OPERATING EXPENSES FROM PRODUCTS AND SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - DISCLOSURE FOR THE YEAR 2023

ECONOMIC ACTIVITIES (1)	CODE(S) (2)	ABSOLUTE OPERATING EXPENSES (3)	PROPORTION OF OPERATING EXPENSES (4)	CRITERIA FOR SUBSTANTIAL CONTRIBUTION						CRITERIA FOR 'DO NOT SIGNIFICANT HARM'						MINIMUM SAFEGUARDS (17)	PROPORTION OF OPERATING EXPENSES ALIGNED WITH THE TAXONOMY, YEAR 2022 (18)	CATEGORY (ENABLING ACTIVITY) (19)	CATEGORY (TRANSITIONAL ACTIVITY) (20)
				CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	MARINE WATERS AND RESOURCES (7)	CIRCULAR ECONOMY (8)	POLLUTION (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER AND MARINE RESOURCES (13)	CIRCULAR ECONOMY (14)	POLLUTION (15)	BIODIVERSITY AND ECOSYSTEMS (16)				
		ML €	%	Y/N; EL	Y/N; EL	Y/N; EL	Y/N; EL	Y/N; EL	Y/N; EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY

A.1 Environmentally sustainable activities (taxonomy-aligned)

Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	1.69	5.35%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	3.34%	E	
Operating expenditure of environmentally sustainable activities (taxonomy-aligned) (A.1)		1.69	5.35%	5.35%	0.00%	0.00%	0.00%	0.00%	0.00%	-	Y	Y	Y	Y	Y	Y	3.34%		
Of which enabling		1.69	5.35%	5.35%	0.00%	0.00%	0.00%	0.00%	0.00%	-	Y	Y	Y	Y	Y	Y	3.34%	E	
Of which transitional		0	0%	0%						-	-	-	-	-	-	-	0%		T

A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned)

				EL	N/EL	EL	N/EL	EL	N/EL	EL	N/EL	EL	N/EL	EL	N/EL	EL	N/EL		
Activity 1: Manufacture of low-carbon technologies for transport	CCM 3.3	29.42	93.29%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									95.39%	
Activity 2: Collection and transport of non-hazardous and hazardous waste	CE 2.3	0.00	0.00%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									-	
Activity 3: Urban waste water treatment	WTR 2.2	0.00	0.00%	N/EL	N/EL	EL	N/EL	N/EL	N/EL									-	
Operating expenditure of activities not eligible for the taxonomy (B)		29.42	93.29%	93.29%	0.00%	0.00%	0.00%	0.00%	0.00%									95.39%	
OpEx of Taxonomy Eligible activities (A.1+A.2)		31.11	98.64%	93.29%	0.00%	0.00%	0.00%	0.00%	0.00%									98.73%	

B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY

Operating expenditure of activities not eligible for the taxonomy (B)	0.43	1.36%
Total	31.54	100%

	ALIGNED FOR THE TAXONOMY	PROPORTION OF OPEX/TOTAL OPEX ELIGIBLE FOR THE TAXONOMY
CCM	5.35%	93.29%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Information referred to the Annex XII IDD EU Delegated Regulation 2021/2178

If financial or non-financial firms do not engage in, finance or are not exposed to an activity listed in rows 1 to 6 of Template 1 of Annex XII to the IDD, they must enter "No" to the questions in the following template. Furthermore, by answering "No" to all questions, this implies the possibility of omitting to complete and provide disclosure for Templates 2 to 5 of that Annex for the respective applicable KPIs.

TEMPLATE 1 - NUCLEAR AND FOSSIL GAS ACTIVITIES

ROW	NUCLEAR ENERGY RELATED ACTIVITIES	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	NO
FOSSIL GAS RELATED ACTIVITIES		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



RISK MANAGEMENT

The Piaggio Group has launched an Enterprise Risk Management (ERM) project aimed at defining and implementing a structured and integrated system for the detection, measurement and management of corporate risks in line with existing best practices on the subject. During 2023, as part of the updating of the Group's risk profile, 204 risk scenarios were identified, divided into 26 categories, which in turn were aggregated into 4 first-level macro-categories (External, Operational, Financial, Strategic Risks), through the involvement of corporate managers at the level of the entire Group. In this context, issues related to environmental, social, personnel-related, human rights and anti-corruption aspects were also examined.

Environment

The analysis refers to the actual and potential effects of the Group's operations on the environment, considering, for example, energy consumption, atmospheric emissions, the impact of noise, discharge and waste disposal processes, using and safeguarding natural resources and protecting biodiversity, as well as environmental compliance aspects in a national and international dimension.

Greenhouse gases (mainly CO₂) and Volatile Organic Compounds (VOCs) released by solvents used in painting, are some of the most hazardous substances for air pollution generated by automotive operators. Structural actions on the Group's production plants, carried out over time, guarantee limited pollutant emissions.

Piaggio's commitment to reducing emissions is also confirmed by the preparation of the Decarbonisation Plan in December 2023, in which the Group has committed to implementing concrete actions to help achieve the climate objectives set by the European Union. Although the structure of Piaggio's production sites has been designed to run on energy from fossil fuels, the Group optimises the management of existing plants to achieve reductions in consumption, installing solar panels for example. The level of consumption is monitored on a daily basis inside the production sites.

In the past, soil remediation was necessary due to the historical contamination of sites: the pollutants found had not been used by the plants for several decades, proving the historical origin of the event. Other cases of soil contamination have never affected the Group's activities: classification, management and transport of the waste generated are carried out in compliance with sector regulations.

The volume of water used in the production process is monitored monthly, to safeguard conservation; a part of the water drawn is reused.

Lastly, it should be noted that all Piaggio sites have ISO 14001 environmental certification and investments are made each year to reduce the environmental impact of production sites.

Despite a considerable risk level, in line with other industry operators, control measures adopted significantly reduce environmental risks.

With reference to the risk of climate change, aspects related to the transition of market demand towards vehicles with a lower impact in terms of greenhouse gas emissions hold particular relevance for the Group; in this context, the short-term introduction of stricter laws and regulations on vehicle emissions consequently represents a significant risk for the entire automotive industry. Any tightening of regulations in this field, in addition to having a considerable influence on customer behaviour, could require a significant increase in investments and current expenses necessary to adapt and technologically update the Group's product range. In this regard, Piaggio has been a pioneer in the study of electric and hybrid engines. The Group already sells a number of electric vehicles (both two-wheelers and commercial vehicles) and plans to expand its range of zero-emission vehicles. Therefore, any increase in demand for electric vehicles could represent above all a development opportunity for Piaggio.

In regards to the risk of suffering physical damage due to extreme climate events, it has been found that Group sites could be affected by natural events, such as earthquakes, typhoons, flooding and other catastrophes that may damage sites and also slow down/interrupt production and sales.

The Group manages this risk through the continuous renovation of facilities, and by taking out specific insurance cover for various sites according to their relative importance.

Personnel

This area encompasses multiple aspects, such as human capital management, including career management, the remuneration and training system, the promotion of principles of diversity and inclusion, as well as aspects of occupational health and safety and labour relations.

Piaggio operates globally with employees in Europe, the Americas and Asia. It promotes diversity in age, culture, ethnicity, religion, political opinion, civil status, gender, physical ability, sexual orientation, encouraging different ways to achieve and reach the highest levels of performance within a single and broader-ranging organisational set-up of the Group. The integration of disabled people into the workforce is also made possible in practice by the accessibility of company facilities and the existence of a relative company procedure.

Piaggio adopts a system of recruitment, development and salary packages for personnel which recognises and rewards merit and performance. Development tools are used to build on and continually improve skills, while empowering potential, recognising and rewarding outstanding performance. Reward policies remunerate people and their contribution based on principles of meritocracy and transparency. The above mechanisms reduce potential risks related to these aspects to a residual level which is not significant.

The Piaggio Group acknowledges the role of trade union organisations and worker representatives and is committed to establishing relationships with them that are characterised by attention, dialogue and a common understanding; in fact, assessment and continual engagement are considered essential for identifying the best solutions for the company's specific needs. For these reasons and despite the high number of employees with trade union membership, strikes are infrequent.

As regards occupational health and safety, testing motorcycles with a medium and large engine capacity entails the highest risk levels. Generally, the risk of accidents/injuries to personnel is mitigated by aligning processes, procedures and structures to applicable occupational safety laws and international best standards, and promoting responsible behaviour, through targeted training.

Social

The social dimension includes aspects related to the relationship between Piaggio and consumers, as well as the effects of the business on the community.

With reference to the first aspect, product quality and reliability are essential and determining characteristics in order to achieve and guarantee customer satisfaction and safety. In the 'Product - Operational Risks' category, risk scenarios related to potential product failures have been mapped. To mitigate these risks, Piaggio has established a Quality Control system, it tests products during various stages of the production process and carefully sources its suppliers based on technical/professional standards. The Group is also committed to being awarded and maintaining certification of its quality management systems at global level (ISO 9001).

In addition, Piaggio faces risks associated with a level of service quality that is not in line with customer needs, due to causes attributable to the sales/after-sales service network. To mitigate these risks, the Group has contractually defined compliance with technical and professional standards and put in place periodic performance monitoring measures.

The Group is committed to redistributing part of the economic value generated to support social solidarity and local promotion initiatives.

In 2023 the collaboration between the Piaggio Group and (RED) - an association founded in 2006 by Bono and Bobby Shriver⁴⁹- continued. Thanks to the help of partners and supporters, the association has allocated over \$750 million for the Global Fund, for the fight against AIDS and pandemics. Aid from (RED) to the Global Fund has impacted over 245 million lives through prevention activities, treatment, counselling, HIV testing and care services. Since it began working with (RED) Piaggio has raised over USD 1.5 million for the Global Fund. This year the partnership was renewed for another two years (01/01/2024 - 31/12/2025). The Vespa (RED) product range, which includes the Vespa Primavera (RED) and Vespa Elettrica (RED), remains unchanged; the Vespa (RED) Merchandising range will instead be renewed and launched on the market in 2024.

At the 'Aprilia All Stars' event held at Misano at the end of May, the Piaggio Group donated 200,000 euro to the Civil Defence of Emilia-Romagna, which was hit by flooding.

For the emergency caused by the floods of 2 November in Tuscany, the Piaggio Group, at its Board meeting on 15 December 2023, decide to donate 250,000 euro to the "Restart Fund" set up by the Municipality of Pontedera.

The charity initiative to support the educational and rehabilitation activities of disabled children assisted by the non-profit organisation "Casa del Sole Onlus" in Mantua was also renewed, with a donation of €20,000. In particular, in 2023, the initiative, now in its 16th edition, supported the 'New Day Centre for the Disabled Casa del Sole' project for girls and boys with disabilities, assisted by the Casa del Sole Onlus.

In the field of international cooperation, €45,000 was also donated to ISPI (Institute for International Policy Studies), €10,000 to

49. <https://www.red.org>

AIICP (Italy India Association for Cooperation between the Two Countries) and €3,000 to IJBG (Italy Japan Association).

Through the Piaggio Foundation and the Piaggio Museum, numerous cultural, scientific and artistic initiatives (i.e. exhibitions, conferences, events) are organised.

The Vietnamese subsidiary took part in projects to support local associations working with needy families and education for young children.

The Indian subsidiary has focused its efforts on social projects that generally concern water and sanitation, education, and women's empowerment, chosen on the basis of preliminary research carried out internally on the needs of the area surrounding the plant.

Human Rights

As set out in the Code of Ethics, adopted in 2004 and updated in 2023, Piaggio explicitly prohibits any form of discrimination and forced labour. This Code, which clearly and transparently defines the principles and values by which the entire company organisation is inspired, has been widely disseminated among all subsidiaries and included in the general conditions of supply which it requires its suppliers to sign.

To maintain the highest standards of ethical, moral and legal conduct, Piaggio encourages its employees to report any suspected misconduct.

The Whistleblowing Policy, which was initially developed for the Group's Indian company, aims to provide a safe channel for employees and other stakeholders to report any violations they become aware of in the context of their employment relationship. To this end, in accordance with Act 179/2017, a section was introduced to set out the Whistleblowing regulations aimed at protecting employees who report wrongdoing and irregularities they have become aware of during their employment relationship.

In addition, Piaggio has set up a reporting channel that can be contacted to provide information on serious unlawful acts relating to violations of the law and/or the internal control system (e.g. Code of Ethics, Organisational Model pursuant to Legislative Decree 231/2001, internal policies and procedures), which have occurred or are very likely to occur within the organisation.

Due to the relevance and specific aspects of the Indian market, the Code of Business Conduct & Ethics, the Whistle Blower Policy and the Policy on Prevention of Sexual Harassment of women at the workplace are in force at the local affiliate, to prevent incidents of sexual harassment within the plant.

As a result of the prevention and control mechanisms set out in the Code of Ethics and implemented by all the Group's subsidiaries, no risk scenarios relating to the violation of human rights were reported.

Fighting corruption

The issue of fighting both active and passive corruption comes under the risk categories of 'Internal/External wrongdoings' of the risk model implemented by the Group. Piaggio states in its Code of Ethics that it is strictly forbidden to engage in any corrupt practices, to request and/or grant favours, to engage in any collusive behaviour, to solicit, directly/indirectly and/or through third parties, personal advantages of any kind for oneself and/or others, material benefits and/or any other advantage of any kind for third parties.

Moreover, to protect against possible administrative liability deriving from the commission of the offences contemplated in Legislative Decree 231/2001, Piaggio has adopted a Compliance Programme (Organisational, Management and Control Model) in accordance with current legislation and provides for updates to the Model and training on compliance issues pursuant to the aforesaid Decree.

A series of processes, procedures, roles and responsibilities are defined to pursue the above-mentioned objective, both with reference to negotiations/trade relations with the Public Administration and with private parties. The control environment briefly described above reduces the risks relating to the occurrence of active/passive corruption to a negligible residual level.

MATERIAL TOPIC	RISK	CONTROLS
Climate change	<p>Air pollution attributable to:</p> <ul style="list-style-type: none"> - uncontrolled greenhouse gas emissions - uncontrolled emissions of Volatile Organic Compounds (i.e. paint solvents) - reduced number of infrastructural interventions/initiatives aimed at reducing energy consumption/requirements - reduction of permitted vehicle emission levels 	<ul style="list-style-type: none"> - ISO 14001 environmental certification - Infrastructure improvements to rationalise energy use - Plans to audit and monitor energy consumption - Development of alternative engines (i.e. hybrid/electric) - Preparation of a decarbonisation plan in which targets were defined
Waste management	<p>Soil/water pollution attributable to:</p> <ul style="list-style-type: none"> - Failure to classify/ characterise waste - Uncontrolled spills and discharges into the sewer system 	<ul style="list-style-type: none"> - ISO 14001 environmental certification - Waste water treatment
Conserving water resources	<ul style="list-style-type: none"> - Uncontrolled use of water resources 	<ul style="list-style-type: none"> - ISO 14001 environmental certification - Plans for testing and controlling water use
Developing human capital	<ul style="list-style-type: none"> - Lack of skills and professionalism necessary for the implementation of strategic/business objectives - Loss of key personnel - Tensions in the company's relations with trade union representatives 	<ul style="list-style-type: none"> - Mapping of key competences/professionals and definition of appropriate retention plans - Training and refresher courses - Performance review systems - Relations with trade unions and workers' representatives based on attention, dialogue and understanding
Health and Safety	<ul style="list-style-type: none"> - Accidents to workers/onset of occupational diseases 	<ul style="list-style-type: none"> - ISO 45001 certification - Periodic training in occupational health and safety - Personal Protective Equipment and Operating Instructions
Product innovation	<ul style="list-style-type: none"> - Low level of technological innovation in the product range - Reduced recyclability/recoverability of end-of-life vehicles - Use of environmentally harmful materials/substances - Regulatory measures to limit the transit of internal combustion vehicles in order to reduce the level of emissions 	<ul style="list-style-type: none"> - Market analysis - Significant investment in research and development - Development of alternative engines (i.e. hybrid/electric) - Product compliance with Regulation (EC) No 1907/2006 (REACH) and Directive 2000/53/EC on end-of life vehicles - Use of environmentally friendly and recyclable materials - Monitoring the regulatory framework

MATERIAL TOPIC	RISK	CONTROLS
Product safety and reliability	<p>Product defects due to causes attributable to:</p> <ul style="list-style-type: none"> - Errors/omissions by suppliers - Errors/omissions during product development - Errors/omissions during manufacturing/assembly - Errors/omissions during quality control 	<ul style="list-style-type: none"> - Supplier audits - Performing product tests at different stages of the production process - ISO 9001 Quality Certification
Customer Satisfaction	<p>Level of service quality provided that is not in line with the customer's needs, for reasons attributable to:</p> <ul style="list-style-type: none"> - Sales network / after-sales service (e.g. long diagnostic/delivery times, use of non-original spare parts etc.) - Reduced reach of the sales/after-sales network - Range of products offered not in line with market requirements 	<ul style="list-style-type: none"> - Customer satisfaction analyses and development of action plans in the case of the identification of improvement points with reference to the service provided by the network - New computerisation systems to improve sales network control/after-sales service activities and the level of customer service offered - Monitoring of KPIs on the quality of after-sales services - Geo-marketing system for optimal territory coverage via the network
Responsible management of the supply chain	<ul style="list-style-type: none"> - Suppliers that do not comply with the principles of environmental sustainability (e.g. with regard to energy consumption, atmospheric emissions, waste management, protection of water resources, protection of biodiversity, etc.) - Suppliers that do not comply with the principles of social sustainability (e.g. with regard to human resources development, freedom of association and collective bargaining, child labour, forced labour, industrial relations, occupational health and safety, support for local communities, charity activities, etc.) - Violation of the Group Code of Ethics by suppliers 	<ul style="list-style-type: none"> - ISO 14001 certification ensures higher scores in supply audits - Piaggio requires its suppliers to sign general supply conditions that specifically refer to the Group's Code of Ethics or require an explicit commitment to comply with laws on the environment, pollution, health and safety and respect for workers' rights, so as to ensure compliance with its ethical values throughout the production and sales cycle of its products
Supporting local communities	<ul style="list-style-type: none"> - Reduced number of initiatives aimed at the development of the territory in which the Group operates and the promotion of social inclusion values (e.g. partnerships with non-profit/non-governmental organisations, voluntary organisations, etc.) 	<ul style="list-style-type: none"> - Organisation of events at the Piaggio Museum - Piaggio Foundation Cultural Project - Charity and sponsorship activities
Respect for human rights	<ul style="list-style-type: none"> - Incidents of discrimination or exclusion of an employee for reasons such as age, culture, ethnic background, religion, political opinion, marital status, gender, physical ability, sexual orientation - Violation of the Group Code of Ethics by suppliers 	<ul style="list-style-type: none"> - Prohibition of any form of discrimination, harm to personal dignity within the Code of Ethics - Adoption of tools, including organisational tools, to ensure compliance with the principles in the Group's Code of Ethics - Whistleblowing Platform and Whistleblowing Policy - Policy of Prevention of Sexual Harassment of women at the workplace (India) - Piaggio requires its suppliers to sign general supply conditions that specifically refer to the Group's Code of Ethics or require an explicit commitment to comply with laws on the environment, pollution, health and safety and respect for workers' rights, so as to ensure compliance with its ethical values throughout the production and sales cycle of its products

MATERIAL TOPIC	RISK	CONTROLS
Business integrity	<ul style="list-style-type: none"> - Unlawful act of collusion/corruption by employees - Information contained in mandatory financial disclosures (e.g. annual report, half-yearly report, interim report on operations) / the NFS which is untruthful - Non-disclosure/ delayed disclosure of relevant information to the market 	<ul style="list-style-type: none"> - Endorsement of the Group's Code of Ethics - Adoption of tools, including organisational tools, to ensure compliance with the principles in the Group's Code of Ethics - Whistleblowing Platform and Whistleblowing Policy - Externally audited mandatory financial information - Non-Financial Statement externally audited - Formal declaration of a commitment by all corporate functions to achieve the established sustainability targets and annual reporting of any gaps with results actually achieved - Constant and timely updating of the website with information about the Group and the most important corporate documents
Creation of economic value	<p>Failure to achieve the growth targets set, due to causes attributable to:</p> <ul style="list-style-type: none"> - competitive dynamics - sales network - political/macroeconomic instability in the countries in which the Group 	<ul style="list-style-type: none"> - Brand positioning initiatives and expansion of the product range - Rationalisation of the sales network based on current and future expectations - Creation of a new retail model being developed worldwide - Diversification of markets - Monitoring of developments in the regulatory framework and macroeconomic dynamics in the countries where the Group operates





SUSTAINABILITY GOVERNANCE

For an in-depth and detailed analysis of Piaggio & C.'s Corporate Governance system, please refer to the Report on Corporate Governance and Ownership Structure for the year ending 31 December 2023, available on the website www.piaggiogroup.com in the Governance section.

The provisions of the Articles of Association of the Parent Company regulating the composition and appointment of the Board (Article 12) were last amended by a resolution of the Board of Directors on 28 January 2021, drafted by public deed and adopted pursuant to the provisions of Article 2365 of the Italian Civil Code and Article 17 of the Articles of Association, in order to align them with the regulations on gender balance in the composition of the board of directors set forth in Article 147-ter, paragraph 1-ter of the Consolidated Law on Finance, as most recently amended by Law 160/2019, as well as with the new text of Article 144-undecies.1 of the Issuers' Regulation.

The current Board of Directors consists of 9 members, 4 of whom are women (44%). 33% of its members are under 50 years of age. It should be noted that on 1 September 2023, the Board of Directors of Piaggio & C. S.p.A., following the death of Chairman and Chief Executive Officer Roberto Colaninno, appointed Matteo Colaninno as Executive Chairman and Michele Colaninno as Chief Executive Officer.

It should be noted that, in accordance with Article 3, Recommendation 13 of the Corporate Governance Code, the Board of Directors' Meeting held on 15 April 2021 also appointed a Lead Independent Director from among the Independent Directors with the functions referred to in Recommendation 14 of the Code hereunder.

Piaggio has adopted a specific governance structure that is inspired by international best practices in line with the principles and recommendations set out in the Code of Corporate Governance and which encompasses all corporate, decision-making and operational processes along the entire value chain.

The Board of Directors reviews and approves strategic, industrial and financial plans, including the annual budget and Business Plan of the Group, which integrate the main guidelines to promote a sustainable business model and lay the foundations for long-term value creation. The Board defines the sustainability strategy, the Sustainability/Decarbonisation Plan and approves the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/16 (NFS). It also periodically monitors the implementation of the business plan and assesses the general performance of operations, periodically comparing results achieved with those planned. It also defines the nature and level of risk compatible with the Company's strategic objectives, including in its evaluations all elements that may be relevant in view of sustainable success. In particular, the Board of Directors, for the purposes of sustainability governance, entrusts the Executive in charge of financial reporting with the preparation of the NFS, ensuring that he has adequate powers and means to perform the tasks assigned to him, examines and approves the materiality analysis previously conducted (following prior sharing with the Audit, Risk and Sustainability Committee) and examines and approves the NFS, which, as an integral part of the Group's Consolidated Financial Statements, is then submitted to the Shareholders' Meeting.

- The Audit, Risk and Sustainability Committee, in addition to supporting the Board of Directors' assessments and decisions on the internal control and risk management system, advises the Board of Directors on sustainability issues:
 - examining and assessing sustainability issues related to business operations and the dynamics of interaction with stakeholders;
 - examining and assessing the data collection and consolidation system for the "Consolidated non-financial statement" pursuant to Legislative Decree 254/2016. In particular, the aforementioned Committee examines in advance the materiality sheet, the results of which, illustrated to the Committee, are taken as reference for the identification of the most relevant topics for the purposes of preparing the Non-Financial Statement;
 - examining in advance the 'Consolidated Non-Financial Statement' referred to in Legislative Decree 254/2016, formulating an opinion for approval by the Board of Directors;
 - monitoring the Company's positioning on sustainability issues, with particular reference to its placement in ethical sustainability indices;
 - expressing opinions on any further sustainability issues at the request of the Board of Directors.
- The Executive in Charge of Financial Reporting prepares the Non-Financial Statement with the support of the CSR Manager, who first shares it with the Ethics Committee and the Audit, Risk and Sustainability Committee, before submitting it to the Board of Directors for approval.
- The CSR Manager on behalf of the Executive in Charge of Financial Reporting manages, through the 'Consolidated Financial Statements and Sustainability' Function, all activities in the field of sustainability: the definition of sustainability lines and monitoring of progress, preparation of reports, relations with international bodies on the subject.
- The Ethics Committee aims to develop organisational rules and conduct strategies in line with international best practices in the field of Corporate Social Responsibility and, with specific regard to sustainability governance, examines in advance the

'Consolidated Non-Financial Statement' referred to in Legislative Decree 254/2016.

At the beginning of 2024, the Board of Directors of Piaggio & C. S.p.A., together with the members of the Board of Directors of Immsi S.p.A., which exercises management and coordination activities over the Company, took part in a Group induction session dedicated to the issue of sustainability, discussing ESG issues of common interest in depth, an encouraging active participation from all Directors.

