



PIAGGIO
GROUP

CORPORATE SOCIAL RESPONSIBILITY REPORT 2021





CONTENTS

CORPORATE SOCIAL RESPONSIBILITY REPORT	4
LETTER FROM THE CHAIRMAN	5
GUIDANCE	8
ITS FOUNDATIONS	10
PROCESS OF REPORTING AND ASSURANCE	10
MATERIALITY ANALYSIS	11
CONTENTS OF THE REPORT	13
THE COMMITMENT OF THE PIAGGIO GROUP	16
MISSION	20
PIAGGIO'S CORPORATE SOCIAL RESPONSIBILITY MODEL	21
GROUP PROFILE	28
THE PIAGGIO GROUP BUSINESS MODEL	30
CORPORATE STRUCTURE	34
HISTORY	35
MAIN EVENTS AND AWARDS OF 2021	36
PIAGGIO AT A GLANCE	37
PIAGGIO GROUP CERTIFICATION	38
EUROPEAN TAXONOMY	39
SUSTAINABILITY GOVERNANCE	43
THE SYSTEM FOR RESPONSIBLE BUSINESS MANAGEMENT	46
SOCIAL AND ENVIRONMENTAL-ORIENTED POLICIES AND GUIDELINES	47
RISK MANAGEMENT	51
THE ECONOMIC DIMENSION	60
2021 RESULTS AND FUTURE OBJECTIVES	62
PUBLIC GRANTS AND TAX BENEFITS	64
TAXES	65
VALUE FOR SHAREHOLDERS	68
COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS	69
THE PRODUCT DIMENSION	71
GROUP OBJECTIVE	76
RESEARCH GUIDELINES	78
EUROPEAN FUNDED PROJECTS	90
MEETING CUSTOMER REQUIREMENTS	93
THE ENVIRONMENTAL DIMENSION	98
VEHICLES PRODUCED	102
ENVIRONMENTAL MANAGEMENT SYSTEM	103
ENVIRONMENTAL CERTIFICATION	103
ENERGY CONSUMPTION	103
EMISSIONS OF CO ₂ AND OTHER POLLUTANTS	105
CONSERVING WATER RESOURCES	107
WASTE HANDLING AND RECOVERING	110
ENVIRONMENTAL SPENDING AND INVESTMENTS	113
LOGISTICS	114

THE SOCIAL DIMENSION	116
DEVELOPING HUMAN RESOURCES	119
STAFF	119
PERSONNEL MANAGEMENT POLICIES.....	120
INDUSTRIAL RELATIONS.....	129
OCCUPATIONAL HEALTH AND SAFETY	133
RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN	136
SUPPORTING LOCAL COMMUNITIES.....	139
CHARITY ACTIVITIES AND SPONSORSHIPS.....	144
TABLE OF GRI INDICATORS (GRI CONTENT INDEX)	148
REPORT ON THE LIMITED AUDITING OF THE 2021 CORPORATE SOCIAL RESPONSIBILITY REPORT	156



CORPORATE SOCIAL RESPONSIBILITY REPORT

REPORTING PERIOD	- 2021 financial year (from 1 January to 31 December 2021).
ANNUAL REPORTING CYCLE	- Cycle.
DATE OF APPROVAL	- This document was approved by the Board of Directors on 21 February 2022.
DATE OF PUBLICATION	- This document was published on 18 March 2022. - The 2020 CSR Report was published on 23 March 2021.
DOCUMENT FORMATS	- This issue is available in PDF format in Italian and English on the Internet at: www.piaggiogroup.com
REPORTING PERIMETER	<p>- The scope of the information and economic data included in the CSR Report is the same as that of the Consolidated Financial Statements of the Piaggio Group. The perimeter of social and environmental data and information is made up of companies consolidated using the line-by-line method within the Consolidated Financial Statements. The environmental data (consumption, emissions, water, waste) and health and safety include data relating only to the production plants as the data of the commercial companies are overall insignificant and, as regards the environmental ones, in some cases impossible to notice as sometimes they operate in buildings shared with third parties. For further details on the scope of consolidation for various topics addressed, see the table in the section "Contents of the Report".</p> <p>Information on the Fondazione Piaggio, which is not in the scope of consolidation of the Group, is also included in relation to contributions and initiatives in support of the community. It refers to qualitative aspects useful for understanding its focus on the social fabric, even though this information is not included in the scope of consolidation. The report duly indicates when aggregate data derive from estimates; any restatements of data relating to previous years with respect to what has been published, due to the refinement of 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 of Euros; changes and percentages are calculated based on specific data.</p> <p>- The financial data reflect the data in the 2021 Consolidated Financial Statements of the Piaggio Group.</p>
REPORTING STANDARD	- This Report has been prepared in accordance with GRI Standards: core option.
STATEMENT	- The 2021 CSR Report has been subject to a limited audit by Deloitte & Touche S.p.A., an independent third-party company. It carried out its work in accordance with the "International Standard on Assurance Engagements 3000 Revised - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board for the purpose of checking the compliance of the CSR Report with the "GRI Sustainability Reporting Standards" published by GRI-Global Reporting Initiative.
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LETTER FROM THE CHAIRMAN

"We design technologies that are innovative, stylish and efficient, smart and sustainable to invent the mobility of future generations."

LETTER FROM THE CHAIRMAN



Although still strongly affected by the global health emergency, 2021 was also the year when economic and social activities picked up, characterised by a search for new organisational models, lifestyles and consumption patterns that would forge a path towards a new normal, which is more sustainable for individuals and for the community. As in 2020, the Piaggio Group's priority was to keep employees, their families and the community safe by implementing strict protocols to prevent the spread of infection. At the same time, the Group continued its strategy of development and innovation. In the two-wheeler segment, 11 new scooter and motorbike models were launched on the market during the year, and in the commercial vehicles segment, the new Piaggio Porter NP6, the first city truck, designed specifically for work and transport in urban environments, thanks to its compact size and extraordinary load capacity, was launched at the beginning of 2021. In the past year, the European Union set important targets for combating climate change, such as reducing net greenhouse gas emissions by 55% by 2030, compared to 1990 levels, and achieving climate neutrality by 2050. In this context, the Piaggio Group, as a major player in the field of mobility, has made its own contribution and continued to investing in new technologies useful for achieving targets.

In terms of electric engines, in particular, in 2021 the Piaggio Group launched the new Piaggio1 scooter, dedicated to a predominantly young audience, and founded, together with Honda, Yamaha and Ktm, the Swappable Batteries Motorcycle Consortium, with the aim of promoting the large-scale diffusion of light electric vehicles such as mopeds, scooters, motorcycles, tricycles and motor quadricycles, and encouraging a more sustainable battery life cycle management in line with international climate policies.

In addition to research into environmental-friendly electric and low-emission internal combustion engines, 2021 also marked an important step forward in studying new solutions to ensure ever greater driving safety. In this context, Piaggio has forged an alliance with a world leader in automotive safety systems, with the aim of developing the first airbag for two-wheeler vehicles. Piaggio Fast Forward is also developing hardware and software modules that integrate a 4D imaging radar featuring a wide radius of about 100 metres, capable of offering multiple riding assistance functions for greater safety on the road.

In this particular period, support for activities in favour of more fragile people was essential, and for this reason, Vespa for Children continued to support and contribute to (RED), the foundation that has been committed for years to fighting the spread of HIV and neonatal AIDS, which from 2021 has extended its range of action to all pandemics, including COVID-19, especially in the most disadvantaged areas of the world.

Even in these years of profound changes, the Piaggio Group has once again managed to adapt to developments taking place, as it has always done in its more than 135 years of history, pioneering a new form of mobility, which is more responsible and sustainable, always focusing on people and their needs.

Chairman and Chief Executive Officer of the Piaggio Group
Roberto Colaninno



GUIDANCE





GUIDANCE

ITS FOUNDATIONS.....	10
PROCESS OF REPORTING AND ASSURANCE.....	10
MATERIALITY ANALYSIS.....	11
CONTENTS OF THE REPORT.....	13

“Let’s imagine how we will move into the future,
to anticipate needs and aspirations.”

Since 2008, the Piaggio Group has published, on a voluntary basis, its annual Corporate Social Responsibility Report, which provides information on the economic, environmental and social performance of the Group, and is an important form of dialogue with internal and external stakeholders.

ITS FOUNDATIONS

The 2021 Corporate Social Responsibility Report has been prepared in compliance with the “Sustainability Reporting Standards” - Core Option, published by GRI - Global Reporting Initiative. The contents of the Report are based on principles of materiality, the inclusion of stakeholders and the context of sustainability and completeness, as well as principles of fairness, clarity, accuracy, timeliness, comparability and reliability, in order to guarantee the quality of information and adequacy of its presentation.

PROCESS OF REPORTING AND ASSURANCE

The process of reporting and monitoring Key Performance Indicators (KPI) relevant to sustainability involves the Parent Company Piaggio & C. S.p.A. as regards all-round topics and all Group Divisions and Companies included in the scope of consolidation of the Group, besides the Piaggio Foundation for topics and specific indicators of the various sectors of activity.

Within the structures involved, the individuals responsible for gathering, verifying and processing the relevant KPIs have been identified. The CSR Manager, assigned the coordination of the entire process of gathering and processing quantitative indicators by the Executive in charge of financial reporting, and of preparing the CSR Report and the Non-Financial Statement of the Group, is responsible for consolidating results. The CSR Report is analysed and evaluated by the Audit, Risk and Sustainability Committee; the document is then approved by the Board of Directors and presented to the General Shareholders' Meeting together with the Group's Consolidated Financial Statements, which include the Consolidated Non-Financial Statement.

The data relating to ESG¹ issues are also reported in the Non-Financial Statement, while the economic and financial values derive from the Consolidated Financial Statements of the Piaggio Group, already subject to Limited Assurance and auditing by independent auditors (the Shareholders' Meeting of the Parent Company appointed Deloitte & Touche S.p.A. for the nine-year period 2021-2029) in accordance with provisions of current legislation.

Economic data and figures on the workforce refer to the entire perimeter, while environmental data refer only to the production plants, as the figures for energy consumption, emissions, water consumption and waste of the commercial companies are not significant overall and in some cases impossible to record as they sometimes operate in buildings shared with third parties.

To improve the effectiveness of the reporting process and assure all stakeholders of the reliability of reported information, the CSR Report 2021 was subject to a limited, voluntary audit, conducted by Deloitte & Touche S.p.A.; this limited audit culminated with the issue of the “Report on the limited auditing of the Corporate Social Responsibility Report”. This report describes the principles adopted, the activities carried out and the relative conclusions, and is included in the Appendix.

The figures for 2020 and 2019, taken from previous editions, are shown only for comparison. Where possible, the figures in this Corporate Social Responsibility Report refer to a three-year period, to allow for an evaluation of performance over time. 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.

The report duly indicates when aggregate data derive from estimates. 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.

¹ ESG = Environmental Social and Governance.

Information pursuant to Regulation (EU) 2020/852 and related Delegated Regulations (so-called "EU taxonomy")

Piaggio & C. S.p.A., as a company obliged to prepare the Consolidated Non-Financial Statement pursuant to Directive 2014/95/EU (enacted in Italy by Legislative Decree 254/2016), has an obligation to include in the document, published on or after 1 January 2022, the disclosure required by the regulations in question regarding the Group's eco-sustainable activities.

Pursuant to Article 10 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, this disclosure for the 2021 financial year concerns the proportion, compared to the total, of the Group's turnover, investments and operating costs relating to the objectives of mitigation and adaptation to climate change, as covered by the annexes to Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as well as certain qualitative information. Although the CSR Report is prepared on a voluntary basis, Management has deemed it appropriate, for the sake of completeness, to also include in this document the information required by the regulations in question; reference is made to the section "European Taxonomy".

In this regard that, similarly to information provided in the Group DNF, the limited review of this CSR report, carried out by the independent auditors Deloitte & Touche S.p.A. does not extend to this disclosure.

MATERIALITY ANALYSIS

The analysis process was conducted within the Finance Department by the CSR Manager with the support of the Group's Consolidated Financial Statements Department. The process comprises 5 stages:

1. Identification of sustainability issues;
2. Identification and engagement of relevant stakeholders;
3. Assessment of the significance of topics;
4. Preliminary review by the Audit, Risk and Sustainability Committee;
5. approval by the Board of Directors.

Piaggio updates its materiality analysis every year in order to capture material topics, i.e. topics that can generate significant economic, environmental and social impacts for the Group or that can substantially influence stakeholders' assessments and decisions.

The stage of identifying sustainability aspects that are relevant to the sector and to Piaggio was based on various sources, including relevant issues that emerged last year, a benchmark analysis of topics recognised as relevant by other major listed European groups operating in the automotive sector, corporate policies and principles of conduct and stakeholder engagement initiatives.

The changes made with respect to last year substantially took the form of a different denomination and a merger / separation of some topics.