Finally, in 2023, the Piaggio Group adopted a Manual for the drafting of the NFS, first presented to the Audit, Risk and Sustainability Committee and the Board of Statutory Auditors, and subsequently approved by the Board of Directors on 26 January 2023. This methodological tool, also available on the company intranet, was taken as a reference for drafting this non-financial reporting. It briefly describes the roles, responsibilities and information flows relating to the reporting process and governs, inter alia:

- the responsibilities, resources and powers assigned to the Board of Directors in order to enable it to perform the functions assigned to it by law;
- the rules of conduct to be observed, as well as the roles and responsibilities attributed to the company Departments/Functions involved, in various capacities, in activities to prepare, distribute and verify market disclosure;
- the guidelines that must be applied within Group companies and the responsibilities attributed to the managers of main subsidiaries that transmit non-financial information to Piaggio, since this is a consolidated Group report;
- the verification activity delegated by the Executive in charge of financial reporting to the Internal Audit.

In accordance with the Manual, the non-financial reporting process involved various positions: the persons responsible for the collection, verification and processing of relevant KPIs, identified within the structures involved in the reporting process, the CSR Manager responsible, among other things, for the consolidation of the results, entrusted by the Executive in charge of financial reporting to coordinate the entire process for the collection and processing of quantitative indicators, as well as the preparation of the Group's draft Non-Financial Statement.

During the year, the company started a project to analyse the new disclosures that will become mandatory following the entry into force of the Corporate Sustainability Reporting Directive, starting from the 2024 financial statements.

Remuneration policy and remuneration of the highest governing body

The Company's Remuneration Policy - and, in particular, the policy on variable remuneration components - contributes to the Company's strategy and the pursuit of its long-term interests and sustainability. The main subjects and bodies involved in the preparation, approval and review of the Remuneration Policy are the Shareholders' Meeting, the Board of Directors, the Remuneration Committee and the Board of Statutory Auditors. The Board of Directors is responsible for implementing the Remuneration Policy; the Remuneration Committee, composed of non-executive and independent directors, among other things, makes proposals, general recommendations to the Board of Directors on remuneration. The Shareholders' Meeting, among other things, is called upon to cast its binding vote on the Remuneration Policy.

The remuneration of key directors and executives, where identified, is defined in such a way as to ensure an overall remuneration structure capable of recognising the professional value of the individuals involved and to allow for an adequate balance of fixed and variable components, with the aim of creating sustainable value in the medium and long term and to ensure a direct link between remuneration and specific performance objectives.

The variable component of executive directors' remuneration is also determined by referring to sustainability targets and results (10%).

For more details on the determination of remuneration (fixed and variable part) of key Directors and Managers, please refer to the Report on the remuneration policy and remuneration paid, published pursuant to Article 123-ter of the Consolidated Law on Finance on the Company's website www.piaggiogroup.com in the "Governance - Management" section.

Annual total remuneration ratio

The ratio of the annual total remuneration of the highest paid person to the median of the annual total remuneration of all Group employees excluding the aforementioned person is 57.7⁵⁰.

The same ratio calculated last year was 60.7.

The change is due to the fact that the median value for 2023 was 5% higher than the previous year.

50. It is specified that for reasons of uniformity with the past year in the calculation of the ratio, the theoretical annual value was used for the role of the highest paid, even though the aforementioned person passed away in the course of 2023.

The system for responsible business management

In pursuing its mission, the Group has put in place appropriate instruments, including organisational tools, to respect environmental and social values.

Code of Ethics

Since 2004, Piaggio & C. has adopted a Code of Ethics as part of the Organisational Model pursuant to Legislative Decree 231/2001. The Code of Ethics was last updated and approved by the Board of Directors in 2023 with the introduction of new articles on the following topics: antitrust and competition; personal data protection; ESG; whistleblowing.

The company undertakes in the Code to recognise and ensure respect for the principles that protect human rights shared at international level and expressed in international conventions: in particular, respect for personal dignity, the rights of the person and the prohibition on all forms of discrimination.

These principles, already present in the company as they are a part of the Code of Ethics, have been made explicit, in order to bring the code into line with the social and ethical values inspiring the Piaggio Group's activities.

In addition, the Company annually issues a Modern Slavery statement, aimed at ensuring that the Group's activities comply with the regulations of the Modern Slavery Act 2015 enacted by the UK Parliament, compliance with which is required of all companies operating in the United Kingdom.

The Code of Ethics, available on the Company's website (www.piaggiogroup.com/Governance), is in force at all Group companies and clearly and transparently defines the principles and values inspiring the entire company organisation:

- compliance with the laws of the states where Piaggio operates;
- rejection and condemnation of unlawful and improper behaviour;
- prevention of violations of the law, a constant search for transparency and fairness in business management;
- the pursuit of excellence and market competitiveness;
- respect, protection and enhancement of human resources;
- the pursuit of sustainable development with respect for the environment and the rights of future generations.

The Group's Code of Ethics defines the ethical and social responsibilities of each member of the corporate organisation. In particular, it sets out the ethical and social responsibilities of senior management, middle management, employees and suppliers, to prevent irresponsible or unlawful behaviour by those operating in the name and on behalf of Group companies.

The articles of the Code of Ethics also set out an important principle regarding the way in which it manages relations with politics: "The Company does not make contributions, provide advantages or other benefits to political parties and workers' trade union organisations, nor to their representatives or candidates, subject to compliance with applicable legislation".

All employees are required to sign and comply with the Code of Ethics. In addition, Piaggio requires its suppliers to sign general supply conditions that expressly refer to the Group's Code of Ethics or require an explicit commitment to comply with laws on the environment, pollution, health and safety and respect for workers' rights, so as to ensure compliance with its ethical values throughout the production and sale cycle of its products.

Pursuing its constant commitment to improving corporate governance, the Company has also modernised and strengthened its internal reporting channel, which can be reached online at: <https://www.piaggiogroup.com/it/governance/codice-etico> ('Channel').

The Channel was created to allow those in good faith to safely share any information concerning serious offences relating to violations of the law and/or the internal control system (e.g. Code of Ethics, Model, internal policies and procedures), which have occurred or are very likely to occur in the organisation. The Company has also issued the 'Piaggio Group Whistleblowing Policy' which, inspired by the principles outlined in the Code of Ethics, establishes the general and fundamental principles for promoting responsible and safe whistleblowing practices. This Policy can be consulted on PiaggioNet in the section "Company" - "Model 231 and Code of Ethics" - "Piaggio & C." or - "Aprilia Racing", as well as on the corporate website (www.piaggiogroup.com), by accessing the "Home" page of the Internal Whistleblowing Channel, which can be reached at the above address.

The alternative internal channel, whereby reports may be submitted by letter addressed to the competent Supervisory Body or to the Whistleblowing Committee at the address: Viale Rinaldo Piaggio, 25 Pontedera (PI) 56025, Italy.

Based on the specific aspects and significance of India, the Indian affiliate has already adopted the following, for a number of years:

- the Code of Business Conduct & Ethics;
- a 'Policy on the Prevention of Sexual Harassment of Women at the Workplace' to prevent incidents of sexual harassment within the plant.

It should be noted that during 2023, an anonymous report was received concerning an alleged violation of the non discrimination practices contained in the Group's Code of Ethics by an employee of Piaggio Vietnam, albeit outside the company perimeter.

In order to carry out an examination of what had been reported and in compliance with the principles of confidentiality, the Vietnamese

company promptly set up an ad hoc committee, composed of a representative of the HR function, the Legal function, and a trade union representative.

The employee named as the alleged perpetrator of the aforementioned violation was heard in a cross-examination and subsequently resigned, thus bringing the investigation to its natural ending.

Organisational model pursuant to Legislative Decree 231/2001

Piaggio & C.'s internal control and risk management system is completed by the Organisational, Management and Control Model for the prevention of offences pursuant to Legislative Decree 231/2001 (the "Model"), which Piaggio & C. has adopted since 2004 and, most recently updated on 30 October 2023 with a resolution approved by the Board of Directors.

In compliance with Legislative Decree no. 24 of 2023, the Model has been amended and integrated with the new reporting system, referred to in the Piaggio Group Whistleblowing Policy. The scope of application of the rules has been broadened and the protections provided for whistleblowing cases have been strengthened. Reports may not only concern unlawful conduct relevant under Decree 231 and violations of the Model, but also violations of national law (administrative, accounting and criminal offences) and European law.

Within this framework, the role of the Supervisory Body has been defined, which remains the direct recipient of reports insofar as it is competent, as well as the recipient of information flows in accordance with the provisions of the Model and the dedicated company procedure.

The Model opens with the Code of Ethics, followed by the General Principles of Internal Control and the Guidelines of Conduct, and is divided into two parts.

The first, of a general nature, opens with an overview of the reference legislation, followed by an introductory part on the function of the Model and its operation within the Company; this is followed by the Disciplinary System and a description of the role, composition, operation and duties of the Supervisory Body.

The second part of the Model, called the 'special' section, formalises specific decision-making protocols to guide the company's activities in accordance with indications in the model, in relation to the individual groups of crimes which this section is divided into. The Model, which is widely disseminated by e-mail to all Piaggio Group employees in Italy and published on the company intranet, is constantly monitored and periodically updated. The Group also organises e-learning training programmes for all employees excluding blue collar workers. The general section of the Model is available on the institutional website (www.piaggiogroup.com) in the Governance/Governance System section.

Social and environmental policies and guidelines

The Piaggio Group has adopted a policy system to ensure compliance with the principles of fairness, transparency, honesty and integrity in line with international standards on responsible business management.

The Group operates in different geographical, legislative and cultural contexts. Therefore, the application of policies and guidelines is left to individual companies through the issue of operational practices and procedures.

Anti-corruption

As set out in the Code of Ethics, in pursuing its mission, the Group ensures, through the adoption of appropriate instruments, including organisational tools, an absolute prohibition on any practice of corruption, of requesting and/or granting favours, of any collusive behaviour, of solicitation, direct/indirect and/or through third parties, of personal advantages of any kind for oneself and/or others, of material benefits and/or any other advantage of any entity in favour of third parties, whether private or public, whether representatives of Italian or foreign governments.

In participating in public tenders or competitions organised by the Public Administration, as well as in any negotiation or contractual relationship stipulated/conducted both with the Public Administration and with private third parties, all parties involved must behave in good faith and in compliance with laws, correct business practice and regulations in force, as well as the relevant company procedures, avoiding any situation that may result in the violation of laws and/or principles of fairness and transparency in the performance of contract negotiations. These relations must only be entered into by persons previously and expressly authorised to do so, respecting their roles and in compliance with corporate procedures; adequate mechanisms must also be in place to trace information flows to the contracting party. Any request for advantages, any intimidating and/or coercive conduct, or harassment by an officer of the Public Administration or the third party contractor, even if a person has only become aware of them, must be reported immediately.

Managers of functions, which have regular contact with the Public Administration, must:

- give their staff instructions on how to act and operate in formal and informal contacts with various public entities, according to the specific aspects of their activity, transferring knowledge of the rules and awareness of situations at risk of offences being committed;
- provide adequate traceability mechanisms for official information flows to the Public Administration;
- maintain and require from those who have relations with the Public Administration a conduct characterised by fairness, transparency, traceability and good faith, in compliance with the roles and responsibilities assigned; observe, and ensure strict compliance, also specifically regarding relations with the Public Administration, with corporate procedures aimed at identifying and outlining in the abstract the functions and positions that are competent and delegated to enter into contact with the Public Administration, in compliance with corporate roles;
- make truthful, clear, complete and traceable declarations to public authorities, and produce complete, truthful and unaltered documents and data;
- behave in a correct and clear manner so as not to even potentially mislead counterparts. All consultants, suppliers, customers and anyone who has relations with the Group are committed to compliance with the laws and regulations in force in all countries where the Group operates.

No relationship will be entered into or continued with anyone who does not intend to observe this principle.

The appointment of such persons to act on behalf and/or in the interest of the Group in dealings with the Public Administration must be made in writing and include a specific clause binding them to comply with the ethics and principles of conduct adopted by the Group.

A conduct identical to that indicated with regard to relations with the Public Administration must also be maintained in relations with any private third party, such as suppliers, customers, competing companies, partners and/or any contractual counterparty.

When applying to the State or other public body or the European Union for contributions, subsidies or funding, all employees involved in such procedures must:

- behave in a fair and truthful manner, using and submitting complete statements and documents relating to the activities for which benefits may be legitimately claimed and obtained;
- once requested funding has been obtained, it must be allocated for the purposes for which it was requested and granted. The heads of the administrative/accounting functions must check that each operation and transaction is: legitimate, consistent, appropriate, authorised, verifiable; correctly and adequately recorded so as to allow for the verification of the decision-making, authorisation and performance process; accompanied by correct/authentic documentary support suitable to allow, at any time, checks on the characteristics and reasons for the operation and the identification of the person who authorised, carried out, recorded, and verified it.

It should be noted that no corruption incidents occurred during the reporting year.

Guidelines for compliance with laws and regulations

Group companies must comply with local laws and regulations and conduct their operations in line with the Code of Ethics and its core values of honesty, integrity and respect for people. The Code of Ethics supports Piaggio's commitments to be responsible and respectful and helps staff and contractors make informed, ethical and legal decisions. Suppliers all over the world who wish to do business with Piaggio must sign for acceptance the Group's general terms and conditions of supply, which include the Code of Ethics, thereby assuming their contractual obligation to comply with its principles and requirements, including in terms of respect for human rights and the protection of lawfulness in their activities.

In 2023 no infringement proceedings have been opened against the Piaggio Group for breach of anti-competition and anti-trust laws. At 31 December 2023, there were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotions and sponsorship.

For a detailed description of outstanding disputes related to non-compliance with laws or regulations, please refer to section 50 of the Notes to the Consolidated Financial Statements. In this section, significant disputes for the Group are analysed. Considering that any lawsuits deemed to be specious and, in any case, those with potential damages of less than €200,000 are excluded a priori, the lawsuits deemed significant are reported as a result of applying a quantitative criterion (threshold of €1.5 million) combined with a qualitative criterion (insurance cover, risk of losing the case, subject of the lawsuit, its serial nature, etc.), so that even cases with a value below the quantitative threshold could be reported in light of their specific nature and cases with a value above the quantitative threshold might not be reported if the risk of losing the case was remote and/or were covered by an insurance policy.

Finally, it should be noted that no new significant litigation cases were opened during 2023. During the year, payments of €/000 2,614 were made for disputes, closed or still pending, all relating to reporting periods prior to 2023.

Guidelines for the respect of human rights

The Piaggio Group complies with the Guiding Principles on Business and Human Rights adopted by the United Nations in 2011 and the Declaration on Fundamental Principles and Rights at Work adopted by the International Labour Organisation in 1998.

It recognises the importance of its role in condemning any violation of human rights, and to this end continuously improves and adapts the policies and instrumental controls it has in place to prevent any potential violation that could affect the Group or its supply chain.

Group companies comply with national and international laws and regulations and conduct their business in accordance with the Code of Ethics. Suppliers around the world who wish to do business with Piaggio must sign the Group's general conditions of supply, which include the Code of Ethics, and must adopt its values.

Piaggio considers the proper practice of whistleblowing to be a key component in ensuring the effectiveness of its compliance programmes and is committed to ensuring that all of its activities are conducted ethically and with the highest integrity. All persons in contact with the organisation as part of their work activities play a key role in reporting and preventing violations of laws, procedures and internal policies and in maintaining the highest standards of ethical, moral and legal conduct. For this reason, the Company encourages its employees and anyone who has a working relationship with the organisation to report any suspicions of misconduct, with the guarantee of full confidentiality. No retaliatory measures against the reporting person or persons close to him/her will be tolerated.





THE ENVIRONMENTAL DIMENSION

Piaggio has organised its processes and activities through a management system for Quality, the Environment and Occupational Health and Safety, to guarantee a sustainable development model that ensures not only lasting success but also the satisfaction of stakeholders' expectations (investors, shareholders, employees, suppliers, social community, public administration).

One of the key points of the Group's Policy, set out by top management and which forms the basis for the environmental certification processes (ISO 14001) already undertaken and maintained at the various production sites, and an essential reference for all companies wherever they operate, is Environmental Sustainability, intended as the capacity to safeguard natural resources and the ecosystem's ability to absorb the direct and indirect impacts generated by production activities.

The renovation project at the Mandello del Lario site reflects the Group's constant focus on environmental sustainability and efficient use of resources. The new buildings will be constructed using the existing volumes, with a choice of materials focused on an efficient management of energy resources, photovoltaic systems and low environmental impact materials.

In particular, Piaggio is committed to reducing the environmental impact of its industrial activities through careful definition of product design, the technological processing cycle and the use of the best technologies and most modern production methods. The pursuit of these eco-friendly objectives generates a path of continuous improvement in environmental performance that is not limited to the production phase, but embraces the entire product life cycle.

The phases of a vehicle's life cycle that determine the greatest environmental impacts can be summarised as follows:



In the raw materials/components procurement phase, the main impact derives from reduction and distribution, which involves direct and indirect CO₂ emissions, water consumption and waste generation. Although these impacts are difficult for the Group to monitor, Piaggio has calculated Scope 3 emissions from goods and services purchased using the expenditure-based method.



In the production phase, the greatest impacts are related to the consumption of electricity and natural gas which results in direct and indirect CO₂ and other emissions, water consumption mainly related to painting, and the amount of waste produced. All these impacts are monitored and reported on in the following pages.



In the distribution phase, the impact stems from the fuel consumption of vehicles used to transport finished products, spare parts and accessories. Piaggio is assessing how to estimate these impacts, which are currently not monitored due to the difficulty in obtaining data.



In the customer use phase, the impact derives from the fuel consumption of vehicles and the eventual disposal of consumables and worn components. Although these impacts are difficult for the Group to monitor, Piaggio has made estimates to calculate Scope 3 emissions resulting from the use of products sold. Piaggio promotes a safe and responsible riding behaviour and studies vehicles that are increasingly environmentally friendly.



Finally, in the decommissioning phase, the impact derives from the activity of dismantling the various components for recovery or disposal. All vehicles are designed for effective end-of-life disposal. Group vehicles have a particularly long life. The Vespa maintains a high second-hand value and is collected by a large group of enthusiasts.

The following sections provide quantitative evidence of the Group's commitment to mitigating the environmental impacts of conducting its business.

The initiatives implemented and objectives for a future focus address the following areas:

- maintenance of environmental certifications for all plants;
- reduction of energy consumption;
- reduction of CO₂ emissions and other pollutants;
- conservation of water resources;
- waste management and recovery;
- absence of soil contamination;
- logistics.

It should be noted that the data in the following tables refer only to production plants. The Group also operates through commercial companies (distributors and selling agencies) and research centres located in the various reference markets. The consumption of natural resources of these locations is not currently reported as the data are not significant on the whole and cannot always be measured. In fact, most of these activities operate in buildings that they do not own and where services are shared with other tenants.

To confirm the above commitments, the Piaggio Group has defined a set of measures in its decarbonisation plan, detailed above, that will contribute to reducing Scope 1, 2 and 3 CO₂ emissions by 2030 and achieve zero emissions 2050.

Environmental management system

The Piaggio Group has defined a specific organisational structure to pursue environmental sustainability objectives at its production sites.

For sites located in Italy, the responsibilities and roles of the Environmental Management System (EMS) with the Organisational Units/Functions involved are indicated in the Quality, Environmental, Health and Safety Management Systems Manual.

THE ENVIRONMENTAL ORGANISATIONAL STRUCTURE OF THE PIAGGIO GROUP'S ITALIAN SITES

	ENVIRONMENTAL MANAGEMENT SYSTEM
Management Representative	Quality System Manager
Management System Manager	General Plant Manager
Coordination and control	Environmental Manager
Audit	Process Auditor (Internal Auditor)

The Environmental Management System Manager reports to the Processes Quality System & Cost Engineering Management Representative on the performance of the Management System and any needs for improvement. The Head of the Environmental Management System - the General Plant Manager, has a notarised power of attorney to oversee relevant obligations, while the Environmental Managers are selected by the Head of the Environmental Management System and appointed by the latter after obtaining a favourable opinion of the Head of the Department to which the appointee belongs.

The subsidiaries in Vietnam, Indonesia and India (PVPL) have EHS (Environment Health and Safety) teams dedicated full-time to environment, health and safety, with well-defined roles and responsibilities. The EHS team at Piaggio Vietnam is led by the Technology and Maintenance Manager, who reports to the Director of Operations, and a full-time resource oversees the management of environmental issues.

Piaggio Indonesia's EHS team, coordinated by the Human Resources Manager and supported by technical resources from the Operations Department, ensures compliance and awareness of the importance of EHS issues.

PVPL's environmental team, consisting of managers, engineers and operators, is within the Maintenance function and reports to the Director of Operations.

Environmental certification

For several years now, the Piaggio Group has been implementing an environmental management system at its sites that complies with the UNI EN ISO 14001 international standard. In 2023, this certification was also obtained by the Indonesian production site opened in 2022.

Energy consumption

Although the structure of the Group's production sites is designed on the basis of power sources that use energy from fossil fuels, Piaggio nevertheless tends to optimise the management of existing plants in order to reduce consumption. The Group's policy is to optimise plant management and minimise energy waste. In more complex activities, in particular, having an extensive monitoring network for the main energy vectors is a decisive factor in achieving noticeable results. This is the case at the Pontedera plant, where a decisive step was already taken in 2016 to research and reduce energy waste thanks to the implementation of the Smart Metering system, which makes the consumption measured by more than 90 meters in the area usable, observable, comparable in almost real time (with a 3-hour delay) and analysable. In addition, when reorganising plants or restructuring them, the Technologies Department carries out assessments and studies to introduce machinery and methodologies that minimise environmental impact. With this in mind, the Group is studying the construction of new photovoltaic energy production plants to meet part of the energy needs of the Pontedera and Mandello del Lario sites and expand the existing plant at Baramati.

ENERGY CONSUMPTION OF PIAGGIO GROUP PLANTS⁵¹

		PONTERERA	NOALE AND SCORZE'	MANDELLO DEL LARIO	BARAMATI	VINHPHUC	JAKARTA	TOTAL
Electricity (Thousands KWh)	Renewable 2023	-	-	-	1,473	3	-	1,476
	Non-renewable 2023	28,143	3,857	587	14,932	15,284	347	63,150
	Total 2023	28,143	3,857	587	16,405	15,287	347	64,626
	Renewable 2022				373	3		376
	Non-renewable 2022	31,373	4,227	896	17,931	19,817	283	74,528
	Total 2022	31,373	4,227	896	18,304	19,820	283	74,904
	Delta 2023-2022	-10.3%	-8.8%	-34.5%	-10.4%	-22.9%	22.3%	-13.7%
Methane/Natural Gas (Sm ³)	2023	3,753,606	280,029	172,804				4,206,439
	2022	4,523,727	341,944	192,274				5,057,945
	Delta 2023-2022	-17.0%	-18.1%	-10.1%				-16.8%
GPL (Tons)	2023				1,029	19		1,049
	2022				1,135	40		1,176
	Delta 2023-2022				-9.3%	-52.1%		-10.8%
Diesel (Litres)	2023	3,076	345	0	15,917	573,010		592,348
	2022	1,824	395	120	14,994	912,243		929,576
	Delta 2023-2022	68.6%	-12.7%	-100.0%	6.2%	-37.2%		-36.3%

IN GJ ⁵²		ELECTRICITY	METHANE/ NATURAL GAS	GPL	DIESEL	TOTAL
Plants	2023	232,655	149,148	48,086	21,151	451,040
	2022	269,653	178,733	53,915	33,610	535,910
	Delta 2023-2022	-13.7%	-16.6%	-10.8%	-37.1%	-15.8%

51. Some values are estimates. It is specified that the Group did not purchase energy from renewable sources certified through guarantees of origin.

52. Energy and fuel consumption data expressed in GJ are calculated using the conversion standards proposed in the table of standard parameters published by ISPRA and the Ministry of the Environment and Energy Security (MASE) for 2023 and 2022. For electricity, the standard coefficient 1 KWh=0.0036 GJ was used instead.

FUEL CONSUMPTION FOR COMPANY CARS AND TEST VEHICLES⁵³

		PONTEDERA	NOALE AND SCORZE'	MANDELLO DEL LARIO	BARAMATI	VINHPHUC	JAKARTA	TOTAL
Petrol (litres)	2023	122,232	120,958	40,460	128,541	124,954	2,879	540,024
	2022	127,346	148,475	40,251	155,489	144,658	1,450	617,669
	Delta 2023-2022	-4.0%	-18.5%	0.5%	-17.3%	-13.6%	98.5%	-12.6%
Methane/Natural Gas (Sm ³)	2023	0.4						0.4
	2022	71						71
	Delta 2023-2022	-99.5%						-99.5%
GPL (Tons)	2023	2			0.1			2
	2022	0.0			0.3			0.3
	Delta 2023-2022	100%			-73.5%			480.2%
Diesel (Litres)	2023	126,228	32,019	11,146	115,811			285,204
	2022	127,495	46,226	4,785	66,380			244,886
	Delta 2023-2022	-1.0%	-30.7%	132.9%	74.5%			16.5%
CNG (Tons)	2023				6			6
	2022				2			2
	Delta 2023-2022				283.4%			283.4%
IN GJ ⁵⁴		PETROL	METHANE/ NATURAL GAS	GPL	DIESEL	CNG	TOTAL	
Company vehicles	2023	17,406	0	72	10,184	304	27,966	
	2022	19,837	3	12	8,854	71	28,778	
	Delta 2023-2022	-12.3%	-99.6%	480.2%	15.0%	327.8%	-2.8%	

In 2023, the Group's total consumption was 479,006 GJ, of which 5,314 GJ from renewable sources, compared to 564,688 GJ the previous year.