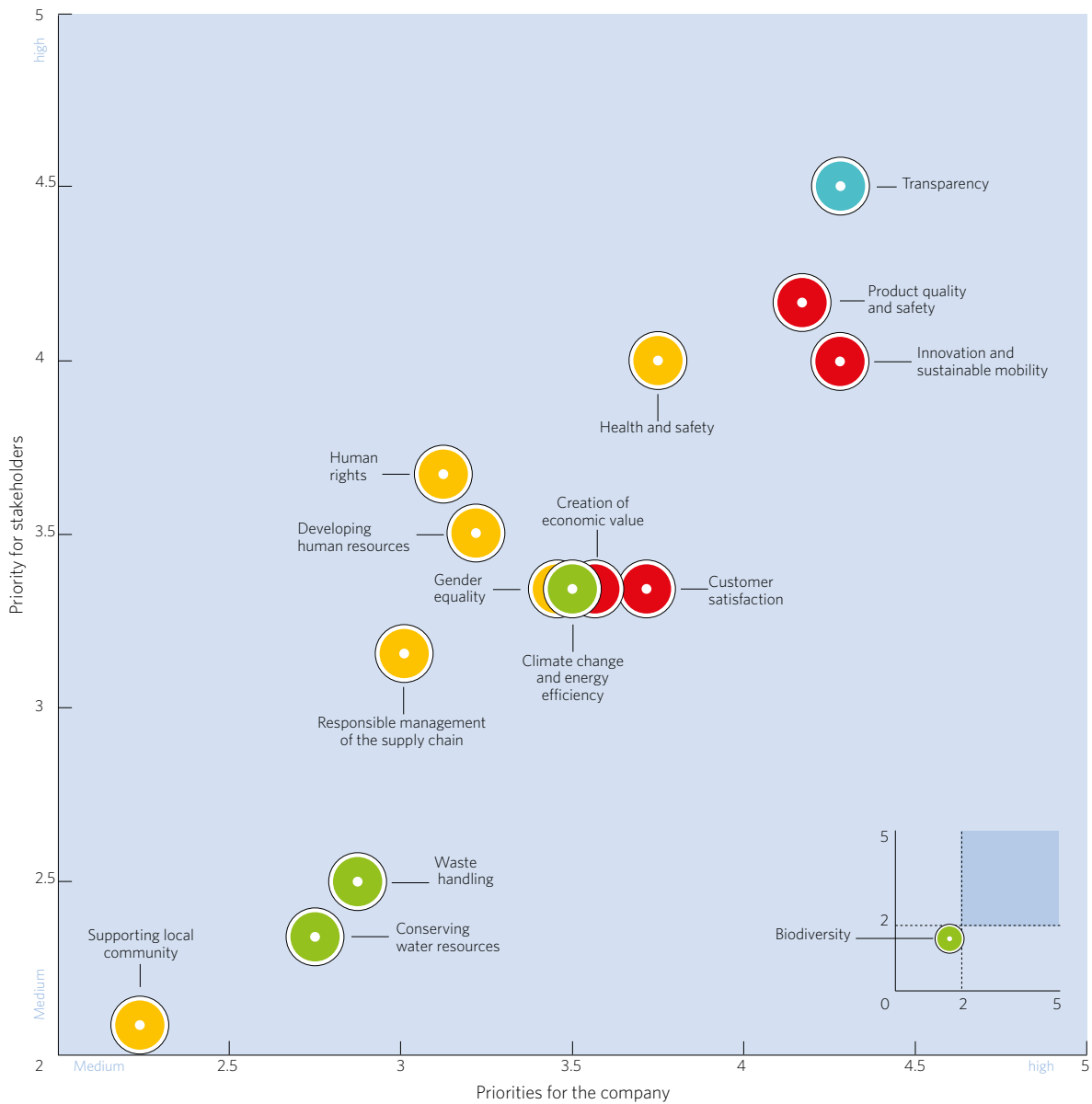
The Group's top managers and a small but representative sample of external stakeholders (consultants, suppliers and dealers) were asked to assess the importance of the topics identified by filling in a materiality form, from which the materiality matrix was constructed. The 15 topics previously selected were positioned along the two axes:

- the x-axis shows the significance for Piaggio;
- the y-axis shows the significance for external stakeholders.

Of the 15 topics identified, only biodiversity did not exceed the materiality threshold. 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 2021 Matrix was reviewed by the Audit, Risk and Sustainability Committee in its meeting of 17 February 2022 and approved by the Board of Directors of Piaggio & C. S.p.A. on 21 February 2022.

**MATERIALITY
 DIAGRAM**



- Business themes
- Social themes
- Environmental themes
- Governance themes

CONTENTS OF THE REPORT

Based on the results of materiality analysis, it was possible to define the structure of the 2021 CSR Report focusing it on “material” topics. Similarly, the level of materiality of the topics - in turn broken down into detailed subtopics - has influenced the level of depth with which the individual topics and GRI indicators are gone into, as well as the choice of the most suitable reporting tool to represent them (2021 Consolidated Financial Statements and Corporate Governance Report). Reference is made to these documents for further analysis of the more specific topics of financial performance and governance.

The GRI Content Index in the Appendix contains specific references to the 2021 CSR Report and other Group Reporting tools.

The following table shows:

- the material topics for the Group, represented by dimension,
- the scope of the Group's impact and involvement,
- the reference chapter,
- the reporting boundary.



SIZE	TOPIC	IMPACT	GROUP INVOLVEMENT	REFERENCE CHAPTER	REPORTING PERIMETER ²
SUSTAINABILITY GOVERNANCE	Business integrity	All Group companies	Caused by the Group	Sustainability governance	All Group companies
	Respecting human rights	All Group companies	Caused by the Group and related to the Group through its business relations	Sustainability governance	All Group companies
ECONOMIC	Creating economic value	All Group companies	Caused by the Group	The Economic Dimension	All Group companies
PRODUCT	Innovation and sustainable mobility, Quality and safety product	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited - Piaggio Advanced Design Center - Piaggio Fast Forward - Foshan Piaggio Vehicles Technologies	Caused by the Group	The Product Dimension	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited - Piaggio Advanced Design Center (PADC) - Piaggio Fast Forward - Foshan Piaggio Vehicles Technologies (FPVT)
	Customer satisfaction	All Group companies	Caused by the Group and related to the Group through its business relations	Meeting customer requirements	All Group companies
ENVIRONMENTAL	Climate change, Waste management, Conserving water resources	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited	Caused by the Group and related to the Group through its business relations	The Environmental Dimension	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited
SOCIAL	Developing human capital	All Group companies - Human resources	Caused by the Group	Developing human resources	All Group companies
	Gender equality	All Group companies - Human resources	Caused by the Group	Developing human resources	All Group companies
	Health and safety	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited - Human resources and external workers ³	Caused by the Group	Developing human resources	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited
	Responsible management of the supply chain	All Group companies - Human resources	Caused by the Group and related to the Group through its business relations	Responsible management of the supply chain	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited
	Supporting local communities	All Group companies	Caused by and contributed to by the Group	Supporting local communities	Fondazione Piaggio - All Group companies

² Any exceptions are reported in a note at the time of reporting.

³ External workers include external firms operating in Piaggio's Italian production sites.



THE COMMITMENT OF THE PIAGGIO GROUP





THE COMMITMENT OF THE PIAGGIO GROUP

MISSION	20
PIAGGIO'S CORPORATE SOCIAL RESPONSIBILITY MODEL	21

“Development does not simply come down to economic growth. To achieve real development, we must adopt a holistic approach, which means promoting each and every person”

Enciclica Populorum progressio - Pope Paul VI.

Piaggio Group is distinguished today by a strong international presence. The Group has succeeded in exporting a business model targeting innovation and in establishing a strong link with the places in which it operates, pursuing a business philosophy characterised by a strong sense of social responsibility: a culture of safety, respect for people and the protection of natural resources are a common theme throughout the Group.

The Group's conduct is guided by the principles and values set forth in the Code of Ethics, which all Group staff, and all those who interact with Piaggio throughout the world, are required to observe. The values in the Group's Code of Ethics are consistent with the 17 Sustainable Development Goals (SDGs), to which reference is made below.

We are aware that in order to be able to successfully operate in the global market, a precise environmental policy must be at the centre of our business model, which is in line with the needs of the communities where we work and which supports their economic and social development.

SUSTAINABLE DEVELOPMENT GOALS

On 25 September 2015, the United Nations, together with governments, institutions and civil society, adopted 17 sustainable development goals (SDGs), outlined through 169 milestones to be achieved by 2030 in order to fight poverty, protect the planet and ensure prosperity for all.

These goals are interconnected and indivisible, and balance the three dimensions of sustainable development: economic, social and environmental.

The SDGs are common objectives which apply to areas that are fundamental to ensuring sustainable development throughout the world, such as combating hunger and poverty, protecting resources, promoting responsible consumption, providing access to education and reducing inequality of all types.

These are shared goals, meaning that everyone (countries, institutions, individuals) is required to contribute to achieving them.

As such, companies must also play an active role; their own resources and skills can have a fundamental impact on the achievement of the overall goals.

Piaggio believes that SDGs represent an opportunity for and an approach to steer the Group's future development.

Aware of the responsibilities of a Group operating globally, Piaggio has identified the links between the priorities defined within the materiality matrix and their impact on the 17 goals (SDGs).



	CORPORATE INTEGRITY	
	CREATING ECONOMIC VALUE	
	INNOVATION AND SUSTAINABLE MOBILITY	
	PRODUCT QUALITY AND SAFETY	
	CUSTOMER SATISFACTION	
	CLIMATE CHANGE AND ENERGY EFFICIENCY	
	RESPONSIBLE USE OF WATER RESOURCES	
	WASTE HANDLING	
	DEVELOPMENT AND PROTECTION OF HUMAN CAPITAL	
	HEALTH AND SAFETY	
	RESPECTING HUMAN RIGHTS	
	DIVERSITY AND EQUAL OPPORTUNITIES	
	RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN	
	SUPPORTING LOCAL COMMUNITIES	

Piaggio's conduct and actions are consistent with and respectful of all the SDGs identified above. Considering the specific nature of the business in which it operates, the Group believes its activities can mainly contribute to achieving the following objectives:

- 3. Good health and well-being
- 5. Gender equality
- 8. Decent work and economic growth
- 9. Industry, innovation and infrastructure
- 11. Sustainable cities and communities
- 12. Responsible consumption and production
- 13. Fighting climate change

MISSION



We are dedicated to the mobility of people and things through high-value products and services that redesign and improve our lifestyles.



We are committed to broadening the horizons of our brands and products by constantly promoting technological innovation, uniqueness of design, attention to quality and safety, respecting communities and the environment.



We are customer-driven. The customer's satisfaction, safety, pleasure and emotions come first. We develop products to customer requirements, accompanying the changes in the ecosystem within which customers move.

We believe in people as our fundamental heritage, in their skills and genius, and we do so consistently with our deepest values, such as integrity, transparency, equal opportunities, respect for individual dignity and diversity.

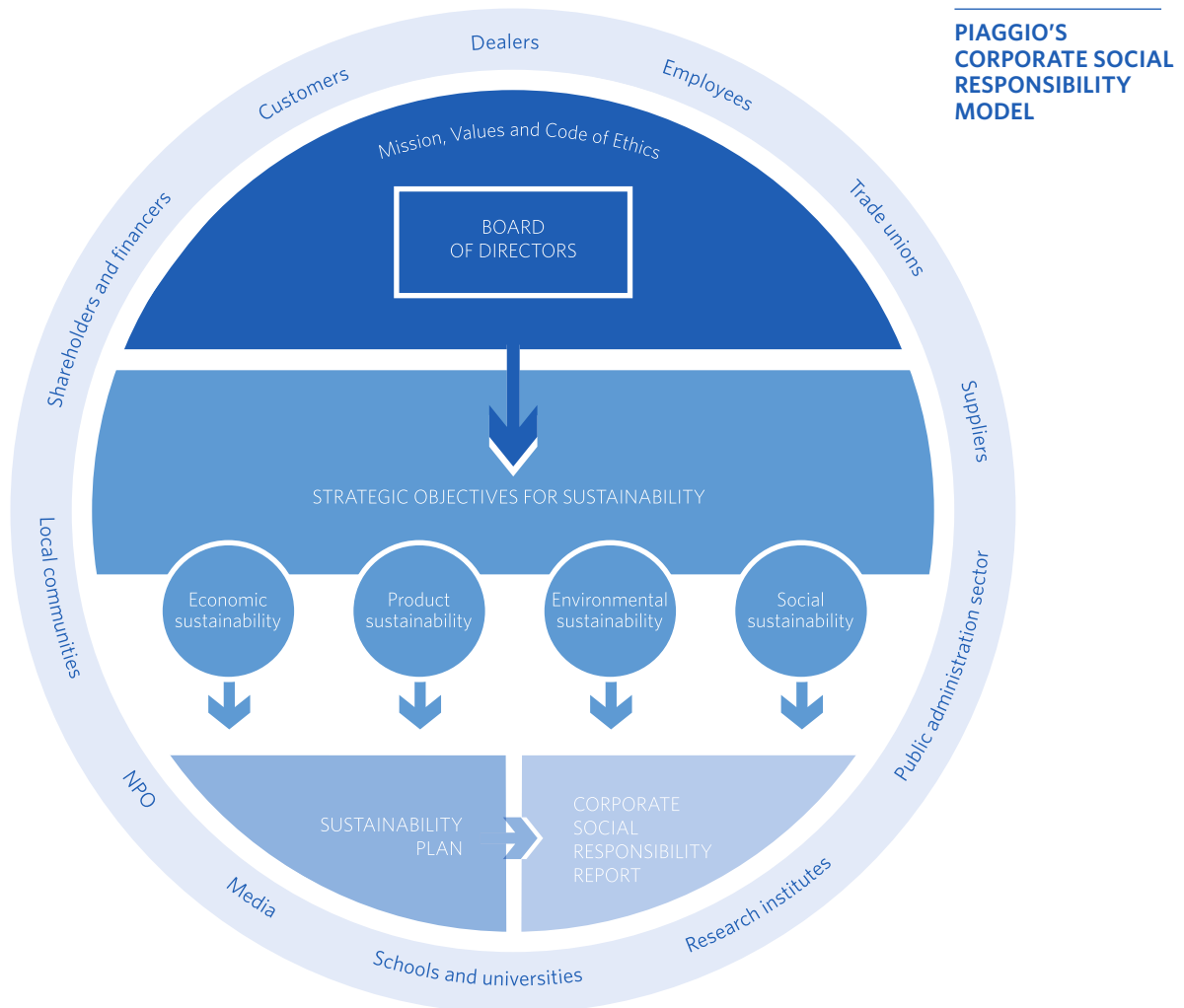


For these reasons, we are not just vehicle manufacturers. Through technological and social progress, we champion global mobility, in a responsible and sustainable way. Our aim is to make the quality of our life and that of future generations better.

PIAGGIO'S CORPORATE SOCIAL RESPONSIBILITY MODEL

The Corporate Social Responsibility (CSR) model adopted by Piaggio is based on its mission and the values which have made a name for the company over the years and which are the cornerstone of the Group's Code of Ethics, established in 2004.