The reduction in overall consumption (-15.2%) was facilitated by the reduction in the number of vehicles produced and benefited from the implementation of many measures at the Group's various plants. The increase recorded by the Indonesian plant, linked to the extension of the working period (12 months in 2023 compared to 2 months in 2022), did not have a material impact on consumption for the entire Group.

Emissions of CO₂ and other pollutants⁵⁵

Among the most hazardous air pollutants generated by automotive operators are greenhouse gas emissions (mainly CO₂) and Volatile Organic Compounds (VOCs), released by solvents used in painting activities.

As already mentioned, the decreases in CO₂ emissions in 2023 were favoured by the decrease in production volumes and the implementation of some improvements at the Group's various plants, including the installation of a photovoltaic plant capable of satisfying 10% of the plant's energy needs at the Indian site at the end of 2022.

53. Some values are estimates.

54. The data relating to fuel consumption expressed in GJ are calculated using the conversion standards proposed in the table of standard parameters published by ISPRA and the Ministry of the Environment and Energy Security (MASE) for the year 2023 and for the year 2022. For CNG a conversion factor from the UK Government Department for Environment Food & Rural Affairs was used (DEFRA 2023 and 2022).

55. The 2022 CO₂ emission figures have been recalculated from those published in last year's document to conform to the calculation methodology used when preparing the Decarbonisation Plan.

The CO₂ emissions from the combustion of methane, natural gas, diesel and LPG used at the plants are shown below.

DIRECT CO₂eq EMISSIONS OF PIAGGIO GROUP PRODUCTION SITES⁵⁶

TONS	PONTEDERA	NOALE AND SCORZE'	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	JAKARTA	TOTAL
2023	7,530	562	346	3,068	1,581	-	13,087
2022	9,198	682	383	3,378	2,580	-	16,221
Delta 2023-2022	-18.1%	-17.6%	-9.6%	-9.2%	-38.7%	-	-19.3%

With reference to CO₂ emissions, the Pontedera industrial plant falls within the scope of the "Emission Trading" Directive (Directive 2003/87/EC), an instrument implementing the Kyoto Protocol. The site belongs to "Group A", relating to plants or establishments emitting the lowest level of CO₂ identified by the Directive.

The direct CO₂ emissions are almost entirely attributable to the combustion of methane and marginally to the combustion of diesel fuel in the emergency generators.

The monitoring and reporting of CO₂ emissions related to the Pontedera plant are regulated by a specific Group procedure which is periodically subject to an internal audit, and are also certified by an audit body accredited by the National Competent Authority (NCA) in March of each year.

The CO₂eq emissions from F-gas leakage from installations are shown below⁵⁷.

CO ₂ eq [T]	PONTEDERA	NOALE AND SCORZE'	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	JAKARTA	TOTAL
2023	316	0	-	102	714	-	1,132
2022	253	106	-	151	258	-	769
Delta 2023-2022	24.7%	-100.0%	-	-32.4%	176.8%	-	47.3%

The table below shows the CO₂eq emissions from the use of company cars and from testing and test vehicles.

TONS	PONTEDERA	NOALE AND SCORZE'	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	JAKARTA	TOTAL
2023	629	369	125	576	262	6	1,967
2022	640	472	107	511	313	3	2,046
Delta 2023-2022	-1.7%	-21.7%	16.3%	12.8%	-16.2%	92.6%	-3.8%

Overall, the Group's direct emissions in 2023 came to 16,187 tonnes (19,035 tonnes in 2022).

INDIRECT EMISSIONS⁵⁸ SCOPE 2 OF CO₂ FROM PIAGGIO GROUP PRODUCTION SITES

Location based

TONS	PONTEDERA	NOALE AND SCORZE'	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	JAKARTA	TOTAL
2023	7,540	1,033	157	10,691	12,290	277	31,989
2022	8,151	1,098	233	12,749	15,935	227	38,392
Delta 2023-2022	-7.5%	-5.9%	-32.4%	-16.1%	-22.9%	22.3%	-16.7%

56. For the calculation of Scope 1 emissions, the following were considered: i) for Italian factories, the emission factors published by ISPRA in the National Standard Parameters document; ii) for foreign factories, the emissions factors of the Department for Environmental Food & Rural Affairs (DEFRA).

57. Following the improvement of the data collection system and to comply with the calculation methodology used when preparing the Decarbonization Plan, the F-Gas emissions data from the Vietnamese site were included. Therefore the 2022 data published in the previous DNF have been restated, following the improvement of the data collection system.

58. Please note that Scope 2 emissions are expressed in tonnes of CO₂; however, the proportion of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂eq), as may be inferred from the relevant technical literature.

Market based⁵⁹

TONS	PONTEDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	JAKARTA	TOTAL
2023	12,862	1,763	268	10,691	12,290	277	38,151
2022	14,342	1,932	410	12,749	15,935	227	45,595
Delta 2023-2022	-10.3%	-8.8%	-34.5%	-16.1%	-22.9%	22.3%	-16.3%

For the location-based method, average emission factors for domestic power generation for the different countries of operation published by national government bodies were used. In particular: for the Italian plants, reference was made to ISPRA's publication "Emission Factors for the Production and Consumption of Electricity in Italy"; the emission data for the Indian plants were determined by applying the coefficients established by The Central Electricity Authority "CO₂ Baseline Database for the Indian power sector"; plant data in Vietnam were calculated using the coefficients established by the "Department of Meteorology, Hydrology and Climate change - Ministry of Natural resource and Environment Vietnam"; plant data in Indonesia were calculated using the coefficients established by the "Ministry of Energy and Mineral Resources. Indonesia". For the market-based method, the factor reported in the document Residual Mix Results, Association of issuing bodies (AIB) was used for the Italian plants. For the remaining countries, the same factors used for the location-based method were applied due to the impossibility of finding market-based emission factors.

SCOPE 3 INDIRECT EMISSIONS OF CO₂eq

Among the possible categories of indirect emissions, the Group has identified as most significant those related to 'purchased goods and services' and those generated by the 'use of products sold'.

For the "purchased goods and services" category, relative emissions were estimated considering the costs recorded in the Consolidated Financial Statements of the Piaggio Group (please refer to the tables Cost of materials and Cost of services in the Notes to the Consolidated Financial Statements) using the Scope 3 Ceda - "Comprehensive Environmental Data Archive" assessment tool, issued by GHG Protocol.

The emission figure for 2022 has been restated from that published in the NFS 2022 because until last year, the 'Scope 3 evaluator' calculator released by the GHG Protocol in cooperation with Quantis was used, which has been discontinued since August 2023.

For the category 'use of products sold', relative emissions were estimated by applying specific emission factors to the vehicles sold and estimating the annual kilometres travelled. The emissions figure was restated from last year's document to conform to the calculation methodology used when preparing the decarbonisation plan and in particular it was recalculated by including Well-to-Tank emissions.

tCO ₂ eq ⁶⁰	2023	2022	DELTA	DELTA %
Use of products sold	4,555,597	5,152,081	(596,484)	-11.6%
Purchase of goods and services	533,218	653,926	(120,708)	-18.5%
Total	5,088,816	5,806,007	(717,191)	-12.4%

59. The CO₂ emissions data from Italian sites for 2022 have been restated compared to what was published in last year's document to conform to the calculation methodology used when preparing the Decarbonisation Plan: in particular, a more updated version of the factors was used of issue published by ISPRA.

60. For the calculation of Scope 3 category 1 emissions "Purchase of goods and services", the EEIO (Environmentally Extended Input Output) emission factors were used, specifically from the Consumption-based accounting tool database of March 2022, both for the year 2022 and for the year 2023. For the calculation of Scope 3 category 11 emissions "Use of products sold", the emission factors of DEFRA (Department for Environmental Food & Rural Affairs) 2023 and IEA Emissions were used respectively Factors 2023, for the year 2023. For 2022, the DEFRA 2022 and IEA Emissions Factors 2022 were used respectively.

Emission intensity

In 2023, the Group improved the efficiency standards of its production processes compared to the previous year. The table below shows the results achieved:

EMISSION INTENSITY (SCOPE 1 + SCOPE 2 LOCATION-BASED)

	EMISSIONS SCOPE 1+ SCOPE 2 ⁶¹ TONS OF CO ₂ eq	NET REVENUES MILLION EUROS	VEHICLES PRODUCED UNITS/000	EMISSIONS/ NET REVENUES TONS OF CO ₂ eq / MILLION EUROS	EMISSIONS/ VEHICLES PRODUCED TONS OF CO ₂ eq / UNIT/000
2023	46,208	1,995	534	23	86
2022	55,381	2,087	611	27	91
Delta	(9,173)	(93)	(77)	(3)	(4)
Delta %	-16.6%	-4.4%	-12.6%	-12.7%	-4.5%

The following shows the emission intensity considering indirect scope 3 emissions (categories 'goods and services purchased' and 'use of products sold'):

EMISSION INTENSITY (SCOPE 3)

	EMISSIONS SCOPE 3 TONS OF CO ₂ eq	NET REVENUES MILLION EUROS	SALES VOLUMES UNITS/000	EMISSIONS/ NET REVENUES TONS OF CO ₂ eq/ MILLION EUROS	EMISSIONS/ SALES VOLUMES TONS OF CO ₂ eq/ UNIT/000
2023	5,088,816	1,995	560	2,551	9,095
2022	5,806,007	2,087	625	2,781	9,283
Delta	(717,191)	(93)	(66)	(230)	(188)
Delta %	-12.4%	-4.4%	-10.5%	-8.3%	-2.0%

Total Piaggio Group emissions amounted to 5,143,153, including indirect Scope 2 emissions calculated using the market-based method.

OTHER SIGNIFICANT EMISSIONS FROM PIAGGIO GROUP PRODUCTION SITES⁶²

	PONTEDERA	BARAMATI	VINH PHUC	JAKARTA	TOTAL	
COV (Tons)	2023	19.2	342.9	0.3	-	362.5
	2022	29.2	407.1	0.3	-	436.6
	Delta 2023-2022	-34.1%	-15.8%	0.0%	-	-17.0%

In 2023, there is a general decrease in VOCs emitted compared to 2022. This decrease is mainly attributable to the reduction in production volumes.

	PONTEDERA	BARAMATI	VINH PHUC	JAKARTA	TOTAL
SOX (Tons)	2023		0.3		0.3
	2022				
	Delta 2023-2022			100%	

61. Emissions from company cars and test vehicles are excluded.

62. The data reported were processed considering the VOC emission in terms of hourly mass flow, based on periodic monitoring, and the number of operating hours of the plants in the reporting year. The indicator considers VOCs (Volatile Organic Compounds) released by solvents used in painting activities.

Conservation of water resources

Water consumption is one of the main aspects on which Piaggio acts and has acted to put into practice what is stated in its Policy, i.e. to seek a reduction in the consumption of energy and natural resources. Piaggio has always pursued this reduction in all its plants. Well water consumption at the Pontedera plant has been more than halved in a decade. This reduction was made possible by plant engineering measures (e.g. inverters on well pumps) and more recently with the replacement of less performing systems with latest generation technologies (e.g. new 2W paint and new cataphoresis).

The factories in Baramati and Vinh Phuc, also with a view to reducing supplies of the resource, reuse part of the water they withdraw. To date, the Group does not have any collaborations with stakeholders aimed at shared management of the water resource.

The Pontedera, Baramati and Vinh Phuc plants are located in high water stress areas (Source: Aqueduct Water Risk Atlas).

WATER WITHDRAWAL

MEGALITRES	PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	JAKARTA	TOTAL	OF WHICH AREAS WITH WA- TER STRESS	
2023	Groundwater (total)	125	5	0	0	0	131	125	
	Fresh water (≤1,000 mg/l total dissolved solids)				0		0	0	
	Other types of water	125	5	0	0		131	125	
	Third-party water resources (total)	53	14	1	251	112	432	415	
	Fresh water (≤1,000 mg/l total dissolved solids)				251	112	363	363	
	Other types of water	53	14	1	0		69	53	
Total	178	19	1	251	112	2	563	541	
2022	Groundwater (total)	126	7	4	0	0	137	126	
	Fresh water (≤1,000 mg/l total dissolved solids)				0		0	0	
	Other types of water	126	7	4	0		137	126	
	Third-party water resources (total)	62	14	1	268	126	472	456	
	Fresh water (≤1,000 mg/l total dissolved solids)				268	126	394	394	
	Other types of water	62	14	1			78	62	
Total	188	22	6	268	126	0	609	581	
Change	Groundwater (total)	(0)	(2)	(4)	0	0	(7)	(0)	
	Fresh water (≤1,000 mg/l total dissolved solids)	0	0	0	0	0	0	0	
	Other types of water	(0)	(2)	(4)	0	0	(7)	(0)	
	Third-party water resources (total)	(10)	(0)	(0)	(17)	(14)	1	(39)	(40)
	Fresh water (≤1,000 mg/l total dissolved solids)	0	0	0	(17)	(14)	0	(31)	(31)
	Other types of water	(10)	(0)	(0)	0	0	1	(9)	(10)
Total	(10)	(2)	(5)	(17)	(14)	1	(46)	(40)	
Change %	-5.2%	-10.8%	-84.7%	-6.3%	-11.0%	100%	-7.6%	-7.0%	

In 2023, the water withdrawal figure decreased as a result of the decrease in activity volumes.

The opening of the new Indonesian plant, as an assembly plant only, did not generate significant impacts in terms of water use.

WATER DISCHARGES⁶³

MEGALITRES		PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	JAKARTA	TOTAL	OF WHICH WATER-STRES- SED AREAS
	Third-party water resources	178	19	1	0	89	0	288	268
2023	Fresh water (≤1,000 mg/l total dissolved solids)					89		89	89
	Other types of water	178	19	1				198	178
Total		178	19	1	0	89	0	288	268
	Third-party water resources	188	22	6	0	100	0	316	288
2022	Fresh water (≤1,000 mg/l total dissolved solids)					100		100	100
	Other types of water	188	22	6				215	188
Total		188	22	6	0	100	0	316	288
	Third-party water resources	(10)	(2)	(5)	0	(11)	(0)	(28)	(21)
Change	Fresh water (≤1,000 mg/l total dissolved solids)	0	0	0	0	(11)		(11)	(11)
	Other types of water	(10)	(2)	(5)	0	0		(17)	(10)
Total		(10)	(2)	(5)	0	(11)	(0)	(28)	(21)
Change %		-5.2%	-10.8%	-84.7%	N.A.	-11.0%	N.A.	-8.8%	-7.2%

As regards waste water, respect for the environment is based on attention paid to the treatment and purification processes of discharged water. The minimum standards for the quality of discharged water correspond to those imposed by the reference standards of the countries where Piaggio operates and by the specific environmental authorisations of each plant. It should be noted that no cases of non-compliance occurred during the year.

The destination of waste water, broken down by production site, is summarised below:

- **Pontedera:** the plant's drainage system is divided into two separate networks:
 - one that collects 'industrial' waste water, originating from the painting plants, the water preparation plant and the temporary waste storage areas that could result in the discharge of potentially polluted stormwater runoff;
 - the other collects 'civil' type waste water (toilets, canteens and unpolluted rainwater).

The two networks are separate and both discharge into a purification site outside the plant, where the wastewater undergoes chemical and physical treatment, after which it is discharged into an open bed. A small part, originating from the toilets in two areas of the plant, flows directly into the public sewage system, which connects directly to the biological plant of the integrated water service. From the tables above, it is assumed that all the water withdrawn is discharged into the sewage system, a part into the industrial network (about 100,000 m³) and the remainder into the civil network;

- **Noale:** the buildings are all connected to the public sewage system; waste water is only from civil use (coming from the plant's toilets and canteen);
- **Scorzè:** the plant is not served by a public sewage system, so waste water, after a biological purification process within the site, flows into the local Rio Desolino;
- **Mandello del Lario:** the plant discharges part of its waste water directly into the public sewage system (civil waste, from canteens, etc.), while the water used in the cooling plants discharges into surface water (the Valletta stream);
- **Baramati:** waste water is treated and reused for internal use and irrigation;
- **Vinh Phuc:** the plant is equipped with a chemical-physical purification plant for waste water from the painting pre-treatment before discharge into the public sewage system, where all other waste water (civil) from the plant is also conveyed. Final discharge is into the public sewage system. Part of the withdrawn water is reused. In 2023, the recovery of waste water amounted to 17,376 m³ or 15.5% of the water withdrawn;
- **Jakarta:** the factory is connected to the public sewage system; waste water is only civil (from the toilets and canteen).

63. The water discharges of the Vietnamese factory are estimated as 80% of the water withdrawals.
For Italian sites, the water discharges are estimated as 100% of the water withdrawals.

WATER CONSUMPTION

MEGALITRES	PONTERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	JAKARTA	TOTAL	OF WHICH WATER-STRES- SED AREAS
2023				251	22	2	275	273
2022				268	25		293	293
Change				(17)	(3)	2	(18)	(20)
Change %				-6.3%	-11.0%	100%	-6.2%	-6.7%

For Italian factories, consumption is estimated to be zero as water withdrawn after its use is returned to the environment.

Waste management and recovery

The Company's desire to minimise the environmental impact of its industrial activities through careful calibration of the technological processing cycle and the use of the best technologies and most up-to-date production methods, as set out in its Policy, is also, and above all, expressed through waste management and recovery. Within the Management System based on the ISO 14001 standard, each plant has specific procedures that regulate waste management, guaranteeing above all the necessary compliance with the regulations, but above all the continuous improvement of performance aimed at reducing the quantity of waste produced and ensuring it is recycled.

The management activities consist of separate collection of the different types of waste, their correct categorisation through product classification or chemical analysis, internal handling without the possibility of accidental spillage, storage in suitable temporary storage areas, the definition of contracts with companies specialised in recovery/disposal, and the management of all formalities, including paperwork, to ensure traceability of the waste until it reaches the final recipient.

In 2023, there was a 14% increase in waste generated, which is mainly related to the full operation of the Indonesian site, which had contributed only two months in 2022. The data of the latter are aggregated in the following tables together with those of Vietnam under the column "Asia Pacific".

It should be noted that for Italian plants, the percentage of waste sent for recovery exceeds 92% of the waste produced.

The division between hazardous and non-hazardous waste, as well as the possibility of sending waste for recovery, is affected and influenced by local regulations.

TONS	ITALY			INDIA			ASIA PACIFIC			TOTAL		
	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL
2023												
Hazardous	677	284	961	32	118	149	1,538	-	1,538	2,247	402	2,649
Non-hazardous	78	8,271	8,349	276	1,794	2,070	2,092	469	2,561	2,446	10,534	12,981
Total	754	8,555	9,310	308	1,912	2,220	3,631	469	4,100	4,693	10,936	15,629
2022												
Hazardous	368	489	857	26	164	190	1,524	-	1,524	1,917	654	2,571
Non-hazardous	51	7,963	8,013	315	1,610	1,925	814	369	1,184	1,181	9,942	11,122
Total	419	8,452	8,871	341	1,774	2,115	2,338	369	2,707	3,098	10,596	13,694
Delta 2023-2022												
Hazardous	309	(205)	104	6	(47)	(41)	15	0	15	330	(252)	77
Non-hazardous	27	308	335	(39)	184	145	1,278	100	1,378	1,266	592	1,858
Total	336	103	439	(33)	137	105	1,292	100	1,392	1,596	340	1,936

2023 TONS	ITALY			INDIA			ASIA PACIFIC			TOTAL		
	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL
Inorganic waste from chemical processes	-	-	-	-	-	-	-	-	-	-	-	-
Paints, varnishes and glazes, enamels, adhesives, sealants and inks	-	72	72	95	70	165	709	-	709	804	142	946
Wastes from chemical surface treatment and coating of metals and other	5	-	5	30	1	31	-	-	-	36	1	37
Wastes from shaping and physical and mechanical surface treatment of metals and plastics	268	355	623	-	85	85	97	-	97	365	440	805
Waste from oil and liquid fuels	-	22	22	-	3	3	1	-	1	1	25	26
Waste from organic solvents, refrigerants and propellants	124	52	176	-	-	-	-	-	-	124	52	176
Waste from packaging, sanitary protection, cloth towels, filtering and protective materials not otherwise specified	140	6,295	6,435	0	1,430	1,430	579	366	945	720	8,090	8,810
Other waste not otherwise specified	49	384	433	1	65	66	398	25	423	448	474	923
Construction and demolition waste	168	1,326	1,494	181	51	232	-	15	15	349	1,392	1,741
Waste from health care	0	-	0	-	-	-	0	-	0	0	-	0
Waste from waste management facilities, off-site sewage treatment plants and preparation of water for human consumption and water for industrial use	-	-	-	-	-	-	285	-	285	285	-	285
Municipal waste	-	49	49	-	208	208	1,561	63	1,624	1,561	319	1,880
Total	754	8,555	9,310	308	1,912	2,220	3,631	469	4,100	4,693	10,936	15,629

2022 TONS	ITALY			INDIA			ASIA PACIFIC			TOTAL		
	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL	DISPOSAL	RECYCLING	TOTAL
Inorganic waste from chemical processes	3	-	3	-	-	-	-	-	-	3	-	3
Paints, varnishes and glazes, enamels, adhesives, sealants and inks	13	1	14	95	69	163	1,056	-	1,056	1,164	69	1,233
Wastes from chemical surface treatment and coating of metals and other	3	-	3	25	-	25	-	-	-	28	-	28
Wastes from shaping and physical and mechanical surface treatment of metals and plastics	7	701	708	0	98	99	101	-	101	109	799	908
Waste from oil and liquid fuels	1	11	11	-	6	6	0	-	0	1	17	17
Waste from organic solvents, refrigerants and propellants	207	-	207	-	-	-	-	-	-	207	-	207
Waste from packaging, sanitary protection, cloth towels, filtering and protective materials not otherwise specified	141	6,740	6,882	-	1,240	1,240	172	307	479	314	8,287	8,601
Other waste not otherwise specified	23	423	446	0	92	92	16	11	26	39	525	564
Construction and demolition waste	1	520	521	220	66	287	-	10	10	221	597	817
Waste from health care	0	-	0	-	-	-	0	-	0	0	-	0
Waste from waste management facilities, off-site sewage treatment plants and preparation of water for human consumption and water for industrial use	-	-	-	-	-	-	328	-	328	328	-	328
Municipal waste	20	58	78	-	203	203	665	42	707	685	303	988
Total	419	8,452	8,871	341	1,774	2,115	2,338	369	2,707	3,098	10,596	13,694

The analysis by type of waste produced shows the predominance of packaging waste (cardboard, wood etc.) and construction and demolition waste.

Soil contamination

In 2023, as in previous years, Piaggio plants were not affected by spills or polluting events of particular significance. For the Mandello and Pontedera sites, remediation activities are underway due to contamination of a historical origin. The above-mentioned situations came to light during demolition works, in the case of Mandello, and during environmental monitoring campaigns

in the case of Pontedera. In both circumstances, the pollutants found had not been used in the plants for several decades, proving their historical origin. In accordance with regulatory obligations, the two situations have been reported to the relevant bodies and are being managed in compliance with indications. As far as the Mandello site is concerned, it should be noted that the contaminated land has been removed and divided into 2 lots, one of which has already been audited and controlled by ARPA (the competent body) in 2023, which has confirmed the remediation, while for the second lot, analysis by ARPA is currently underway.

Disposal of end-of-life vehicles

Piaggio's concern for the environment is reflected in its commitment, starting from the design stage, to ensure the eco-compatibility of its vehicles even at the end of their useful life.

2 Wheels

Although no regulations on recyclability are currently in force or envisaged for two-wheeler vehicles, the Piaggio Group has moved ahead in this direction. Since the debut of the Sfera 50 (1990), the technologies and materials used in the design and construction of the Group's scooters and motorbikes have in fact been aimed at environmental compatibility and effective end-of-life disposal. Moreover, since 2008, Piaggio has changed the cartouches of drawings and the information provided in the bill of materials, in order to make it possible to control the materials used to build vehicles and optimise disassembly activities for an easier disposal process. An analysis of the recyclability characteristics of the Vespa GTS 300 ABS E5 according to ISO 22628 was carried out with the collaboration of UniFi. This was done by dismantling a real example of the vehicle and taking a census of all its components. The recyclability and recoverability values for the Vespa GTS 300 ABS E5 are reported below.

VESPA GTS 300 ABS E5	
Recyclability (Rcyc)	89.7%
Recoverability (RCOV)	97.9%

4-Wheelers

In the four-wheeler sector, regulations are similar to those applicable to cars.

With the introduction of the European Regulation REACH (Registration, Evaluation, Authorisation and Restriction of Chemical Substances) in 2007, automotive manufacturers follow the guidelines set out in the AIG (Automotive Industries Guidelines), including monitoring the use of hazardous/prohibited substances and checking the recyclability and recoverability rates of the materials used. In this regard, over the years, Piaggio has embarked on a challenging strategy to ensure a high level of recyclability of its vehicles, culminating in the production of a manual for end-of-life vehicle dismantling.