The mission and values form the basis for strategic sustainability objectives, based on contexts that are important for the Group: economic sustainability, product sustainability, environmental sustainability and social sustainability. With these and the strategic objectives it has defined, the Group has prepared a mid/long-term sustainability plan. This plan is reported on in the Corporate Social Responsibility Report with the utmost transparency and with a view to continually improving economic, environmental, social and product performance.



Sustainability strategy

The Group's Corporate Social Responsibility (CSR) strategic objectives - which are largely integrated with and connected to the development of the long-term plan - are based on the following areas:

ECONOMIC	<ul style="list-style-type: none"> - Provision of timely, accurate, in-depth information to stakeholders. - Creation of value while respecting business ethics.
PRODUCT	<ul style="list-style-type: none"> - Technological investments to meet the need for sustainable mobility. - Innovation to develop products that are environmentally friendly, safe and cost-effective.
ENVIRONMENTAL	<ul style="list-style-type: none"> - Reducing energy consumption. - Reducing emissions of CO₂ and other pollutants. - Conserving natural resources. - Waste handling and recovery.
SOCIAL	<ul style="list-style-type: none"> - Developing, training and promoting human resources so that everyone's expectations and aspirations are met. - Listening to and assisting customers, to establish relations based on transparency and trust. - Sale of products that are environmentally friendly, reliable, safe and cost-effective. - Working together with suppliers, through jointly developed projects. - Engaging and supporting local communities through social, cultural and educational initiatives.

In achieving its own strategic goals, the Piaggio Group is fully committed to complying with the laws and regulations of the countries where it operates, condemning corruption and respecting human rights.

The process of the Sustainability Plan

As part of the entire Group's steadfast commitment to social responsibility, Piaggio has adopted a process of continual improvement based on a Sustainability plan which aims to provide the utmost transparency for stakeholders and continual improvement. To define this Plan, stakeholder expectations and Group strategic objectives as well as international reporting standards, such as GRI and disclosure requirements of ethical investors, were taken into account. The Sustainability Plan is updated annually during the preparation of the CSR Report by the CSR Manager.

The process consists of three stages:

- the planning stage: commitments and objectives are defined in cooperation with the functions and operating areas involved in their achievement. Thus defined, the proposed Plan is submitted to the Audit, Risk and Sustainability Committee, which analyses its consistency with the Group's strategies and is formally approved by the Board of Directors together with the CSR Report;
- the management stage: responsibility for achieving the individual objectives in the plan is assigned to the functions and operating areas that have the resources, tools, and necessary competence to achieve these objectives;
- the monitoring stage: to guarantee the commitments taken up in the Sustainability Report, together with the new objectives set for the future, evidence is given of results achieved.

The value of sustainability

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 enacted provisions to facilitate 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 by the international body 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
2021	B	B	AA
2020	A-	B	AA
2019	B	B	AA
2018	C	B-	AA

AS OF 2021,
PIAGGIO & C S.P.A
RECEIVED AN
MSCI ESG RATING
OF AA



STAKEHOLDER ENGAGEMENT

Developing a corporate social responsibility strategy goes hand in hand with defining the company's business context and all its players, inside and outside the organisation, whose activities have an impact on company operations. In fact stakeholders are defined as having an interest in or various expectations (social, economic, professional, human) of the company.

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



MAP OF
PIAGGIO GROUP
STAKEHOLDERS

By pursuing a constructive ongoing dialogue with its stakeholders, Piaggio aims to develop an integrated approach to managing the environment it operates in. Careful monitoring of all its stakeholders' expectations is a great opportunity for it to further improve its operations. It is in this context that Piaggio is focusing its efforts: understanding how to offer products that always live up to the expectations of its customers and how to convey its philosophy and way of doing business with the utmost transparency and effectiveness.

The corporate website of the Piaggio Group (www.piaggiogroup.com) is designed to offer clear and up-to-date information on financial and institutional aspects, and on the corporate activities of the Group. It plays a central role in communications between the company and its stakeholders.

Map of significant topics and methods for engaging stakeholders

Customers and dealers

Engagement methods:

- Contact centre
- Customer satisfaction surveys
- Communication outlets (websites, social media)
- Events (travelling tests, trade fairs)
- Dealer website
- Dealer support services/Help desk
- Motoplex (new sales format)

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Quality, safety and reliability of products.	<ul style="list-style-type: none"> - Investment in ever safer and more reliable products. - Obtaining quality certification.
Low/zero consumption and emissions.	<ul style="list-style-type: none"> - Study of innovative engines with low/zero consumption and emissions.
Rapid response and problem solving.	<ul style="list-style-type: none"> - Effort to improve professionalism, timeliness and courtesy of the contact centre personnel and dealers.
Sales support.	<ul style="list-style-type: none"> - Development of a dedicated website and a new sales format.

Suppliers

Engagement methods:

- Daily relations
- Supplier portal

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Continuity of supplies.	<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

Engagement methods:

- Meetings, exhibitions and events
- Rallies
- Charity activities

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Contributions to support charity initiatives.	- Support for numerous charity initiatives.
Organisation of rallies and events for connoisseurs.	- The Group has long been involved in organising rallies and competitions for its customers (activities with attendance in 2021 were limited due to COVID-19).
Development of local communities.	- The Piaggio Foundation and the Piaggio Museum are a meeting place and cultural reference for the territory.
Respecting the environment.	- Attainment of environmental certification for production sites.

Institutions and the public administration

Engagement methods:

- Ongoing dialogue on legal developments
- Periodic ad hoc meetings
- Participation in parliamentary committees appointed to discuss and formulate new regulations
- Meetings and presentations

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Compliance with laws and regulations.	- Appropriate conduct guidelines to prevent incidents of corruption.
Being open and receptive to environmental and social themes.	- Investments in the R&D of innovative products that are abreast of any restrictions of current regulations.
Support on specific technical themes.	- Proactive participation in parliamentary committees appointed to discuss and formulate new regulations.
Pursuing common objectives.	- Participating in trade associations.

Media

Engagement methods:

- Press releases
- Events and company communication initiatives
- Press product launches
- Product test rides
- Wide Piaggio Group Magazine
- Websites

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

Shareholders and Lenders

Engagement methods:

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

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Clear and timely information.	- Promotion of ongoing dialogue with analysts and lenders.
Remuneration and asset value of investments.	- Treasury share buying policy and dividend policy.

Human resources

Engagement methods:

- Company Intranet
- Piaggio InfoPoint
- Piaggio Net International
- Web Mail
- Evaluation Management System
- Wide Piaggio Group Magazine
- Meetings with trade unions

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Clear and timely company communication.	- Promotion of ongoing, constructive dialogue with employees.
Safe and healthy work environment.	- Attainment of health and safety certification for Group sites.
Opportunity for professional development and training.	- Preparation of professional and managerial career paths for young talents.
Transparent reward policies.	- Remuneration policy characterised by meritocracy and equal opportunities.
Respecting human rights and diversity.	- Abiding by a code of ethics that explicitly prohibits any form of discrimination or forced labour.
Open and constructive dialogue.	- Promoting ongoing, constructive dialogue with trade unions.