Piaggio constantly monitors the recyclability and recoverability rates of its vehicles according to an internal procedure that is consistent with the requirements of Directive 2000/53/EC, keeping these two indicators always above the permitted thresholds.

The indicators are calculated and supplied to the Approval Bodies in an ISO 22628 format, according to the tables of the European Commission. Starting from the production list of the complete vehicle, it is possible to trace the datasheet of each component kit with an indication of the relevant materials with codes and recycling and recoverability percentages.

The analyses carried out have also enabled the creation of a database, which keeps the material composition of vehicles and their recyclability and recoverability rates up to date, from the design stage onwards.

Below are the Recyclability and Recoverability values of the new Porter NP6 (calculated for the heaviest variant).

NEW PORTER NP6 SW LPG SR 2,12T	
Recyclability (Rcyc)	89.5%
Recoverability (RCOV)	98.9%

Logistics

The Finished Product Distribution Logistics system has an articulated configuration, as it has to guarantee the flow of vehicles to all countries in the world where the Piaggio Group is present. It is essentially based on two distribution systems, subdivided according to the various countries in which the vehicles are distributed:

- direct distribution, where vehicles are brought directly to the dealer under the dealer's mandate;
- distribution via importers, where the importer in the country of distribution directly transports the vehicles by collecting them from the hubs where they are stored.

For direct distribution, the Group uses specialised logistics operators, depending on the country of destination, that provide the service following the planning of the internal department in charge.

The Group has consolidated its out-bound logistics model, aimed at leveraging synergies among the various distribution hubs in Europe and identifying opportunities for optimisation, paying particular attention to the quality aspects of services.

To optimise distribution, the model provides for:

- the targeted management of departures and itineraries;
- the storage of vehicles produced in Italy at the distribution hub adjacent to the production hub, and of those imported from abroad at the distribution hub corresponding to the type of product.

The procedure also regulates:

- the vehicles and equipment used by logistics operators that are subject to Piaggio certification, according to relevant quality standards;
- the upgrading of internal shuttle systems with vehicles equipped with CO₂ emission reduction devices;
- the collection of packaging from dealers and disposal in accordance with local regulations;
- disposal with the separate collection of waste materials and replacement of packaging;
- printing only of necessary documents.

Thanks to the centralised management of all Italian logistics hubs (Pontedera, Scorzè, Mandello):

- the number of trips required to transfer stock between hubs has been optimised;
- the use of electronic archives for filing shipping documents and reducing paper copies has been consolidated;
- the paper printing of shipping documents to be sent to the end customer has been reduced to a minimum, using electronic documents wherever possible.

In 2023, a new contract was signed for the distribution of 2W vehicles, in which the planning of transport trips to directly managed markets is carried out directly by Piaggio logistics, in order to ensure a maximum focus on optimising distribution operations. The generally difficult transport situation has not allowed maximum efficiency to be achieved. In 2023, efficiency for distribution operations for commercial vehicles was +2.31%, while for 2W vehicles there was a substantial stability (-0.09%) compared to the previous year.

As part of the process to rationalise distribution warehouses at the Pontedera production site, the packaging process, which involves packing vehicles only at the shipping stage, has optimised vehicle stocks. This has meant that for scooters of overseas origin (excluding those from India), the trips required for transport to Europe have been optimised. Activities for the most complete dematerialisation of transport documents are being started, so as to almost completely eliminate the use of paper documents. The production hubs in India and Vietnam have also put in place procedures to minimise the number of trips for shipping vehicles produced and the consumption of packaging materials.



THE SOCIAL DIMENSION

Human resources development

Human resources, with their skills, capabilities and passion, are the cornerstone of Piaggio's competitiveness and growth.

A strategic vision, strong focus on results, constant pursuit of customer satisfaction, drive towards innovation and attention to future market scenarios are the main drivers that guide every action, both individual and collective, aimed at creating value for all stakeholders. People are the fundamental element that makes it possible to meet the challenges in an increasingly dynamic and competitive international scenario.

For these reasons, Piaggio places people at the centre of its organisation, ensuring their respect and protection in every Group company.

Staff

Over the years, the Group has always paid attention to continuously adapting its organisational structure to international best practices. In 2023, Piaggio continued to adopt organisational initiatives to support its commercial, innovation and new product development objectives, while maintaining a focus on efficiency and productivity targets.

At 31 December 2023, the Group had 5,925 employees, an overall increase of 1.5% compared to 31 December 2022.

COMPANY POPULATION BY GEOGRAPHIC SEGMENT AT 31 DECEMBER

NO. OF PEOPLE	2023	2022	2021
EMEA and Americas	3,278	3,260	3,295
<i>of which Italy</i>	3,007	2,989	3,026
India	1,442	1,369	1,328
Asia Pacific 2W	1,205	1,209	1,079
Total	5,925	5,838	5,702

AVERAGE SIZE OF COMPANY POPULATION BY PROFESSIONAL CATEGORY

NO. OF PEOPLE	2023	2022	2021
Senior management	114.6	111.3	108.9
Middle management	686.6	675.0	672.0
White collars	1,638.9	1,607.3	1,615.9
Blue collars	3,791.9	3,993.9	3,762.4
Total	6,232.0	6,387.6	6,159.2

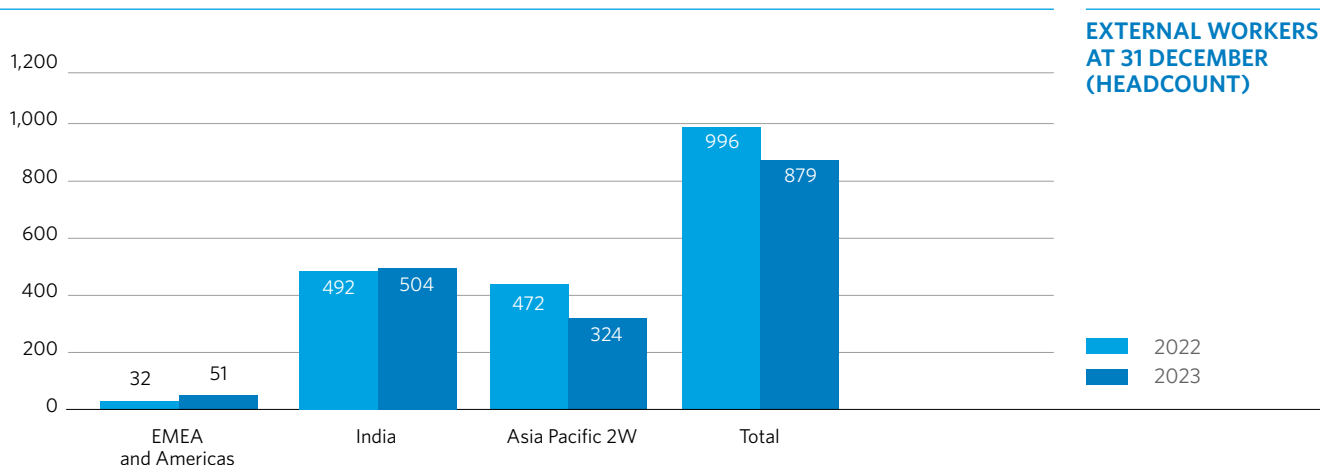
In 2023, the Group recorded an incoming turnover rate of 5.9% and an outgoing turnover rate of 7.4% (excluding fixed-term resources).

TURNOVER OF THE GROUP'S CORPORATE POPULATION AT 31 DECEMBER 2023

NEW RECRUITS															
NO. OF PEOPLE	< 30			30-50			> 50			TOTAL			% TURNOVER		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMEA and Americas	36	8	44	62	19	81	10	-	10	108	27	135	4.7%	2.7%	4.1%
India	63	3	66	110	4	114	5	-	5	178	7	185	12.7%	17.9%	12.8%
Asia Pacific 2W	4	9	13	12	3	15	1	-	1	17	12	29	1.8%	5.1%	2.4%
Total	103	20	123	184	26	210	16	-	16	303	46	349			
% Turnover	13.8%	16.8%	14.3%	7.8%	3.7%	6.8%	1.0%	0.0%	0.8%	6.5%	3.6%	5.9%			

LEAVERS															
NO. OF PEOPLE	< 30			30-50			> 50			TOTAL			% TURNOVER		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMEA and Americas	14	8	22	61	24	85	71	27	98	146	59	205	6.4%	5.9%	6.3%
India	25	4	29	115	4	119	38	3	41	178	11	189	12.7%	28.2%	13.1%
Asia Pacific 2W	12	3	15	25	4	29	-	-	-	37	7	44	3.8%	3.0%	3.7%
Total	51	15	66	201	32	233	109	30	139	361	77	438			
% Turnover	6.9%	12.6%	7.6%	8.5%	4.6%	7.6%	7.1%	6.5%	7.0%	7.8%	6.0%	7.4%			

The use of external workers within the Group is essentially limited to the Indian and Vietnamese plants and is linked to the need to cope with temporary peaks in demand, so external workers, mainly agency workers, are sought and hired during these periods. In addition, internships and external collaborations are used for the gradual addition of new graduates to the company, to complete training activities and taking into account the specific aspects and local regulations of each country. As of 31 December 2023, there were 879 external workers (-12% compared to 2022 when there were 996, a change that was not significant and correlated to the trend in production volumes).



Personnel management policy

Piaggio adopts personnel selection, development and remuneration systems that recognise and reward merit and performance. Any form of discrimination is explicitly prohibited by the Code of Ethics.

The central nature of human resources and the development of core competencies for the evolution of the business are at the heart of Piaggio's relationship with people and are reflected in the following company policies:

COMPETITIVE ORGANISATION

The Group pursues innovation in organisational forms as a means of building its competitive advantage and supports the creation of a multicultural, multinational, lean, customer-oriented and value-generating organisation.

Furthermore, Piaggio, in its relations with its employees and regardless of the type of work carried out, respects in all circumstances the principles enshrined in the Group's Code of Ethics and the legislation in force in the geographic segment where the Company operates.

Piaggio does not use workers below the minimum age thresholds defined by different countries, nor forced labour, and respects the main international laws, such as the UN Convention on the Rights of the Child (UNCRC) and The Human Rights Act of 1998.

SELECTION AND INTERNAL MOBILITY

2023 resourcing activities, in continuity with the previous year, focused on the recruitment of skills in areas with a high level of innovation in the fields of electric mobility, environmental matters, the supply chain and digital world. Recruitment on the external labour market focused on senior figures with high technical-specialist know-how.

In Europe, a number of managerial figures identified both through recruitment on the external job market and through the development of internal resources with professional growth paths were hired. In overseas areas, operations were carried out to cover turnover.



DEVELOPMENT AND CAREER

Development and career paths are mainly based on the assessment of managerial and technical skills, behaviour, performance and potential, with the aim of creating a pool of highly motivated resources to fill key positions.

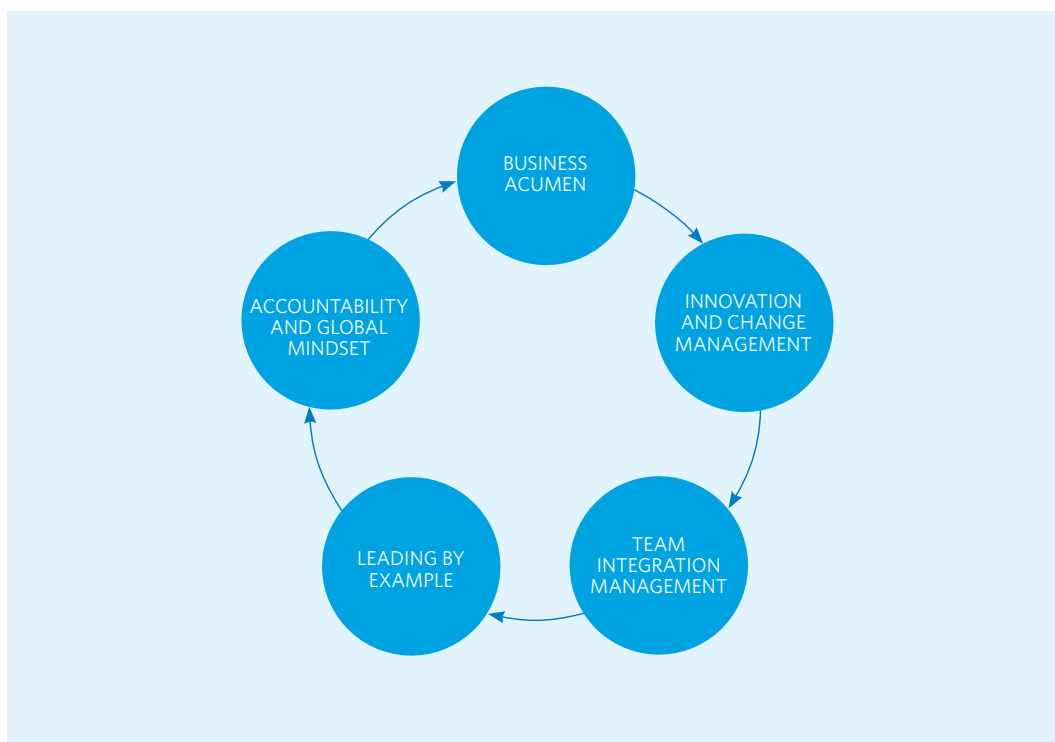
The development of core competencies, required by business and market evolution, is a priority. For this reason, the Group's human resources development policies are focused on building, maintaining and developing the determining factors for competing in international and constantly evolving contexts.

The managerial and professional competencies model

Piaggio has identified a managerial competencies model, which comprises the set of behaviours to be put into practice on a day-to-day basis, to ensure the Group's global success.

At the same time, it has developed a reference model of professional skills, which represent the wealth of professionalism and know-how that are the real foundations and the only guarantee of continuity and quality of results.

During 2023, the periodic detailed gap analysis was carried out to set up development and training plans for continual professional development.



**MANAGERIAL
COMPETENCIES
MODEL**

Development paths

The development tools are aimed at building and increasing the managerial and professional skills envisaged by the respective models, while at the same time enhancing potential, evaluating and rewarding excellent performance and safeguarding specific technical know-how. In detail, the tools provided by Piaggio include:

- development plans, which reflect the growth actions planned for the employee;
- job rotation and participation in strategic or international projects;
- management and professional training (see the section on 'training');
- talent management programme (see the section on 'talent management').

Career paths

Resources are encouraged to embark on a career path that leans in to continuous improvement through training and skills development, in order to successfully meet the changes and challenges of the near future.

Performance appraisal and succession planning processes are built to develop the technical skills and managerial capabilities of resources in order to consolidate the Group's leadership role. Expatriation and job rotation, combined with talent development programmes, are the key tools to stimulate the growth of its resources and lay the foundations to build the managerial class of tomorrow.

In line with the best practices proposed by the market, Piaggio has equipped itself with tools to monitor and manage succession plans for the Group's key positions, and in 2023 used the global IT platform to test the implemented methodology, which also takes into account the skills and performance measured annually.

APPRAISAL

The Group is careful to make the criteria and the way in which people are appraised transparent, in relation to:

- services provided,
 - managerial, professional and language skills possessed,
 - international mobility,
 - potential,
 - professional aspirations and goals,
- specific roles and business needs.

The appraiser and appraised employee have the possibility to share the result of the performance and competence appraisal and to integrate it with proposals for the definition of tailor-made development and training paths with a defined timing through the dedicated SAP SuccessFactors IT platform.

Competencies are appraised based on a comparison between the competencies envisaged by the corporate model for the specific role and those found in the appraised employee, substantiated by concrete behavioural indicators observable in daily activities. The appraisal process is carried out in an integrated manner on a dedicated IT platform and provides information for the processes of Succession Planning, Management Review and Gap Analysis of professional skills, which are applied uniformly at Group level.

PERCENTAGE OF THE CORPORATE POPULATION THAT RECEIVED PERFORMANCE AND CAREER DEVELOPMENT APPRAISALS IN BOTH 2022 AND 2023⁶⁴

	EMEA&AMERICAS	OF WHICH ITALY	ASIA PACIFIC 2W	INDIA
Senior management	100%	100%	100%	100%
Middle management	100%	100%	100%	100%
White collars	100%	100%	100%	100%
Blue collars	-	-	100%	-

Talent Management: the Talent Development Programme

Young talent management programmes are among the main tools for development, attraction and retention. These programmes are aimed at employees worldwide who demonstrate high potential, a strong passion for their work and the courage to break new ground, in order to identify and guarantee a path to growth for the most deserving resources.

In general, such programmes provide talent with access to bespoke development paths, which consist of:

- development appraisal;
- coaching;
- workshops on core topics;
- customised training;
- strategic and international projects;
- job rotation.

These programmes also include Piaggio Way, which involves under-35 employees from all Group geographical areas. Currently 23

64. The company population in force, working for at least 6 month during the appraisal period is considered.

employees actively participate in the programme, in addition to a community of 60 alumni who have completed their development path and remain an active part of the programme.

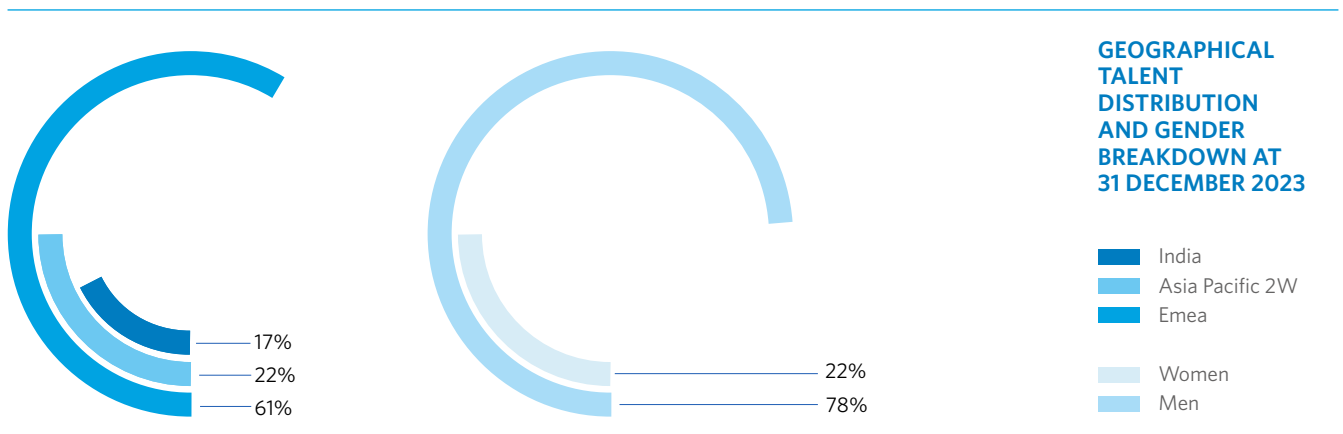
The geographical composition of active participants is as follows: 61% EMEA, 22% India, 17% Asia Pacific.

Access to the programme is on a meritocratic basis and also includes an assessment by a third party to guarantee an appraisal that is impartial and objective.

Membership of the programme is verified annually through a structured talent review process.

In 2023, the 'Managerial Empowerment' programme was launched with an initial pilot programme involving 13 employees in EMEA.

In early 2024, the programme is scheduled to be launched in India and Asia Pacific 2W.



TRAINING

Training is one of the tools used to consolidate and develop the skills of resources and strengthen their motivation. In particular, the Piaggio Group's training system is based on four main clusters: managerial, technical-professional, linguistic and Health & Safety (H&S).

Training is managed with the support of an IT tool that includes the following steps:

- annual analysis of training needs with line Managers, HR Managers and H&S (for safety aspects) taking into account the gaps emerging from performance appraisals, development and career plans and specific business projects;
- design of training activities consistent with the Piaggio competencies model;
- planning and delivery of courses with participant satisfaction surveys.

The analysis of training needs on occupational health and safety issues is carried out in cooperation with the Health & Safety function with the aim of fulfilling legal obligations, company procedures introduced to reinforce awareness and knowledge of specific risks and respond to any special needs.

More than 70 training/awareness-raising sessions for Indian employees on the prevention of Sexual Harassment crimes were provided in 2023.

TRAINING HOURS⁶⁵ BY AREA OF INTERVENTION AND GEOGRAPHIC SEGMENT

THEMATIC AREA	2023				2022			
	EMEA AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL	EMEA AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL
Management training	8,088	17,084	1,434	26,605	3,223	24,384	3,905	31,512
Technical - professional training	2,972	8,686	1,512	13,169	5,172	9,762	2,367	17,301
Language training	9,438	1,530	3,983	14,951	8,265	774	995	10,034
Health and Safety Training	12,983	6,784	13,686	33,453	20,589	10,755	7,061	38,405
Total	33,481	34,083	20,615	88,178	37,249	45,675	14,328	97,251

65. The figure does not include hours of on-the-job training.

The trend of training provided on health and safety issues is linked to regulatory deadlines and trends in production requirements. For example, in Italy in 2022 there was a massive campaign for mandatory refresher training.

In Italy, new management training courses have been set up to support development paths with a coaching-oriented approach to support the growth of resources through the acquisition of behaviour and skills consistent with the organisation's objectives and changes.

Technical and professional training focused on ICT, supply chain and product development issues also through internal training activities aimed at sharing Piaggio's distinctive skills.

Various training programmes have been conducted in Asia covering a wide range of topics, including language training, leadership development, communication skills and the acquisition of technical and industry-specific skills.

HOURS OF TRAINING BY GENDER

THEMATIC AREA	2023			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Management training	23,212	3,394	26,605	28,903	2,609	31,512
Technical - professional training	10,408	2,761	13,169	15,210	2,091	17,301
Language training	11,329	3,622	14,951	6,791	3,244	10,034
Health and Safety Training	28,253	5,199	33,453	31,274	7,130	38,405
Total	73,202	14,976	88,178	82,178	15,073	97,251

TRAINING HOURS BY PROFESSIONAL CATEGORY

HOURS	2023			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Senior management	1,126	94	1,219	665	45	710
Middle management	13,978	1,455	15,433	17,586	1,212	18,798
White collars	25,125	8,618	33,743	27,368	5,851	33,219
Blue collars	28,941	4,601	33,542	30,557	7,041	37,598
Other workers ⁶⁶	4,033	209	4,241	6,002	925	6,927
Total	73,202	14,976	88,178	82,178	15,073	97,251

PER CAPITA HOURS ⁶⁷	2023			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Senior management	10.6	15.6	10.9	6.1	6.4	6.1
Middle management	23.5	14.9	22.3	29.6	13.0	27.3
White collars	21.2	19.5	20.7	23.6	13.4	20.8
Blue collars	10.5	6.3	9.6	11.3	9.7	10.9
Total	14.9	11.5	14.2	16.7	11.2	15.5

66. This category includes agency workers and trainees.

67. The information reported for GRI 405-1 was used to calculate the per capita hours of training.

REWARDING

Reward policies aim to remunerate people and their contribution according to criteria of competitiveness, fairness and meritocracy, which are shared with transparency in the appraisal processes, in order to motivate and retain human resources that make important contributions to achieving company results.

The Group's rewarding system is differentiated according to the company population and includes a fixed remuneration component and variable incentive systems for objectives and benefits.

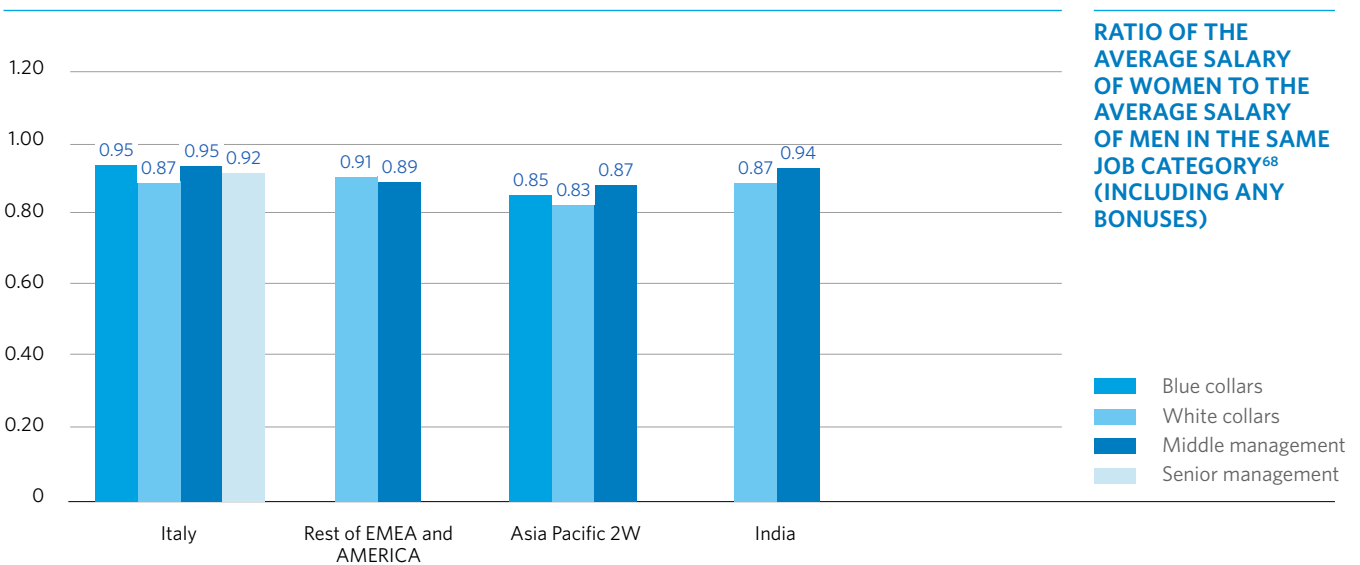
In Italy, since 2021, Piaggio employees have been able to use a digital platform to manage welfare services, where they can select the options provided for by their National Employment Contract and by supplementary company agreements.