Universities and Research Centres

Engagement methods:

- Cooperation in research projects
- Teaching/internship activities

STAKEHOLDER EXPECTATIONS	OUR ACTIONS
Cooperation on common projects.	- Collaboration with universities and research institutes on research projects.
Training.	- Promotion of internships for college undergraduates and graduates. - Teaching carried out by Piaggio personnel at some faculties.





**GROUP
PROFILE**



GROUP PROFILE

THE PIAGGIO GROUP BUSINESS MODEL	30
CORPORATE STRUCTURE	34
HISTORY	35
MAIN EVENTS AND AWARDS OF 2021	36
PIAGGIO AT A GLANCE.....	37
PIAGGIO GROUP CERTIFICATION	38
EUROPEAN TAXONOMY	39

"We move people and things, but also emotions and passions, through global brands that have made history and have become legend."

THE PIAGGIO GROUP BUSINESS MODEL

The Piaggio Group, based in Pontedera (Pisa, Italy) is Europe's largest manufacturer of two-wheeler motor vehicles and an international leader in its field. Today it has three distinct areas of activity:

- 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.

In 2021 there are no significant changes in the corporate structure, in the control chain or in the supply chain.

Generation of sustainable value

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

To this end, the Group uses the following capital:

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

Our resources

FINANCIAL CAPITAL

Shareholders, bondholders and banks ensure that Piaggio has the financial resources it needs, on condition that their expected return on invested capital is met.

PRODUCTION CAPITAL

The Piaggio Group operates on a global scale, with production sites in:

- **Pontedera (Pisa)**, the main technical headquarters of the Group, which manufactures Piaggio and Vespa brand two-wheeler vehicles, light transport vehicles for the European market and engines for scooters, motorcycles and Ape vehicles;
- **Noale (Venice)**, the technical centre for the development of motorcycles for the entire Group, and the headquarters of Aprilia Racing;
- **Scorzè (Venice)**, a factory for the production of Aprilia brand two-wheeler vehicles;
- **Mandello del Lario (Lecco)**, a factory which produces Moto Guzzi vehicles and engines;
- **Baramati (India, in the state of Maharashtra)**, with plants dedicated to the manufacture of three-wheeler commercial vehicles, Vespa and Aprilia brand scooters and engines;
- **Vinh Phuc (Vietnam)** where Vespa and Piaggio scooters and engines are produced.

A new 2-wheeler assembly plant for CKD⁴ is under construction in Indonesia.

The Piaggio Group also operates via a joint venture company in **China** (Zongshen Piaggio Foshan Motorcycles, in **Foshan**, in the province of Guangdong), which is 45% owned by Piaggio (and therefore not consolidated in the Group's results).

4 CKD Completely Knocked Down.

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, from on early on as 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, and the skills, abilities and dedication offered by individuals, represent a key factor in Piaggio's competitiveness and growth at a global level. Everything we do as individuals or as a team is shaped by our strategic vision, result-driven approach, constant commitment to customer satisfaction, desire for innovation and awareness of the future needs of the market, to generate value for each and every stakeholder. People are the key element that enables us to meet challenges in an increasingly dynamic and competitive international scenario. It is for these reasons that Piaggio places such central importance on people in the organisation, assuring them our respect and protection in all Group companies.

RELATIONAL CAPITAL

The Piaggio Group has a direct sales presence in main countries in Europe, the USA, Canada, India, Vietnam, Indonesia, 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 BRAND PORTFOLIO

The Piaggio Group markets its products under the **Piaggio**, **Vespa**, **Aprilia**, **Moto Guzzi**, **Ape** and **Porter** brands. Some of the Piaggio Group brands are the most prestigious and historic in the world of motorcycle racing: **Moto Guzzi** (founded in 1921), **Aprilia** (1945), which has become one of the world's most successful brands among manufacturers taking part in the World Speed and Superbike Championships, and **Vespa**, which since 1946 has been synonymous with individual mobility on two wheels and - with over 19 million units produced to date - and represents a commercial success story of incredible longevity, as well as one of the best-known icons of Italian style and technology in the world.

THE VESPA BRAND

The Piaggio Group presented the results of a new study that explores and analyses the value of the Vespa brand, identifying it as a key asset in its portfolio. The study conducted by Interbrand, a global leader in brand consultancy, indicates Vespa as "a unique and globally recognised brand, thanks to its perfect combination of design, lifestyle and Italian tradition" and attests to the economic value of the Vespa brand of €906 million.

In determining the economic value of the Vespa brand, Interbrand used proven and proprietary financial valuation techniques, incorporating a comprehensive set of insights, market data and quantitative studies conducted in Vespa's 10 core markets.

Distinctiveness and Affinity play a primary role among the key factors contributing to the competitive strength of the Vespa brand (Brand Strength Score). The first highlights the degree of differentiation within the reference sector, thanks to the uniqueness and recognisability of the design of its vehicles and the cultural heritage that characterises this Italian icon. The second highlights the strong positive feelings of customers towards the brand. All in all, Vespa is a player in a competitive arena that goes far beyond the concept of pure mobility, fulfilling desires such as self-expression and leisure.

Vespa represents the essence of "Italian being" at its best: a timeless icon whose story has inspired millions of people around the world. The Vespa brand transcends the functional advantages of the product to become a byword for a lifestyle and offering the benefit of a significant emotional connection with its customers.

DISTRIBUTION AND SERVICE NETWORK

Piaggio, which distributes its products in more than 100 countries, has an extensive distribution and sales network made up of qualified, 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", joined by more than 700 sales points around the world. 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 main objective of the Piaggio Group is to meet the most progressive needs for mobility, through a deep understanding of people and their habits, reducing the environmental impact and fuel consumption of its vehicles, ensuring customers excellent levels of performance. In its effort to ensure the sustainability of its products, the Piaggio Group takes into account the entire life cycle, which comprises the design, procurement of raw materials, production proper, use of the product by customers and, finally, decommissioning, which consists in disassembly at the end of service life and in the disposal and/or recycling of the components and raw materials.

The Piaggio Group's product range includes scooters and motorbikes from 50 to 1,100cc, three- and four-wheeler light commercial vehicles and electric scooters distributed under the Aprilia brand. Moreover, the American affiliate Piaggio Fast Forward has been selling the GITA, only in the USA. This smart robot is powered by electric motors and equipped with sensors and cameras, to follow people and avoid obstacles, and can transport up to 40 pounds.

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

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-area and extra-urban use; this is achieved by introducing electric engines and further developing traditional engine technologies (increasingly sophisticated internal combustion engines), as well as the Group making more use of renewable, sustainable energy sources;

- **Reliability and safety:** vehicles that allow a growing number of people to get about town easily, while contributing to ease traffic congestion and ensuring high levels of active, passive and preventive safety;
- **Recyclability:** products that reduce the environmental impact at the end of their life cycle to a minimum;
- **Cost-effectiveness:** vehicles with lower running and maintenance costs.