Remuneration

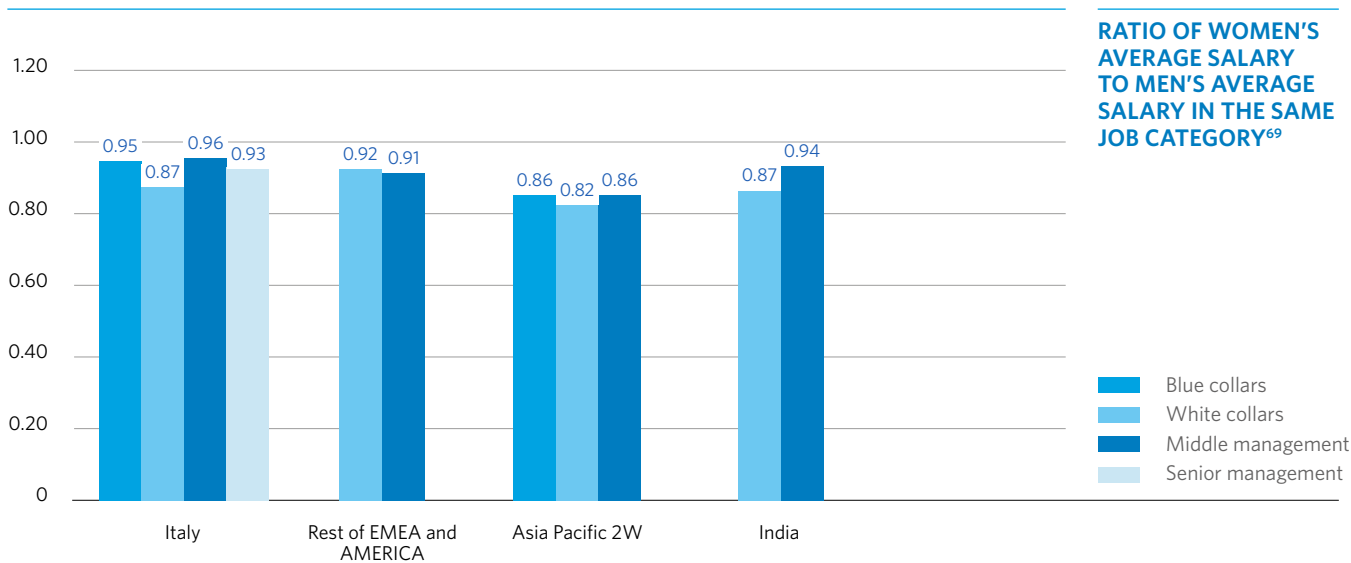
Piaggio offers its employees a salary package in line with best market practices. This is why it has adopted such a comprehensive salary review process:

- comparison of remuneration with market benchmarks, taking into account both the positioning of the company as a whole and the evaluation of individual organisational positions periodically reviewed, carried out using internationally recognised methodologies and with the support of specialised companies and industry leaders;
- definition of guidelines for salary review interventions, consistent with company results and based on criteria of meritocracy, competitiveness, internal fairness and sustainability;
- specific identification of fixed and variable remuneration interventions, consistent with defined guidelines, with meritocracy logics and with the retention needs of strategic resources for the business, also with a view to the development of roles defined through the succession planning process.

Internal analyses carried out at country level did not reveal any significant differences between the basic salary and remuneration of men and that of women for the same category, experience and assigned tasks. Below are graphs showing the ratios between basic salary and remuneration of women compared to men for each employee category, by significant location of activity where the Piaggio Group operates globally.



68. In the individual geographic segments, the categories not represented have no female employees or their small number would make the calculation meaningless. Data do not include expatriates.



Target-based incentive systems

The achievement of excellent results on targets set by the company is rewarded through variable incentive systems, focused on qualitative and quantitative objectives consistent with the business, as well as on the internal efficiency of each area of responsibility. The entire process of assigning objectives and reporting results is shared with the employee according to objective criteria.

Benefits

Piaggio offers a benefits package in line with local market best practice and segmented according to organisational logics, which includes, for example:

- a company car;
- supplementary health care;
- a company medical centre at main production sites;
- agreements with local authorities and facilities of interest to employees.

Benefits are provided for full-time, part-time and temporary workers alike.

DIVERSITY AND EQUAL OPPORTUNITIES

Piaggio operates on a global scale, with employees in Europe, America, India, Asia and China with a wide range of ages and genders. The heterogeneity of resources brings values and opportunities deriving from the different ways of pursuing and achieving the highest levels of performance within a single, broader Group organisational dimension.

Diversity management for Piaggio means recognising and respecting differences within a common substrate of corporate culture. Therefore, the Group seeks to exclude any type of discrimination, in particular concerning gender, age, nationality, ethnic origin, ideology and religious beliefs, operating in accordance with the laws, contractual obligations, practices, customs and culture of each of the countries where it operates.

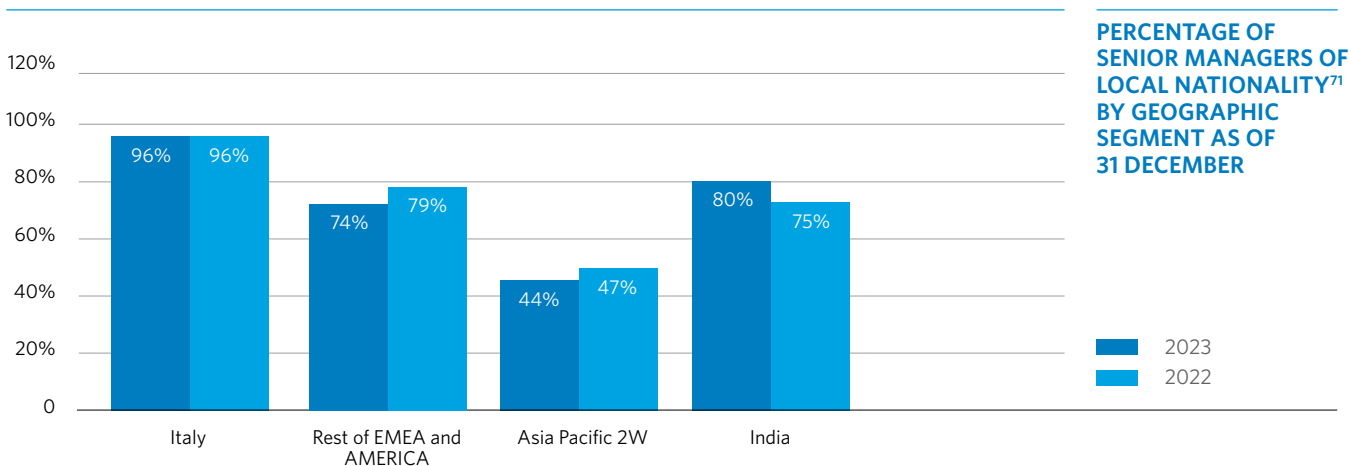
Concrete evidence of the Group's attention to diversity management is reflected in its adoption of the Code of Ethics, compliance with international legislation on equal opportunities and the issue of policies that protect the forms of diversity already present in the organisation.

The Group also disseminates its culture and values around the world through digital sharing platforms (corporate Intranet or support tools for HR activities such as Success Factor, Piaggio Global Training), with the aim of creating the conditions for the development of an international mindset and a multinational organisation that offers equal opportunities to all employees.

Human resources management processes are applied according to the same principles of meritocracy, fairness and transparency in all countries where the Group operates, with an emphasis on aspects relevant to the local culture.

69. In the individual geographic segments, the categories not represented have no female employees or their small number would make the calculation meaningless. Data do not include expatriates.

Piaggio selects and places its resources based solely on the characteristics and experience of candidates and the requirements of the position. As shown in the following chart⁷⁰, Piaggio promotes and supports the selection and placement of candidates from various parts of the world to contribute to the international mindset, which is a core value of the Group.



In order to promote and support intercultural exchange and diversity management, the mobility of human resources in the international sphere is also facilitated, encouraging the mutual assignment of employees among Group companies.

Women in the workplace

Women at Piaggio play a fundamental role at every level of the organisational structure. Females account for 21.6%, in line with the previous year in all professional categories.

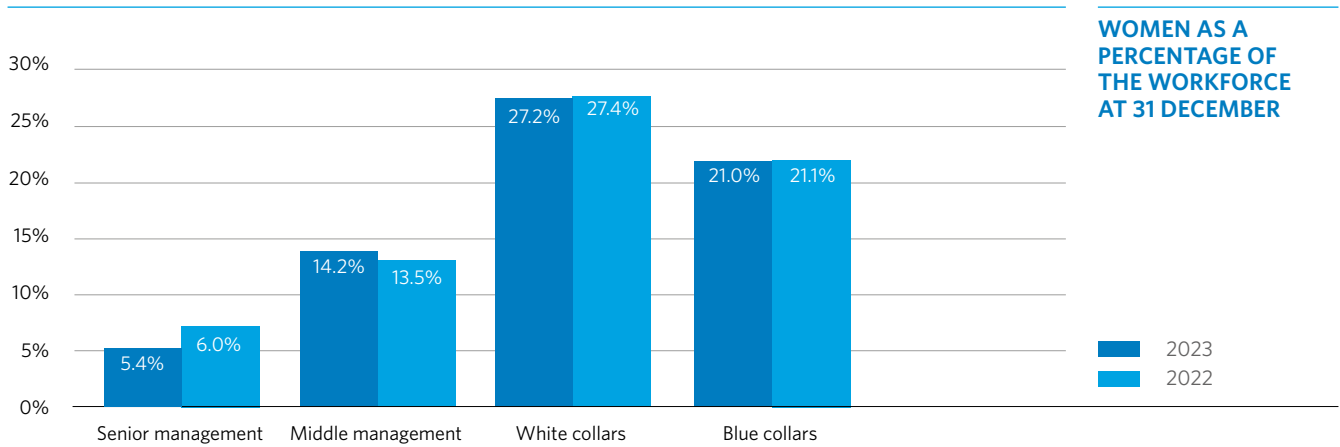
In this regard, we would like to mention the adoption of Female Advocacy initiatives aimed at facilitating the entry of women in the company at the Indian affiliate (e.g. ,ad-hoc selection activities at technical training institutes and awareness-raising training activities) and the Vietnamese affiliate (e.g. , celebration of Vietnamese Women's Day).

COMPANY POPULATION BY GENDER AND GEOGRAPHIC SEGMENT AREA AS OF 31 DECEMBER

	2023				2022			
	MEN NO.	%	WOMEN NO.	%	MEN NO.	%	WOMEN NO.	%
EMEA and Americas	2,274	69.4%	1,004	30.6%	2,244	68.8%	1,016	31.2%
<i>of which Italy</i>	2,057	68.4%	950	31.6%	2,032	68.0%	957	32.0%
India	1,403	97.3%	39	2.7%	1,336	97.6%	33	2.4%
Asia Pacific 2W	968	80.3%	237	19.7%	995	82.3%	214	17.7%
Total	4,645	78.4%	1,280	21.6%	4,575	78.4%	1,263	21.6%

70. Senior managers are considered to be the first and second hierarchical levels of top management of Piaggio & C S.p.A. and the first and second hierarchical levels of Subsidiaries. The term local refers to national level, and local senior managers means senior managers with a nationality corresponding to the country where they operate.

71. Local is defined as the geographic segment of reference indicated.



COMPANY POPULATION BY CONTRACT TYPE, GENDER AND GEOGRAPHIC SEGMENT AS OF 31 DECEMBER 2023⁷²

NO. OF PEOPLE	FIXED-TERM CONTRACT			OPEN-ENDED CONTRACT		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMEA and Americas	9	2	11	2,265	1,002	3,267
<i>of which Italy</i>	5	2	7	2,052	948	3,000
India	272	15	287	1,131	24	1,155
Asia Pacific 2W	252	73	325	716	164	880
Total	533	90	623	4,112	1,190	5,302

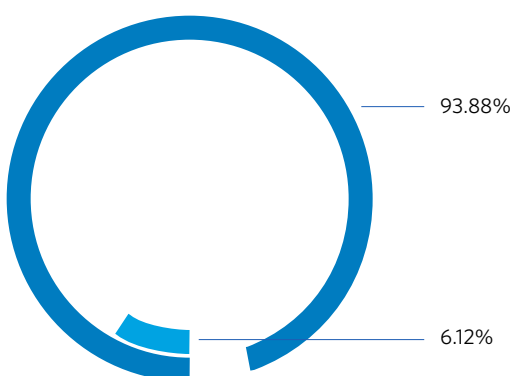
Equal opportunities are offered to employees of both genders, with concrete initiatives to facilitate management of the work-life balance, such as the introduction of contract types other than full-time.



72. The methodology used for counting employees, as required by GRI 2-7, is the headcount. Piaggio Group's population doesn't include not guaranteed hours employees.

COMPANY POPULATION BY PROFESSIONAL TYPE, GENDER AND GEOGRAPHIC SEGMENT AS OF 31 DECEMBER 2023

NO. OF PEOPLE	FULL TIME			PART TIME		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMEA and Americas	2,261	830	3,091	13	174	187
<i>of which Italy</i>	<i>2,045</i>	<i>778</i>	<i>2,823</i>	<i>12</i>	<i>172</i>	<i>184</i>
India	1,403	39	1,442	0	0	0
Asia Pacific 2W	968	237	1,205	0	0	0
Total	4,632	1,106	5,738	13	174	187



PART TIME WORK IN ITALY AT 31 DECEMBER 2023

■ Full time
■ Part time

Parental/maternity leave

Our companies apply legal regulations of relevant national legislation.

The Group does not discriminate in any way against those who have taken maternity leave. On the contrary, in order to facilitate the reconciliation of childcare and work life, 184 employees in Italy have been granted a horizontal part-time contract. Moreover, as a further supplement to the work-life balance, the Pontedera site has a childcare support agreement (see the section on Industrial Relations). The following information is provided for companies for which this aspect is numerically more significant⁷³.

	EMEA & AMERICAS			INDIA			ASIA PACIFIC 2W		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total number of employees entitled to parental leave in 2023	2,275	1,004	3,279	554	39	593	951	231	1,182
Employees on maternity/paternity leave during 2023	36	16	52	8	1	9	94	25	119
Employees returning in 2023 after maternity/paternity leave	36	3	39	8	1	9	94	15	109
Employees returning in 2022 after maternity/paternity leave	28	8	36	0	1	1	64	22	86
Employees who have returned to work and are on the staff 12 months after returning from maternity/paternity leave	27	6	33	0	1	1	64	22	86
% Return to work Rate	100.00%	37.50%	88.64%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
% Retention Rate	96.43%	75.00%	91.67%	-	100.00%	100.00%	100.00%	100.00%	100.00%

Please note that in Italy, all employees who are parents⁷⁴ of a child up to 12 years of age are entitled to an additional period of abstention from work. In Vietnam, this opportunity is guaranteed for parents of a child up to 7 years of age.

Within the Group, the corporate population is largest in the 30-50 age group.

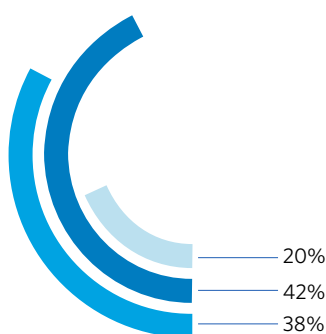
The generational mix is fundamental for the knowledge and dissemination of know-how among young people by the most experienced workers, who are able to set an example and pass on the skills and abilities they have acquired over time.

73. The figures shown relate only to parental leave taken up to the child's first birthday.

74. Whether natural, adopted or foster children.

COMPANY POPULATION BY PROFESSIONAL CATEGORY AND AGE GROUP AT 31 DECEMBER

N. OF PEOPLE		< 30	30-50	> 50	TOTAL
2023	Senior management	0	35	77	112
	Middle management	3	441	248	692
	White collar	210	939	478	1,627
	Blue collar	650	1,658	1,186	3,494
	Total	863	3,073	1,989	5,925
	%	15%	52%	34%	100%
2022	Senior management	0	44	72	116
	Middle management	4	456	228	688
	White collar	209	985	402	1,596
	Blue collar	596	1,800	1,042	3,438
	Total	809	3,285	1,744	5,838
	%	14%	56%	30%	100%



**COMPANY
POPULATION UP TO
30 YEARS OF AGE
BY GEOGRAPHIC
SEGMENT AS OF
31 DECEMBER 2023**

EMEA and Americas
Asia Pacific 2W
India

INVOLVEMENT AND ENGAGEMENT WITH STAFF

The Piaggio Group's internal communication guidelines aim to inform employees about the performance and prospects of the business and to bring them closer to the strategies of top management.

The system is based on the belief that the sharing of strategic goals by each individual employee is a critical factor for success.

With this in mind, Piaggio has various communication and information tools that respect and enhance the various social and cultural realities that make up the Group.

In particular, the national intranet portal "PiaggioNet" is active in Italy, offering information on the Group, company news and the latest about all-brand product ranges, as well as numerous services for personnel (e.g. travel management, internal manuals/procedures, the Piaggio Global Training platform, direct access online to the Piaggio Group Magazine, "Wide", which is also published on Group websites, constantly updated and available in Italian and English).

In order to facilitate communication with employees and workers and dematerialise the payroll distribution process, a specific portal accessible to employees has been set up.

Similar information is made available to employees in foreign offices through the dedicated intranet portal "PiaggioNet International", whose contents are published in English.

Industrial relations

The Piaggio Group recognises the role of trade union organisations and workers' representatives and confirms its willingness to establish a relationship with them based on attention, engagement and understanding. Ongoing comparison and discussion are in fact considered fundamental elements for finding the best solutions to specific company needs.

The Group's policy is to involve workers and their representatives in the pursuit of corporate objectives and to establish an ongoing dialogue with them. The solutions and behaviour adopted in the various countries in which the Group operates are in tune with the social and institutional context, but always consistent with the Group's underlying principles and overall needs.

Piaggio respects labour legislation in the various countries where it operates and applies collective bargaining when the law requires it. In particular, around 80% of the Company's workforce is covered by a sector, territorial or company collective bargaining system, depending on the historical, regulatory and cultural differences in the various national contexts. In situations where there is no collective bargaining agreement, however, Piaggio operates in full compliance with Group policies, local regulations and freedom of association.

Italy

In this context, the system of industrial relations adopted to date, characterised by constant engagement and discussion with trade unions and workers' representatives present at the various Italian production units, has enabled the Parties to deal swiftly and effectively with the exceptional nature of events that have occurred.

Proximity bargaining, as a result of negotiation with the trade unions, has made it possible to adapt certain regulatory and contractual aspects to the conditions and specific needs of the various companies, while at the same time guaranteeing a high degree of flexibility in the use of labour with fixed-term contracts.

In particular, with the Proximity Trade Union Agreements signed in December 2022, the Italian production sites at Pontedera (Pisa), Mandello del Lario (Lecco) and Scorzè (Venice), were able to respond effectively in 2023 to the need for temporary increases in volumes through the re-employment of already trained and trained workers under fixed-term contracts.

On the employment front, and implementing the aforementioned agreements, around 60 fixed-term contracts at the Pontedera unit and 30 at the Mandello del Lario and Scorzè units were converted to permanent contracts in 2023.

With reference to second-level collective bargaining, in May 2023 the trade unions presented a Platform for the renewal of the Supplementary Company Agreement, which expired at the end of 2022. Negotiations for renewal of the agreement began in October with an initial series of meetings held in the October-December period at the Confindustria headquarters in Pisa.

The application of the National Collective Labour Agreement (CCNL) for workers in the private metalworking and plant installation industry throughout the country has also been confirmed.

Due to job reductions of a contingent nature, the Cassa Integrazione Guadagni Ordinaria (ordinary redundancy fund) was used at the Pontedera unit in 2023, for 19 weeks, and at the Scorzè unit, for 20 weeks, while for the Mandello unit, this fund was used for a few weeks in December 2023.

At the Pontedera unit, use of the above fund for events which could objectively not be avoided was necessary for two weeks in November to secure the working environment following the exceptional flooding event that hit the Region of Tuscany on 2 November 2023.

The total number of hours lost in 2023 due to strikes (between hours lost due to company micro-conflicts and hours lost due to general/category strikes) was down on the previous two years.

It should be noted, however, that micro-conflicts, present almost exclusively at the Pontedera site, did not reach significant values in absolute terms and were limited exclusively to initiatives by a minority of union representatives.

Below is the summary table of hours lost through strikes in the last three years at the different company locations in Italy:

		2023	2022	2021
No. of hours lost through strikes	General/category	11,127	7,571	9,919
	Corporate	10,834	14,825	12,920
	Total	21,961	22,396	22,839
% hours lost compared to hours worked ⁷⁵	General/category	0.22%	0.14%	0.35%
	Corporate	0.22%	0.28%	0.46%
	Total	0.44%	0.43%	0.81%
No. of days lost through strikes	General/category	1,391	946	1,240
	Corporate	1,354	1,853	1,615
	Total	2,745	2,799	2,855

In Italy, an extensive framework is in place for enhancing corporate welfare, with a system of benefits aimed at increasing the individual and family wellbeing of employees in economic and social terms. Employees can also voluntarily convert their company performance bonus, in whole or in part, into goods and services that can be provided as welfare.

All Group employees are enrolled in the supplementary health care fund (Métasalute) provided for in the national collective bargaining agreement for the metalworking sector.

Employee health-related facilities/services are also available:

- at Pontedera, at the company medical centre, specialist doctors (ophthalmologist, orthopaedist, pulmonologist, dermatologist, ENT) are available to employees for specialist referrals;
- at Noale/Scorzè and Mandello del Lario, paid leave for specialist referrals outside the company is given to all employees, and a permanent healthcare/doctor's surgery is available on site;
- lastly, free flu vaccinations are available at all locations.

India

In India, trade unions are structured on two levels, at company and local level. This structure is also replicated at the Indian affiliate, where the trade union system refers to a company trade union committee made up of Piaggio workers' representatives and a central trade union committee, which is in fact the highest hierarchical level, whose members are selected by the trade union. The company trade union committee consists of five members elected annually by the workers.

At the Indian affiliate, following a bilateral discussion with trade union representatives, a new collective company agreement was signed on 21 December 2022, which came into force on 1 January 2023 and is valid for four years.

In 2023, a major effort was required to adapt production capacity to the complex and changing trends in market demand with a view to optimising productivity. This effort was facilitated by constructive dialogue with trade union representatives. In this regard, it is noted that there were no strikes in 2023.

In 2023 further initiatives were carried out to ensure, in addition to full compliance with labour legislation, the maintenance of a cooperative relationship with workers and trade unions and the involvement of workers with a view to improving employee satisfaction and, consequently, motivation. In line with this approach, Piaggio has carried out numerous activities, including: various initiatives for the control and prevention of illnesses, raising awareness on both the "Prevention of Sexual Harassment" and health and safety issues, purchasing books and uniforms for employees' children.

Vietnam

In Vietnam, the functions of company-level trade union representatives (identified within the framework of a Company Trade Union Committee) are to protect employees, assist their understanding of certain aspects of labour regulations and company policies, and support certain company initiatives in economic terms for employees.

In particular, the Trade Union Committee elected for the 2023-2028 period and consisting of 15 members, assisted and supported together with the Company a series of events, aimed at improving employee motivation, e.g. through participation in company events. It should be noted that no strikes were recorded during 2023.

75. Only the hours of productive personnel were taken into account for the calculation of the %.

Indonesia

During 2023, production processes at the Indonesian plant were consolidated in line with Group standards. In compliance with local regulations and practices, the Bipartite Forum of Cooperation and Communication (LKS) was established, consisting equally of company and employee representatives, which meets monthly to ensure a constructive and balanced discussion.

It should be noted that no strikes were recorded during 2023.

Occupational Health and Safety

For the Piaggio Group, Health and Safety in the workplace is a corporate value and striving for continuous improvement in this area is an integral part of its business. This activity represents a clear strategic commitment to the Group's broader objectives. This principle is valid and applied in all countries where the Piaggio Group operates. In particular, Piaggio continually pursues concrete actions aimed at:

- a continual and systematic evolution towards ever higher safety standards, which considers the assessment of occupational safety and related tools, starting from the definition of new activities, or when reviewing existing ones;
- a safer conduct through the education, information, training and awareness of all workers, to enable them to perform their duties safely and with awareness and have a central role and be accountable for occupational health and safety aspects.

All employees guarantee and work together to put in place effective occupational health and safety programmes, to safeguard their own safety and that of others, based on interdependence.

Prevention and protection activities to safeguard the health of workers in a complex industrial context like the Piaggio Group, both in Italy and abroad, can only be achieved effectively through an adequately structured organisation which specifically aims to foster a "culture" of safety within the company. This includes behavioural training initiatives (the principles of which were also introduced in the most recent training updates) and initiatives to develop a "Culture of Safety". The belief that prevention must steer behaviour and daily activities, at all levels, has led the Piaggio Group to adopt very similar safety management standards in all the countries where it operates, regardless of any regulatory constraints that are less stringent. From this perspective, the plants in Italy, Vietnam and India have an Occupational Health and Safety management system certified by a certification body accredited according to ISO 45001 standard (Occupational Health and Safety Management System). The ISO 45001 certified management system applies to 84% of all Piaggio Group employees worldwide. Audits are conducted annually and were successfully completed in 2023.

Production processes or company support processes are subject to a risk assessment, conducted according to a systematic process, and with the support of external specialised technical resources where necessary, with registration in specific Risk Assessment Reports. The Occupational Health and Safety Management System that has been implemented at Piaggio envisages a rather extensive document system which, starting from the H&S Policy issued by Management, is set out in the Manual and actually implemented in the Management Procedures (which involve the entire company organisation), in the Operating Procedures (which instead involve only some company structures) and in the Work Instructions, which specify the correct methods for performing individual operations.

Specific procedures are in place for change management, both with a view to risk prevention and to intercept opportunities for improvement (ergonomics, plant safety, etc.).

In addition, a system of immediate reporting and analysis of accidents, injuries and near misses is consolidated, with standardised methods and defined working groups, in order to identify the root causes of such events and prevent the occurrence or recurrence of accidents. Another example of the prevention model applied is the computerised 'risk condition reporting', available on the company intranet. Through these methods, company managers, as well as individual workers through the person in charge, can identify and report any risk conditions present, initiating a system of assigning and evaluating preventive actions and monitoring their effectiveness, so as to ensure a complete and accurate management of actions to improve safety at work. The management of near misses is a fundamental element in preventing accidents.

Great importance is attached to emergency management. A plan has been prepared for each site, as required by current legislation, which includes an analysis of the main risks, the definition of the operating procedures to be adopted during the various types of emergency, the roles and actions to be implemented by designated, trained personnel and the communication protocols. Obviously, the efficiency of this organisational system is tested through numerous drills involving Piaggio's sites.

All workers, consultants and suppliers entering the Group's plants are obliged to comply with this management system, which provides for internal and external audits on compliance with the procedures adopted.

Workers' health information is processed exclusively by the medical/nursing staff in charge (in particular Company-appointed Doctors), in compliance with applicable local regulations in terms of health data management and the code of ethics of the health professions, as well as with privacy regulations.

There were no accidents involving external workers under the operational control of the Group (agency workers as reported for GRI disclosure 2-8) during the year, so the accident rates were 0.

Italy

In Italy, in line with applicable current laws, Piaggio has put in place a structured organisation, based on seven Employers corresponding to the different company areas, and consequently managers and supervisors who oversee the various organisational units and sites, with the support of Safety Department Managers and Company-appointed Doctors. In addition, the presence of Workers' Safety Representatives at all company sites is widespread and timely.

In 2023, as part of the strategy to continuously consolidate the Company's Safety Culture, the development of an international and interdisciplinary team of 'Safety Ambassadors' continued. Employees who, through the enhancement of skills and personal abilities, within their operating/management area, represent a reference point for the application of health and safety systems, for continuous improvement and for the involvement and awareness of colleagues. The international team is involved in coordination meetings held every two months, which supplement the monthly meetings of the national teams (e.g. in Italy, meetings involving representatives from all plants are held on a weekly basis).

The focus on Safety Culture training continued in 2023, addressing behavioural issues and personnel involvement and empowerment. The Pontedera plant was awarded during 2023 by the President's Office of the Region of Tuscany as one of the winners of the 'Impresa più Sicura' (Safer Enterprise) competition for the project 'Managing the risk of upper limb biomechanical overload through good health surveillance practices'.

OCCUPATIONAL ACCIDENTS IN ITALIAN FACTORIES^{76 - 77}

	PONTERERA	NOALE AND SCORZÈ	MANDELLO
2023			
Hours worked	3,747,710	730,653	311,043
No. of deaths from occupational accidents	0	0	0
Fatality rate	0	0	0
No. of recordable occupational accidents	30	2	5
Rate of recordable occupational accidents	8.0	2.7	16.1
No. of accidents at work with serious consequences	0	0	0
Rate of accidents at work with serious consequences	0	0	0
2022			
Hours worked	4,041,218	871,545	307,575
No. of deaths from occupational accidents	0	0	0
Fatality rate	0	0	0
No. of recordable occupational accidents	31	6	7
Rate of recordable occupational accidents	7.7	6.9	22.8
No. of accidents at work with serious consequences	1	0	0
Rate of accidents at work with serious consequences	0.25	0	0

The aforementioned accidents refer only to Group employees and mainly concern bruises and cuts during the assembly of components or while using small work equipment.

Accidents at country level (Italy) have decreased both as an absolute number and as a frequency index also thanks to specific actions both of a technical and training nature.

Accidents are mostly attributable to behavioural causes such as distraction, inappropriate behaviour, failure to follow procedures. With regard to external companies operating at Piaggio's Italian production sites, one accident was recorded in 2023 and one in 2022. There were no fatal accidents in Italy in 2023, similar to 2022.

76. The rates for accident data, for all geographical areas, are calculated considering the hours worked by employees during the reporting year and the multiplication factor of 1,000,000.

77. During 2023 the national insurance body communicated the recognition of 5 cases of occupational diseases.

India

In order to ensure the highest standards of occupational health and safety, Piaggio Vehicles Private Limited (PVPL) has an organisational structure that operationally involves the 'Employer' - a single employer for the various production sites - who is assigned the responsibility of ensuring the health, safety and welfare of all employees in the workplace, Plant Managers and a 20-member Safety Committee that includes managers, middle managers and office workers. The Safety Committee meets regularly to plan, review and discuss the action plans necessary to establish and spread a culture of awareness and safety among employees in the workplace. The presence of a Health and Safety team ensures that the whole system can function effectively.

In line with the Group's approach, in recent years much has been invested in training as a key factor in increasing employee responsibility in relation to safety and promoting a proactive approach to safety issues (e.g. through the celebration of the Safety Day). The display of Safety information in English and in the local language also helps to create a real safety culture at all levels.

Piaggio Vehicles Private Limited is committed to ensuring the safety and well-being of employees and their immediate family members, including through the organisation of specific events.

In addition, various employee health and wellness programmes have been initiated in cooperation with experts. For example, a 24/7 medical service is made available at all production sites and, when necessary, an ambulance first aid service is extended to the families of Baramati employees.

In line with the Group's approach, a great deal has been invested in training over the last few years, which is considered one of the main levers to increase each employee's awareness of safety issues and consequently foster a proactive attitude and involvement in safety matters.

OCCUPATIONAL ACCIDENTS IN INDIA⁷⁸

	COMMERCIAL VEHICLES PLANT	TWO-WHEELER PLANT	ENGINES PLANT
2023			
Hours worked	2,100,122	419,531	515,287
No. of deaths from occupational accidents	0	0	0
Fatality rate	0	0	0
No. of recordable occupational accidents	0	1	0
Rate of recordable occupational accidents	0.0	2.4	0.0
No. of accidents at work with serious consequences			
Rate of accidents at work with serious consequences	0.0	0.0	0.0
2022			
Hours worked	2,537,453	588,873	741,476
No. of deaths from occupational accidents	0	0	0
Fatality rate	0	0	0
No. of recordable occupational accidents	0	2	0
Rate of recordable occupational accidents	0	3.4	0
No. of accidents at work with serious consequences	0	0	0
Rate of accidents at work with serious consequences	0	0	0

78. The number of occupational diseases confirmed in Indian plants is equal to 0.

Vietnam

Piaggio Vietnam has a Safety Committee that involves all members of company functions, and is chaired by the Head of Operations. Committee members are responsible for managing any safety issues in their operational area and taking the necessary corrective actions accordingly. There are also periodic follow-up audits to report any relevant safety issues or opportunities to the committee in order to take immediate corrective/preventive action.

In order to implement the health and safety provisions, an H&S operational programme is defined. The H&S 2023 operational plan was also implemented by carrying out constant inspections to support the improvement actions identified within the Safety Committee.

All internal and external audits carried out in 2023 were successful.

In order to promote a safety culture and the importance of H&S issues for the company, H&S training courses were provided to all employees in 2023. A road safety promotion campaign was also organised to raise awareness of the relative risks.

In addition, a project was implemented in 2023 to re-evaluate and classify working conditions in the various working positions, in order to identify suitable countermeasures and optimise ergonomics in each position, also by applying standards that are more stringent than local regulatory requirements.

In 2023 there were no accidents at work involving employees. There were no accidents involving external workers under the operational control of the Group (agency workers as reported for GRI disclosure 2-8) during the year. Nevertheless one fatal accident occurred on a construction site operated by an external company.

OCCUPATIONAL ACCIDENTS IN VIETNAM⁷⁹

	VIETNAM
2023	
Hours worked	2,206,860
No. of deaths from occupational accidents	0
Fatality rate	0
No. of recordable occupational accidents	0
Rate of recordable occupational accidents	0
No. of accidents at work with serious consequences	0
Rate of accidents at work with serious consequences	0
2022	
Hours worked	2,545,753
No. of deaths from occupational accidents	0
Fatality rate	0
No. of recordable occupational accidents	0
Rate of recordable occupational accidents	0
No. of accidents at work with serious consequences	0
Rate of accidents at work with serious consequences	0

Indonesia

During 2023, no accidents occurred in Indonesia, with 152,515 hours worked. In addition, the organisation of H&S activities was also consolidated through the dissemination of a safety culture to increase employee involvement, as well as ensure compliance with relevant regulations.

The commitment to Health and Safety in the Indonesian plant's operations is demonstrated by achieving zero accidents in the year and obtaining ISO 45001 certification⁸⁰.

79. The number of occupational diseases confirmed in Vietnamese plants is equal to 0.

80. The number of occupational diseases confirmed in Indonesian plant is equal to 0.

Responsible supply chain management⁸¹

The Piaggio Group manufactures vehicles sold under its own brands in its own factories in the various world markets. The only exception is vehicles purchased by the Chinese affiliate Zongshen Piaggio Foshan and scooters purchased from third parties (14,582 units in 2023, equal to 2.6% of vehicles sold).

Piaggio is a leader in engine technology and produces engines in its own factories both for internal production and to meet the demands of other manufacturers.

All other components that make up a vehicle are purchased externally and assembled internally.

The purchases of production sites for goods and spare parts are indicated below. Any purchases by trading companies and research centres are not considered, as they are residual and insignificant.

Italian sites

In 2023, Italian plants purchased goods and spare parts for a total value of €595 million (excluding complete vehicles) from 622 suppliers. The top ten suppliers accounted for 24% of total purchases.

GEOGRAPHICAL LOCATION OF ITALIAN PLANT SUPPLIERS⁸²

GEOGRAPHIC SEGMENT	2023	2022
Italy	48.0%	48.1%
Europe	8.6%	8.4%
China+Taiwan	28.4%	28.2%
Vietnam	8.7%	9.3%
India	5.2%	4.9%
Japan	0.4%	0.5%
Others	0.7%	0.6%

Indian sites

In 2023, Indian plants purchased raw materials, goods and spare parts for a total value of €286 million from 575 suppliers. The top ten suppliers accounted for 41% of total purchases.

GEOGRAPHICAL LOCATION OF INDIAN PLANT SUPPLIERS

GEOGRAPHIC SEGMENT	2023	2022
India	99.4%	98.3%
Other	0.6%	1.7%

81. The figures reported for all production sites exclude purchases from Group companies. The 2022 figures published last year, which included intercompany purchases, have therefore been revised for the sake of consistency.

82. To calculate the percentages, goods' receipts were taken into account.

Vietnamese sites

In 2023, Vietnamese plants purchased goods and spare parts for a total value of €262 million from 296 suppliers. The top ten suppliers accounted for 34% of total purchases.

GEOGRAPHICAL LOCATION OF VIETNAMESE FACTORY SUPPLIERS

GEOGRAPHIC SEGMENT	2023	2022
Vietnam	69.9%	70.7%
China+Taiwan	16.3%	17.6%
Emea	6.1%	6.1%
India	2.9%	2.0%
Others	4.8%	3.6%

Indonesian site

The main supplier of the Indonesian plant is the affiliate Piaggio Vietnam from which it receives Vespa components for assembly. In 2023, components, goods and spare parts worth a total of €930 thousands million were purchased from 40 suppliers. The top ten suppliers accounted for 97.68% of total purchases.

GEOGRAPHICAL LOCATION OF THE INDONESIAN PLANT'S SUPPLIERS

GEOGRAPHIC SEGMENT	2023	2022
Indonesia	100%	100%

The Group's relations with suppliers are based on fairness, impartiality and respect for equal opportunities for all those involved. The Group requires its suppliers to sign the Group's general terms and conditions of supply, which include the 'Code of Ethics and Business Conduct'.

Supply audits

The quality of Piaggio products is also a function of the quality of its own supplies. The Piaggio Group carries out intense scouting and audit activities to select and assess new suppliers, constantly monitor their quality level and give approval of processes for the development of new components. These activities are carried out through scheduled visits by Piaggio's supplier audit team.

New suppliers become part of Piaggio's 'pool' only after an in-depth and positive evaluation of their production processes, their products and their certification linked to functional/dimensional and material characteristics described in the project specifications.

The audits, requested by the Procurement Department, are aimed at assessing the quality system of a potential supplier and its ability to produce the product for which it has been proposed or selected.

For suppliers that have previously been successfully evaluated and already belong to the qualified supplier pool, further process audits may be envisaged in the case of:

- the development of new products;
- the resolution of problems detected during mass production;
- reports of non-compliance occurring during the vehicle's warranty period.

In the case of new products, audits are planned to assess the supplier's ability to manage the processes required to manufacture the new product and to offer them, if and when deemed necessary/required, technical support for their definition and control.

In the case of well-established products, on the other hand, audits are carried out to resolve specific problems that have arisen during production, to verify the supplier's ability to keep the processes that contribute to product development under control, to periodically monitor improvement in performance in terms of returns/disruptions⁸³, to resolve problems that have arisen under warranty, and finally to verify the effectiveness of corrective actions defined by the suppliers to prevent the recurrence of non-conformities.

In line with the Group's guidelines, each year the Purchasing Unit seeks to improve the procurement process by promoting the technical skills of buyers and focusing on the management of the various goods categories.

Over the years, Piaggio Group Management has started a process of common development with its suppliers by setting up a specific department called "Vendor Assessment", as well as assigning the "Finance" Function to define and monitor possible risks areas involving financial and corporate issues, guaranteeing complete independence of corporate areas involved in the procurement processes, as well as meeting the needs of all stakeholders.

Corporate Finance Area

Activities relating to the monitoring of the economic, financial and corporate reliability of Strategic Suppliers are the responsibility of the Finance Area.

In 2023, the analysis and monitoring of Piaggio & C. SpA's Suppliers continued, as well as the mapping of shareholders/controlling shareholders of strategic business partners. Moreover, in the area of Compliance, checks continued on the possible presence among Suppliers of subjects who are politically exposed and/or included in anti-terrorism lists (or in any case in lists of possible crimes that could damage the corporate image), in order to mitigate "reputational risk". All possible corporate and financial changes, which may affect the perceived risk status, are presented to a Suppliers Committee (composed of the Purchasing Manager, the 3-4 Wheeler Product Development Department Manager, the 2-Wheeler R&D Department Manager, the Administration Manager, the Finance Manager and the Chief Financial Officer) during periodic meetings in order to identify possible corrective and improvement actions, should critical areas emerge.

In December 2023, the company procedure dedicated to supplier evaluation was updated, with the introduction, among other things, of possible criticalities in terms of supplier reliance thresholds, which Finance is responsible for monitoring, and the definition of maximum dependency thresholds of suppliers in terms of the % of turnover to Piaggio out of the total turnover recorded in its financial statements. Piaggio is assessing how to obtain ratings or opinions from third-party bodies of suppliers' compliance with ESG principles in order to prepare for the compliance required by the new CSRD (Corporate Sustainability Reporting Directive) that will come into force next year; to date no supplier has been assessed for environmental or social criteria.

The Financial Assessment of Aprilia Racing's strategic Suppliers continued in 2023, together with an analysis of the financial and corporate reliability of the main Sponsor Companies of the Team, as well as the monitoring of possible reputational risks.

83. Items returned, reworked, selected, accepted as an exception.

Vendor Assessment

With the strategic objective of creating a network of lasting and mutually satisfactory partnerships with highly qualified associates, the Vendor Assessment function, in addition to managing the Supplier Qualification Process, assesses supplier performance through Vendor Rating campaigns.

The relationship with suppliers is defined by precise company processes that comprise two fundamental phases: the qualification of new suppliers and periodic supplier assessment.

New supplier qualification is an interfunctional process based on specific standards that lead to a potential supplier being included in the Supplier List, for its chosen goods' category; after an initial documentary evaluation stage, a multidisciplinary, supplier qualification team is involved, with specific positions giving a technical, economic/financial and corporate rating on goods' categories.

Periodic supplier assessment is conducted at the Italian, Indian and Vietnamese plants through six-monthly Vendor Rating campaigns, in which supplies relating to the period are examined, based on the quality of the product supplied, technical/scientific collaboration, and compliance with delivery plans. Over 1,000 suppliers are involved, representing nearly all supplies. This provides a reference framework for procurement strategies and actions concerning suppliers.

The process involves:

- the assignment of a Vendor Rating Index, which measures the supplier's performance with a weighted average of the ratings made by the corporate functions (for direct materials, the functions concerned are R&D, Quality, Manufacturing and Spare Parts);
- assignment of a Criticality Rating that takes into account the Quality function's assessment, to decide whether a supplier is "critical" for the purposes of granting new supply agreements (if negative, new supplies are put on hold).

Supplier Portal

For the effective and efficient management of supplier relations, the Supplier Portal, based on the SRM-SAP system, is active in Italy, India and Vietnam.

The 'SRM - Suppliers Portal' system is an IT tool for the real-time exchange of information and documents between all company functions and suppliers, both for the purchase of materials and components, and for the purchase of equipment and services, thus guaranteeing correct and transparent management of all phases of the purchasing process: purchase requests, purchase orders, price lists and supply schedules, goods receipt, invoices, payment information.

In particular, the Portal ensures that the following objectives are achieved:

- increased collaboration with suppliers, through self-service tools, document and information sharing;
- increased efficiency of purchasing processes, through the implementation of automated tools and increased compliance with purchasing procedures;
- minimisation of manual activities;
- quality and correctness of information;
- reduction in time-consuming business processes and communication;
- low use of 'paper' (including through the use of digital signatures);
- reduction in billing anomalies;
- visibility of the entire authorisation process, from purchase requests to orders.

Customer satisfaction

Group vehicles are sold in over 100 countries. Piaggio has its own sales network in the main markets of Europe, America, India and Asia Pacific, while it operates through importers in the remaining areas of Emea and Africa.

Dealers and their staff represent the main communication channel for customer management and transfer of the corporate image, complemented by the Group's Customer Service activities. Product quality and customer service in general are top company priorities. Our customers are the testimonials of the quality of our vehicles and together with our brands and our know-how, they form the backbone of our business.

Piaggio advertises its vehicles mainly through its participation in the Moto GP Championship and other motorbike championships, its presence at the world's major motor shows, the organisation of test rides and events/meetings that promote the Group's various brands.

In order to continuously improve the quality of its vehicles and perceived comfort, Piaggio has a detailed, precise, robust and binding product development process, a careful and scrupulous auditing of outgoing quality from a customer perspective and an effective product and component traceability system, constantly strives for excellence in the management of both internal and external production processes, and constantly monitors data from the service network on problems encountered by customers.

In addition, the Group has dedicated functions for testing the reliability and safety of all products, whether new or already on the market, from the early design stages to their marketing. Tests are not limited to laboratory tests, but include dynamic road tests with different mission profiles based on the actual use of the vehicles by customers. During 2023, the Piaggio Group implemented an additional project on Italian plants aimed at digitising and capturing anomalies detected on the line and subsequent vehicle repair actions. The collection of information relating to the problem that has occurred contributes to the creation of a daily report and the creation of work teams aimed at attacking the anomalies detected in order to reach a 90% 'good right away' percentage (vehicles that can be approved, i.e. that can be sent to the warehouse for shipment to the network).

Reports of product quality problems coming from the Market/Customers are directed to Technical Support, which will immediately inform the Product Development Department and, if necessary, Legal and Corporate Affairs.

The Product Development Department will carry out and coordinate a preliminary analysis and, if the reported quality problem raises concrete and relevant risks, will immediately convene the Committee to identify a timely action plan.

In other cases, quality problems that prove to be well-founded will be investigated and presented at the monthly Committee meeting.

In order to guarantee the sales network that maintenance work is carried out in a safe environment, Piaggio publishes on the dealer portal and in individual manuals (one for each model) with technical instructions for carrying out maintenance operations the general rules of conduct that service network personnel must follow during maintenance activities.

Quality system certification

Obtaining and consistently maintaining global quality management system certification (ISO 9001:2015) is part of the company's common culture and the heritage of all Group employees. The results achieved in terms of product reliability, improved process performance, and increased customer satisfaction (internal and external) stem from the fact that the meanings of the words quality, customer orientation, continuous improvement and excellence are principles pursued in daily activities by the entire workforce.

Determination and distribution of economic value generated

Economic value generated represents the wealth produced by Piaggio which, net of the value retained by the Group, is distributed to the various stakeholders in various forms.

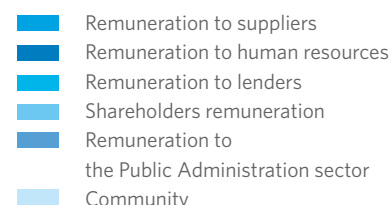
The economic value distributed is broken down among the various stakeholders as follows: remuneration of suppliers (reclassified operating costs), remuneration of human resources (direct remuneration consisting of wages, salaries and severance pay and indirect remuneration consisting of social security charges), remuneration of lenders (financial charges), remuneration of shareholders (dividends distributed), remuneration of the public administration (all taxes paid), external donations and donations to the community. The value retained by the Group is represented by retained earnings and non-cash items (depreciation, amortisation, write-downs, provisions and deferred taxes).

SCHEDULE FOR THE DETERMINATION OF GENERATED AND DISTRIBUTED ECONOMIC VALUE

IN THOUSANDS OF EUROS	2023	2022
Economic value generated by the Group	2,106,990	2,337,040
Remuneration to suppliers	1,521,538	1,775,095
Remuneration to human resources	256,147	264,614
Remuneration to lenders	44,393	26,725
Shareholders remuneration	79,756	53,403
Remuneration to the Public Administration sector	40,344	43,615
Community	1,337	1,562
Economic value distributed by the Group	1,943,515	2,165,014
Economic value retained by the Group	163,475	172,026



ECONOMIC VALUE DISTRIBUTED BY THE GROUP - 2023



The economic value distributed by Piaggio in 2023 amounts to €1,943,515 thousand, or 92% of the economic value generated. The majority of this value is represented by remuneration to suppliers (78.3%), followed by remuneration to human resources (13.2%), shareholders (4.1%), lenders (2.3%), Public Administration (2.1%) and communities (0.1%). Compared to 2022, the Economic Value Distributed decreased by 10%.

Public subsidies and tax breaks

In 2023, the Piaggio Group benefited from grants and subsidies from the Public Administration for a total of €7,073 thousand.

Piaggio & C. collected research grants of €171 thousand for research projects, the contents and results of which are discussed in the chapter on the product dimension, and training grants of €439 thousand.

Piaggio Vehicles Private Limited (India) was awarded an export subsidy of €2,191 thousand, which was determined on the basis of a percentage of their FOB value.

CONTRIBUTIONS RECEIVED (COLLECTED)⁸⁴

	2023	2022
IN THOUSANDS OF EUROS		
Grants	610	272
Export subsidies	2,191	1,469
Total	2,801	1,741

Tax benefits of €4,272 thousand, on the other hand, were obtained by Piaggio & C. S.p.A. and Piaggio France S.A.S.

In particular:

- Piaggio & C. accrued tax receivables during 2023 to partially offset the higher charges incurred during the first two quarters of the year for the purchase of electricity and natural gas, as introduced by Decree-Law no. 4 of 27 January 2022 and subsequently extended to the 2023 financial year by numerous legislative interventions, most recently by Law no. 197 of 29 December 2022 and by Decree-Law no. 34 of 30 March 2023, for a total amount of €1,453 thousand. In addition, it accrued a tax credit for investments made during 2022 in both ordinary and 4.0 capital goods pursuant to Article 1 of Law no. 178 of 30 December 2020, for €394 thousand, and a credit for investments in research and development activities made during 2022, pursuant to Law no. 160 of 27 December 2019, as amended, amounting to €2,416 thousand;
- Piaggio France received a tax credit of €9 thousand. This credit is equal to 50% of the amount of expenses incurred to finance the creation and management of a crèche or other forms of childcare for the children of company employees under three years of age.