QUALITY CONTROL

Piaggio has a comprehensive quality management system to monitor product quality levels in the various stages of the production process and prior to dispatch to the customer. The standard procedures adopted at all Piaggio Group sites enable the constant monitoring of the quality of all vehicles produced, ensuring product standards that fully meet both regulatory and type approval specifications and the expectations of the end customer.

SUPPLY CHAIN

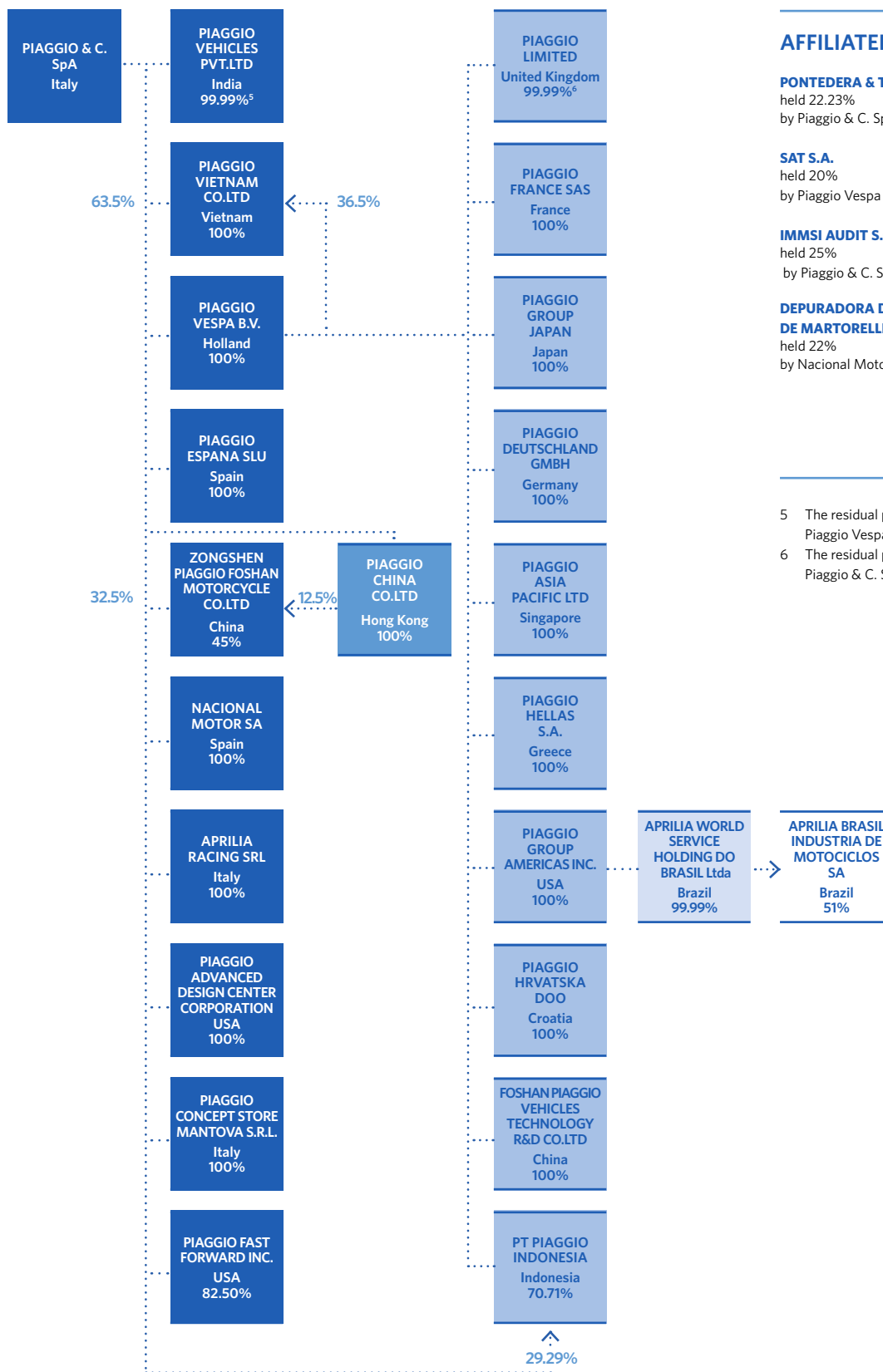
Some components are purchased externally in line with a global sourcing model that guarantees the quality and economy of the products supplied.

Piaggio requires its suppliers to sign the code of ethics, included in the general terms of supply; a procedure is in the early stages of being adopted, for a "Sustainability Statement" to be signed and periodically updated in Italy, to ensure compliance with Piaggio's ethical values throughout the production cycle and sales 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.

COMPANY STRUCTURE AT 31 DICEMBRE 2021



AFFILIATED COMPANIES

PONTEREDA & TECNOLOGIA S.C.A.R.L.
held 22.23%
by Piaggio & C. SpA

SAT S.A.
held 20%
by Piaggio Vespa B.V.

IMMSI AUDIT S.C.A.R.L.
held 25%
by Piaggio & C. SpA

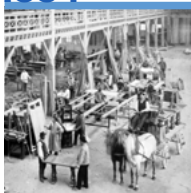
DEPURADORA D'AIGUES DE MARTORELLES
held 22%
by Nacional Motor S.A.

5 The residual portion is held by Piaggio Vespa B.V.

6 The residual portion is held by Piaggio & C. SpA

HISTORY

1884



Rinaldo Piaggio establishes Piaggio & C., based in Sestri Ponente, dedicated to naval fittings.

1916



Aeronautical production activity begins.

1924

Acquisition of the Pontedera plant dedicated to the production of various vehicles for the transport sector: cable cars, funiculars, trailers, tramways, trucks, trolleybuses.

1938

Rinaldo Piaggio dies. The company passes into the hands of his sons Armando and Enrico. Armando deals with the production units of Genoa-Sestri and Finale Ligure, dedicated above all to aeronautical and railway activity, Enrico instead is dedicated to the sites at Pisa and Pontedera.

1946



From the creativity of Corradino d'Ascanio, the brilliant aeronautical designer who was behind the design of the first modern helicopter is due, the Vespa came into being, wanted by Enrico Piaggio as a contribution to the motorization of Italy with a simple, low-cost vehicle, everyone could use.

1948



The APE comes into being, Piaggio's first light three-wheeler transport vehicle.

1964

I.A.M Rinaldo Piaggio (aeronautical-railway sector) is separated from Piaggio & C. (scooter sector).

2001



Acquisition of full ownership of the stake in the Indian company. Acquisition of Derbi Nacional Motor, a historic Spanish motorcycle manufacturer that is a leader in small-capacity motorcycles.

1998

Establishment with Greaves Ltd of the joint venture Piaggio Greaves Vehicles Private Ltd in India for the production and sale of light commercial vehicles.

1997

Giovanni Alberto Agnelli dies prematurely.

1996



Presentation of the new Vespa.

1992

The Porter is created, Piaggio's first 4-wheeler commercial vehicle.

1990

Sfera comes into being, the first scooter with plastic bodywork produced in Pontedera. Giovanni Alberto Agnelli is elected president.