TAX CONCESSIONS

	2023	2022
IN THOUSANDS OF EUROS		
Tax Credit		
Piaggio & C.	4,263	7,212
Aprilia Racing		646
Piaggio France	9	19
Total	4,272	7,877

Finally, would like to inform you that the Group did not receive any new subsidised loans in 2023.

84. Values in currencies other than the euro have been converted using the average annual exchange rate.

Income Taxes

The Piaggio Group operates in many countries through its subsidiaries, with production, distribution, sales or research and development functions.

Approach to taxation

All Group companies operate primarily in the country and market in which they are based, paying taxes on profits generated there, taxes on the earnings of employees directly employed in the same activities, consumption taxes and other local taxes imposed by the various regulations in force.

Subsidiaries are not located in states that are 'non-cooperative' for tax purposes or in states considered by Italian tax law to be 'privileged' for tax purposes, unless this is required by unavoidable industrial or commercial needs. Where this is the case, the Parent Company adopts and respects the tax regime provided for by Italian legislation on "Controlled Foreign Companies" (i.e. the so-called CFC rules). The Group adopts an approach based on principles of rigour, prudence and correctness in its financial decisions and rejects the use of "aggressive tax planning" schemes through the creation of artificial corporate structures aimed at evading its tax obligations and obtaining undue tax advantages.

All tax incentives and benefits are used in full compliance with the rationale that drives individual countries to adopt them and in any case according to a transparent approach. The tax variable is used exclusively to support industrial and commercial plans and objectives and is never the main or prevailing cause.

In order to eliminate or contain economic and legal double taxation, the Group, where permitted, applies the "International Conventions against double taxation on income and capital and for the prevention of tax evasion and avoidance" as interpreted by the OECD.

Intragroup transactions are settled based on the arm's length principle, as interpreted by the OECD in its guidelines (i.e. the "Transfer Pricing Guidelines"). In this regard, the Group also adopts instruments aimed at avoiding or reducing the risk of disputes with the tax authorities and any tax disputes, such as so-called APA⁸⁵ - "Advance Pricing Agreements".

Finally, it should be noted that the Parent Company fulfils all the documentary requirements necessary for the disapplication of penalties for misstatement pursuant to Article 1, paragraph 2 of Legislative Decree 471/1997, in the event of adjustment of the normal value of transfer prices charged as part of transactions pursuant to Article 110, paragraph 7 of the Consolidated Income Tax Act, by preparing the so-called "Masterfile", which contains information about the multinational group and its overall transfer pricing policy, and the "country file", which contains more specific information about the Parent Company, pursuant to Article 26 of Decree-Law 78/2010, converted, with amendments, into Law 122/2010.

Tax governance and risk management

In recognition of the importance that tax policy has for the individual countries in which it operates and of the potential economic and reputational risks associated with incorrect management of taxation, the Group has set up a specific tax department at the Parent Company which, under the supervision of the Board of Directors, operates as an effective control point for identifying, managing and containing the risks of violation or abuse of tax regulations, which is also responsible for support, direction and strategic coordination of subsidiaries.

Although the Parent Company is not obliged to do so, it has set up a system for identifying, monitoring and mitigating tax risk, known as the 'Tax Control Framework', which has made it possible to:

1. map the areas of activity considered most critical;
2. create and share appropriate procedures and instructions with a clear allocation of roles and responsibilities within the overall system of internal controls;
3. carry out analysis, information and training activities on the contents of the Tax Control Framework for the main corporate functions;
4. and, finally, adopt a monitoring and updating system aimed at ensuring the effective implementation of the Tax Risk Management System through periodic internal and external audits on the operation of the Tax Control Framework.

This has promoted a process of centralisation for the Tax Entity and a greater comparison between it and all main corporate bodies. The current organisation is more likely to guarantee the identification of the most relevant tax risks, and the assessment of the consequences

85. APA: Advanced Price Agreement.

and the adoption of necessary solutions or corrective tools. This also helps to ensure correct tax compliance activities and the settlement of taxes due, reducing the risk of formal and/or substantial violations.

To support tax risk management, the Group also has a Global Whistleblowing Policy, which sets out the general and fundamental principles for promoting responsible and safe whistleblowing practices, also covering tax matters.

The communication channels provided allow for the reporting of any information of serious wrongdoing relating to violations of the law and/or the internal control system, which have occurred or are very likely to occur in the organisation. Reports, including anonymous ones, are treated fairly, carefully examined and investigated in strict confidence, with integrity and an objective approach. The Company takes all necessary measures to safeguard and protect those involved in the process from retaliation.

The Group also makes use of recognised professional firms for its analyses and activities or, if necessary and permitted, consults the competent tax authorities in advance.

Stakeholder involvement

Relations with the Financial Authorities are based on transparency, good faith and honest cooperation, to enable continuous dialogue and, if possible, preventive engagement with all the relevant institutions.

Reporting

Piaggio recognises the social role of tax issues and their importance in promoting sustainable development.

In order to ensure absolute transparency and in compliance with the GRI 207-Tax standard, a breakdown by tax jurisdiction of the consolidated data required by the aforementioned standard is presented below.

As required by GRI Disclosure 207-4, not all the necessary information referring to the most recent consolidated financial statements is available for the purposes of this report, so the information in this section refers to the financial year ending 31 December 2022, as this period refers to the consolidated financial statements immediately preceding the most recent one.

It should be noted that:

- the figures presented refer to the financial year 2022;
- the workforce is that on 31 December 2022;
- revenues from third parties also include other revenues;
- Group revenues exclude those between companies operating in the same tax jurisdiction;
- Pre-tax Profit (Loss) and Property, plant and equipment are presented on an aggregate basis, without considering consolidation eliminations;
- Pre-tax Profit (Loss) includes income from investments related to other Group entities;
- with regard to any differences between income tax accrued on profits and tax due (GRI 207-4-b-x), please refer to Note 14 of the Consolidated Financial Statements as of 31 December 2023 of the Piaggio Group. It should also be noted that both income taxes accrued and taxes paid on a cash basis in several countries are affected by the significant presence of dividends received from Group entities, which are included in the item of Profit (Loss) before tax. As is the case in most countries, these jurisdictions also provide exemption tax regimes for dividends, as they refer to a profit already subject to the taxation of the investee company.

2022

COUNTRY	NAME	ACTIVITY	NO. OF EMPLOYEES	REVENUES FROM THIRD PARTIES	REVENUES FROM THE GROUP	PROFIT BEFORE TAX	PROPERTY, PLANT AND EQUIPMENT	TAXES PAID	TAXES ACCRUED
IN MILLIONS OF EUROS									
Italy	Piaggio & C. S.p.A.	Vehicle production and sales, Research and development							
	Aprilia Racing S.r.l.	Research and development, production and sales of racing motorbikes							
	Piaggio Concept Store Mantova S.r.l.	Commercial distributor							
	Total Italy		2,989	1,193	274	96	179	11	18
Croatia	Piaggio Hrvatska Doo	Commercial distributor	9	6	0	0	0	0	0
France	Piaggio France SAS	Selling agency	37	0	7	1	0	1	0
Germany	Piaggio Deutschland GMBH	Selling agency	33	0	5	1	0	0	0
Greece	Piaggio Hellas S.A.	Commercial distributor	19	42	0	2	1	0	0
Holland	Piaggio Vespa B.V.	Holding and selling agency	19	0	3	39	0	0	0
Spain	Piaggio España S.L.	Selling agency							
	Nacional Motor S.A.	Company not active							
	Total Spain		28	0	5	0	0	0	0
UK	Piaggio Limited	Selling agency	14	0	2	0	0	0	0
USA	Piaggio Group Americas Inc.	Commercial distributor							
	Piaggio Advanced Design Center Corp.	Design Services							
	Piaggio Fast Forward Inc.	Research and Development and Robot Production and Sales							
	Total USA		112	136	5	(20)	1	0	0
India	Piaggio Vehicles Pvt Ltd	Vehicle production and sales, Research and development	1,369	333	27	(9)	57	0	0
Vietnam	Piaggio Vietnam Co. Ltd.	Vehicle production and sales, Research and development	1,004	290	280	98	38	18	21
Indonesia	PT Piaggio Indonesia	Vehicle assembly and sales and commercial distributor	92	120	0	4	17	0	1
Singapore	Piaggio Asia Pacific Ltd	Selling agency	16	0	3	1	0	0	0
Japan	Piaggio Group Japan	Commercial distributor	10	14	0	0	0	0	0
China	Piaggio China Co Ltd.	Holding							
	Foshan Piaggio Vehicles Tech.Dev. Co.Ltd.	Research and development, Provision of technical services; commercial distributor							
	Total China		87	104	6	4	0	1	1
Brazil	AWS do Brasil	Inactive							
	Aprilia Brasil	Inactive							
	Total Brazil								
Total aggregate					618	217	293		44
Consolidation entries					(618)	(90)	(2)		0
Total consolidation			5,838	2,238	0	127	291	33	44

Supporting local communities

FONDAZIONE PIAGGIO⁸⁶

During 2023, the Piaggio Foundation further developed its activities, undisputedly establishing itself as one of the most dynamic socio-cultural realities in Tuscany and Italy. For years, the Piaggio Foundation has set itself the goal of becoming an important centre of aggregation and cultural promotion, and the prestigious awards it has received testify to the validity of its activities. These recognitions include the recent Corporate Heritage Art Award, for companies that have best known how to enhance their history and identity through art and culture.

In 2023, the Foundation hosted numerous conferences and debates on science and customs and organised exhibitions, a music festival, and a literary festival and prize. These activities were complemented by educational programmes for students of all levels, social and ethical promotion events, and training and vocational guidance programmes.

The musical events organised and hosted as part of the Pontedera Music Festival were of particular importance in 2023, with over 30 concerts featuring internationally renowned artists. In the autumn, the Vespa Chi Legge Literary Festival was organised and hosted, featuring important names from the contemporary Italian literary scene. 2023 also saw the debut of the Vespa Chi scrive! literary prize, which was conceived by the Piaggio Foundation in collaboration with the Carver School, a reading and writing school. The competition, in its first edition, was a great success and awarded prizes to the best ten short stories with a "travel" theme, out of more than 100 received, and also awarded a number of special mentions, including the "Vespa prizes".

In 2023, study and historical and documentary support for Piaggio's activities and authorised third-party projects (universities, scholars, publishing houses, etc.) continued.

PIAGGIO MUSEUM

Visitors to the Piaggio Museum in 2023 totalled 65,000, in addition to over 11,000 virtual visits. These figures were therefore comparable to pre-pandemic visits, even with an attendance planning system that prudently requires visitors to make reservations and avoids excessive crowding on certain days and at certain times. It is worth noting the considerable increase in attendance by motor clubs, which now account for almost 10% of visitors.

During the year, investments continued to improve and make the Museum's exhibition halls easier to visit, with major plant engineering works to improve energy and visitor services.

The collections on display were further enhanced with new and valuable models of the Vespa and Moto Guzzi V7 Stone Centenario, and the Ciao collection was also renewed.

PIAGGIO HISTORICAL ARCHIVE

During 2023, the Piaggio Historical Archive made a decisive contribution to corporate communication activities, continuously providing thematic insights and support in iconographic research.

As part of the activities of the Piaggio Museum and Foundation, the archive focussed on the creation, iconographic research and drafting of texts for the exhibition "Vespa Club d'Italia. History of a passion". The archive also collaborated on texts accompanying the Museum's historical vehicles on display at the Livorno Naval Academy during the International Sailing Week.

As part of the reorganisation of the Moto Guzzi Museum, the support of the Piaggio Historical Archives was fundamental, thanks to the work to digitise and index Moto Guzzi archive material transferred to the dedicated digital portal (2,000 records for a total of more than 5,000 published media). At the same time, digitalisation and indexing work continued on the Piaggio Historical Archives digital portal (more than 1,600 records for more than 2,500 media published).

The Aprilia digital portal was also created (655 files for more than 2,000 media items).

The Archive also helped students, scholars and journalists writing of term papers, dissertations and publications in their research. Of particular note is the research project 'Economic Growth, Inequality and Poverty in the Long Term: Italy 1861-2021', approved and financed by the Ministry of University and Research as part of the National Recovery and Resilience Plan (NRRP) and coordinated by Professor Giovanni Vecchi (Department of Economics and Finance, University of Rome Tor Vergata).

86. It should be noted that information on the Piaggio Foundation, an entity not included in the Group's scope of consolidation, constitutes qualitative aspects that are useful for understanding the focus on the social context, even though this information is not included in the scope of consolidation.

CULTURAL PROJECT

The Piaggio Foundation's Cultural Project was again a great success in 2023, making a decisive contribution to bringing the public back to the Museum and attracting many new visitors, also thanks to the new features in the programme.



SOCIAL MEDIA

The new use of social media and virtual tours has become a habit and part of the daily routines of the Museum's fans. The virtual tour has therefore continued to be an alternative and complementary way of following the activities organised by it.

As mentioned, virtual visits to the Museum's permanent collections and temporary exhibitions totalled about 11,000 in the year.

Social editorial programming (PED) shared with the relevant Piaggio functions (Brand and Digital) was also defined in 2023, to ensure consistency with the corporate communication plan. Within the Museum's social programming - which includes news about cultural events, posts dedicated to iconic archive images, curiosities related to the permanent collection - special attention is given to the publication of content created to promote current exhibitions.

In particular, the section dedicated to the flagship exhibition Dal Mare sul Mare (From the Sea on the Sea), from 14 March to 27 August 2023, with 7 posts made, reached 23,751 people, with 265 total reactions, comments and shares.

A case in point is an archive post published on 1 February, on the occasion of Corradino D'Ascanio's birthday. The post was reached by 159,997 people on Facebook and had 4,299 reactions.

Greater alignment with the corporate communication plan and improved synergy with Piaggio's Brand and Digital functions led to an increase of 1,381 likes for the Museum's Facebook page, from 30,804 to 32,185 followers, and for the Instagram page from 6,756 to 8,105 followers.

On the Facebook page, a total of 86 posts were published during 2023, of which 44 about archive images, 10 about thematic headings, and 32 about events and news, with images of the Museum's collection.

On the INSTAGRAM page 61 posts were published during the year, with regular posts and archive images.

Vespa World Club

In 2006, on the initiative of the Piaggio Group and the Piaggio Foundation, the Vespa World Club, a non-profit association, was founded; this organisation is a way for Piaggio to directly follow the management of Vespa Clubs in order to preserve the fleet of vintage Vespas still in circulation, to support collectors in researching and restoring these vintage vehicles and to continue to organise tourist rallies and exciting races in Europe and around the world, guaranteeing Vespa fans a high quality event.

The mission of the Vespa World Club is to:

- promote initiatives for the coordination of social, tourist, sporting and competitive activities;
- set up representative bodies of National Vespa Clubs at all national and international venues and organisations;
- organise trophies, rallies, competitions, exhibitions, congresses, conferences and meetings;
- look after and protect the interests of members;
- promote and implement safety, education, road traffic behaviour;
- promote studies and historical research on the relationship between the Vespa and local territory;
- assist interaction between the company and enthusiasts.

2023 confirmed the positive trend with a full calendar of appointments and events. The most significant include:

- Vespa Days, Pontedera 22-23 April. A Celebration of the Birthday of the Vespa born in 1946. A thousand Vespisti invaded the small Tuscan town over the two days, celebrating the Vespa (International Meeting);
- Vespa World Days Interlaken (Switzerland), 15-18 June. World Gathering of Vespa Clubs: 31 nations present at the Village set up on the outskirts of the city;
- Vespa Trophy: the Vespa World Days event was complemented by the famous touring trophy for all event participants. A fun game, with the Piaggio Network as the check point on the road and Vespa fans as competitors battling it out to take home the coveted trophy. The Vespa Club of Leoni Rossi di Ariano was victorious for the first time in a hard-fought competition among the teams taking part from 18 nations;
- Vespa Rally Sports Championships: the event in Ragnitz (Graz, Austria) was held once again, after being stopped due to the pandemic, with a large number of Vespisti from all over Europe participating;
- Ape Club Italia: Aperigiro Santa Luce (Pisa), 1-2 April. The Ape Tourist Meeting of Ape Clubs from ten different cities in Italy and two German Clubs who went on a tour to discover the marvels and food and wine of the Orciani Hills in the Pisa area.

Moto Guzzi World Club

The Moto Guzzi World Club was established in 2002 with the aim of:

- promoting interest, knowledge and safeguarding the historical value of the Moto Guzzi trademark and the motorcycles it produces;
- creating and developing links among owners of Moto Guzzi motorcycles;
- organising events, meetings, conferences, competitions;
- disseminating national and international motoring tourism, enhancing and rediscovering local tourist itineraries thanks to the activities carried out and information exchanged among members;
- creating and developing links with non-profit organisations or other sports and non-profit associations that carry out social, humanitarian, environmental protection, etc. activities that can be helped by initiatives promoted by the association in the motorcycle industry or other sectors;
- developing relations with the parent company and coordinating its own and its members' activities with those of other national and international brand clubs.

Today, after 20 years of activity, the Moto Guzzi World Club, in addition to directly registered members and 82 recognised clubs in Italy, has:

- 6 recognised clubs in America, Asia, Australia representing about 7,500 members;
- 20 recognised clubs in Europe representing around 5,000 members.

The "Moto Guzzi World" rally (May/Benevento) and the "Mediterranean Area" rally (June/Trapani) were organised in 2023. Track activities for members were also promoted during the events organised by the FMI and called "CIV Classic", during which the Moto Guzzi World Club rented a box at each of the scheduled stages.

Moto Guzzi Fast Endurance Trophy

The fifth Moto Guzzi Fast Endurance Trophy took place from May to October 2023.

The event, organised by FMI, was dedicated to the Moto Guzzi V7 III (750cc and 850cc), fitted out with a special kit created by Guareschi Moto, the long-established dealer considered a specialist in fitting out racing vehicles. The kit featured the windshield, side number plates, handlebar halves, raised floorboards, front mudguard, underpan, front suspensions, rear suspensions, control unit, brake pads and single seat.

The championship consisted of six races held at the main Italian motorbike circuits over four separate weekends.

The formula envisages teams of two riders taking turns every 15 minutes, with the duration of the races ranging from 60 to 90 minutes depending on the circuit.

A total of 25 crews participated.

Moto Guzzi - Open House 2023

Moto Guzzi has confirmed itself as one of the best-loved and most respected motorbike brands, capable of attracting thousands of people of different generations and nationalities, united by a common passion for the motorbikes of the brand with the Eagle. The Moto Guzzi factory in Mandello del Lario was the hub for Guzzi lovers, with around 35 thousand enthusiasts gathering from Thursday 7 to Sunday 10 September to take part in the 2023 edition of Moto Guzzi Open House. Guests were able to visit the Moto Guzzi Museum, further renovated and recently enriched with unpublished memorabilia and newly restored motorbikes, the vehicle and engine assembly lines and the Wind Tunnel, to see and try out vehicles from the range and take part in entertainment, including the Virgin Radio stage.

Aprilia All Stars - 2023

On 27 May 2023., Aprilia fans responded in a big way to the call to help Emilia-Romagna, the land of racing and in the heart of every enthusiast. More than fifteen thousand invaded the paddock of the Misano World Circuit with free entry, as per tradition, for Aprilia All Stars, the great event celebrating Aprilia, its motorbikes and its greatest champions. Besides its passion for motorcycling, the event was also an occasion for solidarity, to concretely help the communities affected by the flooding. The programme with numerous features was designed to involve the public in the paddock, with an exceptional series of activities, all to the soundtrack of Radio DeeJay and M2O. The festive atmosphere of the Aprilia All Stars engines was perfectly matched to the solidarity race, thanks also to the presence of the Italian Navy and its helicopters, which played a leading role in the relief effort in Emilia Romagna.



Charity and sponsorship activities

The Piaggio Group consists of 23 companies, 19 of which are operational. The latter are located in 15 nations. In 4 of these nations, the Group ran Charity projects worth approximately 1.3 million euros in 2023.

The percentage of community involvement is calculated as follows: $4/15=26.7\%$.

An analysis of the funded projects is given below.

In 2023, the collaboration between the Piaggio Group and (RED) - an association founded in 2006 by Bono and Bobby Shriver - continued. Thanks to the help of partners and supporters, the project generated more than \$750 million for the Global Fund, destined to fight AIDS and pandemics. Aid from (RED) to the Global Fund has impacted over 245 million lives through prevention activities, treatment, counselling, HIV testing and care services. Since the beginning of the partnership with (RED) Piaggio has raised over USD 1.5 million for the Global Fund. This year the partnership was renewed for another two years (01/01/2024 - 31/12/2025). The Vespa (RED) product range, which includes the Vespa Primavera (RED) and Vespa Electric (RED), remains unchanged; the Vespa (RED) Merchandising range will instead be renewed and launched on the market in 2024. As part of the Vespa (RED) partnership, on the occasion of World Aids Day (WAD), which falls on 1 December, an event was organised at the Motoplex in Via Broletto, Milan, where the Vespa Elettrica (RED) and the preview of the new Merchandising collection were displayed. The event received media coverage on social channels, in the press and on our institutional channels.

The Piaggio Group's interest in research and progress in the health sector has led it to donate € 250,000 to the IEO CCM (European Institute of Oncology) Foundation again this year.

The following were also donated:

- a Piaggio 1 to the Mantova Oncology Institute;
- two Aprilia helmets to the Dynamo Camp Foundation, which were auctioned off, along with other prizes, for their own charitable purposes;
- a Moto Guzzi V7 Stone 'special edition 75th Olympic gold' to the MotoGuzzi Rowing Association for their charity auction in support of rowing activities for the disabled;
- a Vespa Primavera 50cc to the Laureus Italia Onlus Foundation, which has been working since 2005 to support children living in situations of severe socio-economic deprivation: in more than 10 years, Laureus Italia has involved more than 5,000 children in over 14 projects offering more than 20 different sports activities;
- a Piaggio Liberty 125 to the Publimedia agency, which organised a charity raffle for the orphans of the Carabinieri Corps.

At the 'Aprilia All Stars' event held at Misano at the end of May, the Piaggio Group donated 200,000 euro to the Civil Defence of Emilia-Romagna, which was hit by flooding.

For the emergency caused by the floods of 2 November in Tuscany, the Piaggio Group, at its Board meeting on 15 December 2023, decide to donate 250,000 euro to the "Restart Fund" set up by the Municipality of Pontedera.

The charity initiative to support the educational and rehabilitation activities of disabled children assisted by the non-profit organisation "Casa del Sole Onlus" in Mantua was also renewed, with a donation of €20,000. In particular, in 2023, the initiative, now in its 16th edition, supported the 'New Day Centre for the Disabled Casa del Sole' project for girls and boys with disabilities, assisted by the Casa del Sole Onlus.

In the field of international cooperation, €45,000 was also donated to ISPI (Institute for International Policy Studies), €10,000 to AIICP (Italy India Association for Cooperation between the Two Countries) and €3,000 to IJBG (Italy Japan Association).

The Indian and Vietnamese subsidiaries have also always been active in social work, supporting and promoting charitable initiatives.

In particular, Piaggio Vietnam organised charity activities for children in schools, hospitals and orphanages and donated €3,000 to a group of children affected by Covid-19. Several sets of basic necessities, worth €4,000, were also donated to needy people in Binh Xuyen district, where the factory is located, on the occasion of Tet. In conjunction with an internal running competition involving employees, funds were allocated for the organisation of a volunteer day and, in cooperation with the Red Cross of Vinh Phuc Province, 50 helmets were sponsored to promote road safety. In addition, with a view to contributing to the future workforce channel and creating opportunities for the next generation, many cooperation activities were organised with various universities during 2023. Professional support was provided for the Ciao Contest, Italian Language and Culture Week at the University of Hanoi and several Factory Tours were organised for the University of Virginia and the University of Hanoi.

A special mention should go to the Indian affiliate.

The Companies Act of 2013 enacted by the Government of India stipulated that large companies operating in India must spend in each financial year, at least two per cent of the average net profits of the last three years, in compliance with the company's Corporate Social Responsibility Policy and giving priority to local areas adjoining the production site. Schedule VII of the Company Act 2013 lists the CSR activities that can be undertaken by companies in compliance with the Corporate Social Responsibility Policy: (i) eradicating hunger and extreme poverty; (ii) promoting education; (iii) promoting gender equality and empowerment of women; (iv) reducing child mortality and improving maternal health; (v) combating HIV, malaria and other diseases; (vi) ensuring environmental sustainability; (vii) promoting employment and improving professional skills; (viii) social entrepreneurship projects; (ix) contribution to the Prime Minister's National Relief Fund or any other fund established by the central or local governments for socio-economic development. Piaggio Vehicles Private Limited (PVPL) has focused its commitment on social projects generally in the areas of water and sanitation, education, and women's empowerment, chosen on the basis of preliminary research carried out internally on the needs of the area surrounding the plant.

The projects developed by the Indian affiliate during 2023 were as follows:

Involvement activities in schools and deprived communities in the area of promoting education: on the occasion of Daan Utsav, teaching materials, study aids, clothes, shoes and toys were donated to 160 needy children; an arts and crafts workshop was organised for slum children; for the celebration of Yoga Day, the practice was promoted to pursue physical and psychological wellbeing among 420 students from two schools in Baramati.

Health Checkup Campaign: in cooperation with the D.Y. Patil Hospital in Pune, a health checkup campaign was organised in collaboration with the government schools in Baramati to provide general health checkups to students by paediatricians, ENT specialists, ophthalmologists, gynaecologists and also administer medicines. The aim of the campaign, which involved 160 students, is to create health awareness among the students, provide general care and administration of medicines, and provide counselling on basic care and hygiene. Special attention was given to the principles of healthy eating, the importance of daily yoga practice and personal hygiene.

Programme on menstrual hygiene management: with the government school, a session on this subject was conducted in rural villages in Baramati, where the girls discussed their problems with gynaecologists, who provided all the necessary information. This activity involved 135 adolescent girls.

Scholarships for children of 3-wheeler taxi drivers: the Piaggio 'Shiksha Se Samridhhi' Scholarship is an initiative of Piaggio Vehicles Pvt. Ltd. to support children of 3-wheeler taxi drivers who are pursuing a diploma, degree or higher secondary education. The market demands more technically skilled workers and through this scholarship project, PVPL provides an opportunity for young people to acquire skills so that they can get a job and support their families. In 2023, 132 students were awarded scholarships to continue their higher education, 27 students will receive scholarships to continue their education of last year of the graduation and, in addition, another 75 girls in STEM education will receive financial assistance for their actual expenses in their final year.



CORRELATION TABLE LEGISLATIVE DECREE 254/2016 AND MATERIAL TOPICS - GRI STANDARD

TOPIC OF LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IDENTIFIED RISKS	PRACTISED POLICIES	TOPIC SPECIFIC STANDARD/DISCLOSURE	APPLICABLE CHAPTER/SECTION
ENVIRONMENT	Innovation of product	Risk related to inadequate level of innovation that could result in reduced recyclability/recoverability of end-of-life vehicles and the production of vehicles with obsolete engines	Practised policy of technological leadership in the sector and significant investment in R&D. Decarbonisation Plan.	GRI 3-3 (2021): Management of material topics	Materiality analysis Research, Development and Innovation Guidelines The Environmental dimension
				GRI 3-3 (2021): Management of material topics	Materiality analysis Research, Development and Innovation Guidelines The Environmental Dimension - Emissions of CO ₂ and other pollutants - Energy consumption
	Climate change	Risk of environmental damage attributable to the direct responsibility of the Group and indirectly through the supply chain	Environmental policy - for a description of the policies practised please refer to the chapter The Environmental Dimension - ISO 14001 Signing of the Code of Ethics or general terms and conditions of supply by suppliers Decarbonisation Plan	GRI 302-1 (2016): Energy consumption within the organization	The Environmental Dimension - Emissions of CO ₂ and other pollutants
				GRI 305-1 (2016): Direct (Scope 1) GHG emissions	The Environmental Dimension - Emissions of CO ₂ and other pollutants
				GRI 305-2 (2016): Energy indirect (Scope 2) GHG emissions	The Environmental Dimension - Emissions of CO ₂ and other pollutants
				GRI 305-3 (2016): Other indirect (Scope 3) GHG Emissions	The Environmental Dimension - Emissions of CO ₂ and other pollutants
				GRI 305-4 (2016): GHG emissions intensity	The Environmental Dimension - Emissions of CO ₂ and other pollutants
	GRI 305-7 (2016): Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	The Environmental Dimension - Emissions of CO ₂ and other pollutants			
	Waste handling	Risk of environmental damage attributable to the Group's responsibility with potential impact on the surrounding community	Environmental policy - for a description of the policies practised please refer to the chapter The Environmental Dimension - ISO 14001	GRI 3-3 (2021): Management of material topics	Materiality analysis The Environmental Dimension - Waste Management and Recovery
				GRI 306-1 (2020): Waste generation and significant waste related impacts	The Environmental Dimension - Certifications - Waste Management and Recovery Materiality analysis
GRI 306-2 (2020): Management of significant waste related impacts				The Environmental Dimension - Waste Management and Recovery	
				GRI 306-3 (2020): Waste generated	The Environmental Dimension - Waste Management and Recovery

TOPIC OF LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IDENTIFIED RISKS	PRACTISED POLICIES	TOPIC SPECIFIC STANDARD/DISCLOSURE	APPLICABLE CHAPTER / SECTION
ENVIRONMENT	Conserving water resources	Risk of environmental damage attributable to the Group's responsibility with potential impact on the surrounding community due to uncontrolled use of the resource.	Environmental policy - for a description of the policies practised please refer to the chapter The Environmental Dimension - ISO 14001	GRI 3-3 (2021): Management of material topics	Materiality analysis The Environmental Dimension - Conservation of Water Resources
				GRI 303-1 (2018): Interactions with water as a shared resource	The Environmental Dimension - Conservation of Water Resources
				GRI 303-2 (2018): Management of water discharge-related impacts	
GRI 303-3 (2018): Water withdrawal					
GRI 303-4 (2018): Water discharge					
SOCIAL	Product safety and reliability	Risk associated with (real or presumed) product defects due to errors/omissions attributable to supplier activity, the product development phase, the production/assembly phase and the quality control phase	Practised policy aimed at producing vehicles that guarantee a high level of active, passive and preventive safety. Confirmation of this policy can be seen in the Group's commitment to maintaining quality management system certification (ISO 9001)	GRI 3-3 (2021): Management of material topics	Materiality analysis Research, development and innovation guidelines
				GRI 416-1 (2016): Assessment of the health and safety impacts of product and service categories	Research, development and innovation guidelines
				Customer Satisfaction	Level of service quality provided not in line with customer needs and expectations
GRI 417-3 (2016): Incidents of non-compliance concerning marketing communications	Sustainability Governance - Guidelines for compliance with laws and regulations				

TOPIC OF LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IDENTIFIED RISKS	PRACTISED POLICIES	TOPIC SPECIFIC STANDARD/DISCLOSURE	APPLICABLE CHAPTER / SECTION
SOCIAL	Supporting local communities	Reduced number of initiatives aimed at the development of the territory in which the Group operates and the promotion of social inclusion values (e.g. partnerships with non-profit/non-governmental organisations, voluntary organisations, etc.)	Practised policies aimed at rooting the Group's presence in the territory and increasing the value generated for the community. The Piaggio Foundation is an example of the Group's focus on the community	GRI 3-3 (2021): Management of material topics	Materiality analysis The Social Dimension
				GRI 202-2 (2016): Proportion of senior management hired from the local community	The Social Dimension - Diversity and equal opportunities
				GRI 413-1 (2016): Operations with local community engagement, impact assessment, and development programmes	The Social Dimension - Supporting local communities, charity activities and sponsorships
	Creation of economic value	Risk of a possible inadequacy of corporate strategies and possible insolvency with suppliers and lenders and/or unsatisfactory shareholder remuneration due to failure to achieve set growth targets	Externally audited mandatory financial information - Group management is subject to an ongoing skills training programme	GRI 3-3 (2021): Management of material topics	Materiality analysis The Social Dimension
				GRI 201-1 (2016): Direct economic value generated and distributed	The European Taxonomy The Social Dimension - Determination and distribution of the economic value generated
				GRI 203-1 (2016): Infrastructure investments and services supported	The Social Dimension - Charity and sponsorship activities
				GRI 204-1 (2016): Proportion of spending on local suppliers	The Social Dimension - Responsible supply chain management

TOPIC OF LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IDENTIFIED RISKS	PRACTISED POLICIES	TOPIC SPECIFIC STANDARD/DISCLOSURE	APPLICABLE CHAPTER / SECTION
PERSONNEL	Developing human resources	Risk arising from employee dissatisfaction, lack of skills, professionalism and experience on the part of company resources, inadequate sizing of the structure and tensions in labour relations	Practised personnel management policies (e.g. internal selection and mobility, development and career, training, industrial relations, internal communication systems)	GRI 3-3 (2021): Management of material topics	Materiality analysis The Social Dimension
				GRI 401-1 (2016): New employee hires and employee turnover	The Social Dimension - Personnel management policy - Staff
				GRI 401-2 (2016): Benefits provided to full-time employees that are not provided to temporary or part-time employees	The Social Dimension - Personnel management policy -Benefits
				GRI 401-3 (2016): Parental leave	The Social Dimension - Diversity and equal opportunities
				GRI 404-1 (2016): Average hours of training per year per employee	The Social Dimension - Training
				GRI 404-2 (2016): Programmes for upgrading employee skills and transition assistance programmes	The Social Dimension - Personnel management policy - Development and career
				GRI 404-3 (2016): Percentage of employees receiving regular performance and career development reviews	The Social Dimension - Personnel management policy - Evaluation
				GRI 405-1 (2016): Diversity of governance bodies and employees	The Social Dimension - Personnel management policy - Diversity and equal opportunities
				GRI 405-2 (2016): Ratio of basic salary and remuneration of women to men	The Social Dimension - Personnel management policy - Diversity and equal opportunities

TOPIC OF LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IDENTIFIED RISKS	PRACTISED POLICIES	TOPIC SPECIFIC STANDARD/DISCLOSURE	APPLICABLE CHAPTER / SECTION
PERSONNEL	Health and Safety	Risk of injury/accident to internal staff within the Group's offices/facilities	Occupational safety and medicine (ISO 45001) Compliance of products with applicable regulations (Reach, End of life)	GRI 3-3 (2021): Management of material topics	Materiality analysis The Social Dimension - Occupational health and safety
				GRI 403-1 (2018): Occupational health and safety management system	
				GRI 403-2 (2018): Hazard identification, risk assessment, and incident investigation	
				GRI 403-3 (2018): Occupational health services	
				GRI 403-4 (2018): Worker participation, consultation, and communication on occupational health and safety	
				GRI 403-5 (2018): Worker training on occupational health and safety	The Social Dimension - Occupational health and safety
				GRI 403-6 (2018): Promotion of worker health	
				GRI 403-7 (2018): Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
				GRI 403-8 (2018): Workers covered by an occupational health and safety management system	
				GRI 403-9 (2018): Work-related injuries	
GRI 403-10 (2018): Work-related ill health					

TOPIC OF LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IDENTIFIED RISKS	PRACTISED POLICIES	TOPIC SPECIFIC STANDARD/ DISCLOSURE	APPLICABLE CHAPTER / SECTION
RESPECT FOR HUMAN RIGHTS	Responsible management of the supply chain	Risk relating to abuse of commercial power vis-à-vis suppliers by the Group and/ or non-compliance with ESG principles by suppliers	Group commitment to the Code of Ethics and promotion of a policy aimed at ensuring that all suppliers sign the Group's Code of Ethics or the General Conditions of Supply	GRI 3-3 (2021): Management of material topics	Materiality analysis Sustainability governance
				GRI 308-1 (2016): New suppliers that were screened using environmental criteria	Sustainability governance - Social and environmental policies and guidelines - Risk management
Respect for human rights	Risk of non-compliance with human rights and ESG principles in the company and/or by suppliers	Adoption of and compliance with the Code of Ethics by the Group and policy to ensure that all suppliers sign the Group's Code of Ethics or general terms and conditions of supply	GRI 3-3 (2021): Management of material topics	Materiality analysis Sustainability Governance - The Responsible business management system	
			GRI 406-1 (2016): Incidents of discrimination and corrective actions taken	Sustainability governance - Social and environmental policies and guidelines - Risk management	
GRI 407-1 (2016): Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk					
GRI 408-1 (2016): Operations and suppliers at significant risk for incidents of child labour					
				GRI 409-1 (2016): Operations and suppliers at significant risk for incidents of forced or compulsory labour	

TOPIC OF LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IDENTIFIED RISKS	PRACTISED POLICIES	TOPIC SPECIFIC STANDARD/DISCLOSURE	APPLICABLE CHAPTER / SECTION
FIGHTING CORRUPTION	Business integrity	Risk arising from wrongful acts by employees and/or incorrect or non-transparent information provided to third parties	Code of Ethics and externally audited mandatory information	GRI 3-3 (2021): Management of material topics	Materiality analysis Sustainability Governance - Anti-Corruption - The Social Dimension
				GRI 205-3 (2016): Confirmed incidents of corruption and actions taken	Sustainability governance - The system for responsible business management - Guidelines for compliance with laws and regulations
				GRI 206-1 (2016): Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
				GRI 207-1 (2019): Approach to tax	
				GRI 207-2 (2019): Tax governance, control, and risk management	The Social Dimension - Taxes
				GRI 207-3 (2019): Stakeholder engagement and management of concerns related to tax	
				GRI 207-4 (2019): Country-by-country reporting	



GRI CONTENT INDEX

Statement of use: Piaggio & C. reported in accordance with GRI Standards for the period from 01.01.2023 to 31.12.2023

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sectors standard: Not applicable

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS	
			REQUIREMENT(S) OMITTED	REASON EXPLANATION
GRI 2: GENERAL DISCLOSURES 2021				
2-1	Organisational detail	Methodological Note -Report on Operations -Ownership Structure - Sustainable Value Generation		
2-2	Entities included in the organization's sustainability reporting	Methodological Note - Report on Operations - Corporate Structure		
2-3	Reporting period, frequency and contact point	Methodological Note - Report on Operations -Piaggio and the financial markets		
2-4	Restatements of information	Methodological Note		
2-5	External assurance	Auditors' report		
2-6	Activities, value chain, and other business relationships	The Business Model -Sustainable Value Generation The Social Dimension - Responsible Supply Chain Management - Customer Satisfaction		
2-7	Employees	The Social Dimension - Diversity and equal opportunities		
2-8	Workers who are not employees	The Social Dimension - Staff		
2-9	Governance structure and composition	Sustainability Governance - Corporate Governance Report 2023		
2-10	Nomination and selection of the highest governance body	Corporate Governance Report 2023 - Board of Directors		
2-11	Chair of the highest governance body	Sustainability Governance - Corporate Governance Report 2023 - Composition		
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance - The Materiality Analysis		

GRISTANDARD	DISCLOSURE	LOCATION	OMISSIONS	
			REQUIREMENT(S) OMITTED	REASON EXPLANATION
GRI 2: GENERAL DISCLOSURES 2021				
2-13	Delegation of responsibility for managing impacts	Sustainability Governance - The Materiality Analysis		
2-14	Role of the highest governance body in sustainability reporting	Materiality analysis		
2-15	Conflicts of interest	Corporate Governance Report 2023 - Directors' Interests and Related Party Transactions - Role of the Board of Directors - Related Party Procedure - Code of Ethics		
2-16	Communication of critical concerns	Corporate Governance Report 2023 -Internal Control and Risk Management System- Risk manager and compliance officer		
2-17	Collective knowledge of the highest governance body	Corporate Governance Report 2023 -Appointment and Replacement of Directors		
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report 2023 -Director self-evaluation and succession		
2-19	Remuneration policies	Remuneration Report (Section 1 paragraphs 2-3-4)		
2-20	Process to determine remuneration	Remuneration Report (Section 1 paragraph 1)		
2-21	Annual total remuneration ratio	Sustainability governance		
2-22	Statement on sustainable development strategy	Report on Operations (Chairman's Letter)		
2-23	Policy commitments	Sustainability governance		
2-24	Embedding policy commitments	Sustainability governance		

GRISTANDARD	DISCLOSURE	LOCATION	OMISSIONS	
			REQUIREMENT(S) OMITTED	REASON EXPLANATION
GRI 2: GENERAL DISCLOSURES 2021				
2-25	Processes to remediate negative impacts	The Materiality Analysis (materiality table) - Sustainability Governance - Model 231; Human Rights Guidelines - Customer Satisfaction		
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Governance - Model 231; Human Rights Guidelines		
2-27	Compliance with laws and regulations	Sustainability Governance - Guidelines for Compliance with Laws and Regulations		
2-28	Membership associations	Report on Operations - Risks and uncertainties; Risk related to the regulatory and regulatory framework		
2-29	Approach to stakeholder engagement	Expectations and ways of involving stakeholders		
2-30	Collective bargaining agreements	Industrial relations		
MATERIAL TOPICS				
GRI 3: MATERIAL TOPICS 2021				
3-1 (2021)	Process to determine material topics	Description of the process to identify material topics for Non-Financial Statement purposes		
3-2 (2021)	List of material topics	Materiality analysis Methodological Note		
SUPPORTING LOCAL COMMUNITIES				
3-3 (2021)	Management approach	Materiality Analysis - The Social Dimension		
413-1 (2016)	Operational with local community engagement, impact assessments, and development programs	The Social Dimension - Supporting Local Communities - Clarification and Sponsorship Activities		
202-2 (2016)	Proportion of senior management hired from the local community	The Social Dimension - Diversity and equal opportunities		

GRISTANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSIONS REASON	EXPLANATION
CLIMATE CHANGE					
3-3 (2021)	Management approach	Materiality Analysis - The Environmental Dimension - Emissions of CO ₂ and other pollutants - Energy consumption			
302-1 (2016)	Energy consumption within the organisation	The Environmental Dimension - Energy Consumption			
305-1 (2016)	Direct (Scope 1) GHG emissions	The Environmental Dimension - Emissions of CO ₂ and other pollutants			
305-2 (2016)	Energy indirect (Scope 2) GHG emissions	The Environmental Dimension - Emissions of CO ₂ and other pollutants			
305-3 (2016)	Other indirect (Scope 3) GHG Emission	The Environmental Dimension - Emissions of CO ₂ and other pollutants			
305-4 (2016)	GHG emissions intensity	The Environmental Dimension - Emissions of CO ₂ and other pollutants			
305-7 (2016)	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	The Environmental Dimension - Emissions of CO ₂ and other pollutants			
INNOVATION OF PRODUCT					
3-3 (2021)	Management approach	Materiality Analysis - The Environmental Dimension - Research, Development and Innovation Guidelines			
CREATION OF ECONOMIC VALUE					
3-3 (2021)	Management approach	Materiality Analysis - The Social Dimension			
201-1 (2016)	Direct economic value generated and distributed	The Social Dimension - Determination and distribution of the economic value generated			
203-1 (2016)	Infrastructure investments and services supported	The Social Dimension - Charity and sponsorship activities			
204-1 (2016)	Proportion of spending on local suppliers	The Social Dimension - Responsible supply chain management			
WASTE HANDLING					
3-3 (2021)	Management approach	Materiality Analysis - The Environmental Dimension - Waste Management and Recovery			
306-1 (2020)	Waste generation and significant waste-related impacts	The Environmental Dimension - Environmental Certifications - Waste Management and Recovery Materiality analysis			
306-2 (2020)	Management of significant waste related impacts	The Environmental Dimension - Waste Management and Recovery			
306-3 (2020)	Waste generated	The Environmental Dimension - Waste Management and Recovery			

GRISTANDARD	DISCLOSURE	LOCATION	OMISSIONS	
			REQUIREMENT(S) OMITTED	REASON EXPLANATION
CONSERVING WATER RESOURCES				
3-3 (2021)	Management approach	Materiality Analysis - The Environmental Dimension - Conservation of Water Resources		
303-1 (2018)	Interactions with water as a shared resource	The Environmental Dimension - Conservation of Water Resources		
303-2 (2018)	Management of water discharge-related impacts	The Environmental Dimension - Conservation of Water Resources		
303-3 (2018)	Water withdrawal	The Environmental Dimension - Conservation of Water Resources		
303-4 (2018)	Water discharge	The Environmental Dimension - Conservation of Water Resources		
303-5 (2018)	Water consumption	The Environmental Dimension - Conservation of Water Resources		
CUSTOMER SATISFACTION				
3-3 (2021)	Management approach	Materiality Analysis - Sustainability Governance		
417-3 (2016)	Incidents of non-compliance concerning marketing communications	Sustainability Governance - Guidelines for compliance with laws and regulations		
DEVELOPING HUMAN RESOURCES				
3-3 (2021)	Management approach	Materiality Analysis - The Social Dimension		
401-1 (2016)	New employee hires and employee turnover	The Social Dimension - Personnel management policy - Staff		
401-2 (2016)	Benefits provided to full-time employees that are not provided to temporary or part-time employees	The Social Dimension - Personnel management policy -Benefits		
401-3 (2016)	Parental leave	The Social Dimension - Diversity and equal opportunities		
404-1 (2016)	Average hours of training per year per employee	The Social Dimension - Training		
404-2 (2016)	Programmes for upgrading employee skills and transition assistance programmes	The Social Dimension - Personnel management policy - Development and career		
404-3 (2016)	Percentage of employees receiving regular performance and career development reviews	The Social Dimension - Personnel management policy - Evaluation		
405-1 (2016)	Diversity of governance bodies and employees	The Social Dimension - Personnel management policy - Diversity and equal opportunities		
405-2 (2016)	Ratio of basic salary and remuneration of women to men	The Social Dimension - Personnel Management Policy - Rewarding		

GRISTANDARD	DISCLOSURE	LOCATION	OMISSIONS REQUIREMENT(S) OMITTED	REASON	EXPLANATION
PRODUCT SAFETY AND RELIABILITY					
3-3 (2021)	Management approach	Materiality Analysis - Research, Development and Innovation Guidelines			
416-1 (2016)	Assessment of the health and safety impacts of product and service categories	Research, Development and Innovation Guidelines			
RESPECT FOR HUMAN RIGHTS					
3-3 (2021)	Management approach	Materiality analysis Sustainability Governance - The Responsible business management system			
406-1 (2016)	Incidents of discrimination and corrective actions taken	Sustainability governance - Social and environmental policies and guidelines - Risk management			
407-1 (2016)	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainability governance - Social and environmental policies and guidelines - Risk management -The Social Dimension - Personnel management policy - Competitive organization			
408-1 (2016)	Operations and suppliers at significant risk for incidents of child labor	Sustainability governance - Social and environmental policies and guidelines - Risk management -The Social Dimension - Personnel management policy - Competitive organization			
409-1 (2016)	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability governance - Social and environmental policies and guidelines - Risk management -The Social Dimension - Personnel management policy - Competitive organization			
HEALTH AND SAFETY					
3-3 (2021)	Management approach	Materiality Analysis - The Social Dimension			
403-1 (2018)	Occupational health and safety management system	The Social Dimension - Occupational health and safety			
403-2 (2018)	Hazard identification, risk assessment, and incident investigation	The Social Dimension - Occupational health and safety			
403-3 (2018)	Occupational health services	The Social Dimension - Occupational health and safety			
403-4 (2018)	Worker participation, consultation, and communication on occupational health and safety	The Social Dimension - Occupational health and safety			
403-5 (2018)	Worker training on occupational health and safety	The Social Dimension - Occupational health and safety			
403-6 (2018)	Promotion of worker health	The Social Dimension - Occupational health and safety			
403-7 (2018)	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The Social Dimension - Occupational health and safety			
403-8 (2018)	Workers covered by an occupational health and safety management system	The Social Dimension - Occupational health and safety			
403-9 (2018)	Work-related injuries	The Social Dimension - Occupational health and safety			
403-10 (2018)	Work-related ill health	The Social Dimension - Occupational health and safety			

GRISTANDARD	DISCLOSURE	LOCATION	OMISSIONS	
			REQUIREMENT(S) OMITTED	REASON EXPLANATION
RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN				
3-3 (2021)	Management approach	Materiality Analysis - Sustainability Governance		
308-1 (2016)	New suppliers that were screened using environmental criteria	Sustainability Governance - Social and Environmental Policies and Guidelines Risk management		
414-1 (2016)	New suppliers that were screened using social criteria	Sustainability Governance - Social and Environmental Policies and Guidelines Risk management		
BUSINESS INTEGRITY				
3-3 (2021)	Management approach	Materiality Analysis Sustainability governance - The social dimension		
205-3 (2016)	Confirmed incidents of corruption and actions taken	Sustainability governance - The system for responsible business management - Anti- corruption		
206-1 (2016)	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability governance - The system for responsible business management - Guidelines for compliance with laws and regulations		
207-1 (2019)	Approach to tax	The Social Dimension - Taxes		
207-2 (2019)	Tax governance, control, and risk management	The Social Dimension - Taxes		
207-3 (2019)	Stakeholder engagement and management of concerns related to tax	The Social Dimension - Taxes		
207-4 (2019)	Country-by-country reporting	The Social Dimension - Taxes		



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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016, AND ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018

**To the Board of Directors of
Piaggio & C. S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5, paragraph 1, letter g) of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Piaggio & C. S.p.A. and its subsidiaries (hereinafter "Piaggio Group" or "Group") as of December 31, 2023 prepared on the basis of art. 4 of the Decree, presented in the specific section of the report on operations and approved by the Board of Directors on March 4, 2024 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "The European Taxonomy".

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

During the year covered by this assurance engagement, our auditing firm applied *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (hereinafter *"ISAE 3000 Revised"*), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Piaggio Group;
4. understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;



- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a);

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Piaggio & C. S.p.A. and with the employees of Piaggio Vietnam Co. Ltd. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies and sites, Pontedera (Pisa) headquarters and production site for Piaggio & C. S.p.A. and Vinh Phuc (Vietnam) production site for Piaggio Vietnam Co. Ltd., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Piaggio Group as of December 31, 2023 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

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Our conclusion on the NFS of the Piaggio Group does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "The European Taxonomy".

DELOITTE & TOUCHE S.p.A.

Signed by
Gianni Massini
Partner

Florence, Italy
March 25, 2024

This report has been translated into the English language solely for the convenience of international readers.