1969



Gilera, the well-known motorcycle manufacturer of Arcore, is acquired, a source of pride for Italian technology and capacity in the motorcycle sector.

1967



Presentation of the Ciao.

1965

Enrico Piaggio dies and Umberto Agnelli succeeds him as president.

2003

Acquisition of control of the Piaggio Group by Immsi Spa. Roberto Colaninno becomes Chairman of the Group.

2004



Acquisition of the Aprilia - Moto Guzzi Group: thus the Italian two-wheeler hub came about.

2006



Listing of Piaggio & C. on the Milan Stock Exchange. Presentation of the Piaggio MP3, the first three-wheeler scooter.

2009

Inauguration of the new Vietnamese plant in Vinh Phung and the start sales of the Vespa LX scooters produced there. Unveiling of the Piaggio MP3 Hybrid, the world's first hybrid scooter.

2012

Inauguration of the new Piaggio Group plant in Baramati, India dedicated to the production of the Vespa LX 125, specifically developed for the Indian subcontinent market.

2014

The first Motoplex is established in Mantova, a new and revolutionary "concept store" that makes the most of the Piaggio Group at a single location.

2015

Establishment in Cambridge, Massachusetts, USA of a new company called Piaggio Fast Forward controlled by the Piaggio Group with the aim of developing a new way of doing research, to interpret the signals of change and find solutions for the future.

2018



Commercial launch of the Vespa Elettrica.

2021



Commercial launch of the Piaggio1

MAIN EVENTS AND AWARDS OF 2021

Scooter of the Year

March 2021 - Aprilia SXR 160, the Piaggio Group's flagship scooter in the premium two-wheeler segment in India, received the most coveted award at the Autocar Awards 2021, and was voted "Scooter Of The Year 2021" by the authoritative journal.

Best Global Sustainable Innovation Strategy Italy 2021

April 2021 - CFI.co (Capital Finance International), a British newspaper specialising in economics and finance, awarded Piaggio the prize for the best innovative and sustainable strategy in Italy.

Golden Dragon Award

April 2021 - Piaggio Vietnam was recognised as one of the top 50 "FDI" (Foreign Direct Investment) companies for the first time since its establishment in Vietnam. Since 2001, the **Golden Dragon Award** has been given annually by the **Vietnam Economic Times** with the aim of promoting the spirit of foreign direct investment (FDI) enterprises that manufacture and operate in Vietnam: efficiency, a positive contribution to the national economy, the strengthening of cooperation between domestic and foreign companies, the creation of a fruitful environment for cultural exchange and sharing of experiences in production and business activities.

Webby Awards

May 2021 - Vespa celebrated its 75th anniversary and 19 million units produced by winning the prestigious Webby Awards in the "Websites and Mobile Sites: Car Sites & Car Culture".

MotoAmerica Twins Cup

September 2021 - Kaleb De Keyrel became the 2021 MotoAmerica Twins Cup champion on his debut RS 660.

Best Companies to work for in ASIA

October 2021 - Piaggio Vietnam won the "Best Companies to work for in ASIA" 2021 award assigned by HR Asia Magazine.

2021 Carbon Disclosure Project

December 2021 - The international Carbon Disclosure Project awarded Piaggio a B rating for both Climate Change and Water (see the section "The value of sustainability" above).

PIAGGIO AT A GLANCE

1,668.7 million Euros	Consolidated revenue
536.0 thousand units	Vehicles sold
522.7 thousand units	Vehicles Produced
240.6 million Euros	EBITDA
60.1 million Euros	Net profit
380.3 million Euros	Net debt
5,702	Employees at the end of the period
154.1 million Euros	Investments
63.7 million Euros	Research and Development expenditure
B	CDP Climate Change Score
B	CDP Water Security Score
AA	MSCI ESG Research Ratings

All data refer to the year 2021.

PIAGGIO GROUP CERTIFICATION

The Piaggio Group possesses excellent environmental, quality and occupational management systems at all its production sites.

		PRODUCTION SITES						
		Pontedera	Noale and Scorzè	Mandello Del Lario	Baramati-Engine Plant	Baramati-Two-Wheeler Plant	Baramati-Commercial Vehicles Plant	Vinh Phuc
Certification	ISO 9001 - Quality Management Systems	since 1995	since 2006	since 2010	since 2018	since 2013	since 2018	since 2009
	ISO 14001 - Environmental management systems	since 2008	since 2008	since 2010	since 2015	since 2013	since 2015	since 2011
	BS OHSAS 18001-Occupational Health and Safety Management Systems	from 2007 to 2018	from 2007 to 2018	from 2010 to 2018	from 2015 to 2020	from 2013 to 2020	from 2015 to 2020	from 2013 to 2018
	ISO 45001 - Occupational health and safety management systems	since 2019	since 2019	since 2019	since 2021	since 2021	since 2021	since 2019

All the plants of the Group have for several years had certifications for **Quality** (ISO 9001) for the **Environment** (ISO 14001), and for **Health and Safety** (ISO 45001 or BS OHSAS 18001).

The Indian sites from April 2021 have passed from BS OHSAS 18001 certification to ISO 45001.

In November 2020, the Certification Company Det Norske Veritas (DNV)⁷ conducted audits to maintain **Quality** certification (ISO 9001), **Environmental** certification (ISO 14001) and **Health and Safety** certification (ISO 45001) for Italian sites (including the commercial site in Milan). The audits were successful.

Annual audits 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 applied with the contribution of managers from all functions and the individuals who work in them.

⁷ DNV: Det Norske Veritas is one of the world's leading certification bodies.

EUROPEAN TAXONOMY⁸

1 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 United Nations 2030 Agenda, has developed an ambitious strategy towards more sustainable economic models to achieve the 2050 climate neutrality goal. 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, within 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 eco-sustainable and in order to consequently identify the degree of eco-sustainability of an investment associated with it. In particular, the Taxonomy Regulation classifies the economic activities that can potentially be aligned with the 6 environmental objectives defined by the European Union:

- Climate change mitigation
- Adaptation to climate change
- Sustainable use and protection of waters and marine resources
- Transition to a circular economy
- Prevention and reduction of pollution
- Protection and restoration of biodiversity and ecosystems

Currently legislation (Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021), has defined technical screening criteria only for the first two objectives, and it is on these that an adjustment is required by the financial and non-financial companies falling within the scope of the Regulation.

In order to classify an activity as "environmentally sustainable" under the Taxonomy, a distinction must first be made between Taxonomy-Eligibility and Taxonomy-Alignment. With regard to the former, it is necessary to check whether the activities fall within those described by the Delegated Regulation, as only these can be considered Taxonomy-eligible. On the other hand, in order to be considered taxonomy-aligned, the activities carried out by the company must meet the technical screening criteria set out in the same delegated acts, avoid significant harm to any of the objectives, and take place in compliance with minimum safeguards.

Pursuant to Art. 10 of the 2021/2178 EU Delegated Regulation of 6 July 2021 starting from the 2021 financial statements, companies required to publish a consolidated non-financial statement (NFA) must disclose the proportion, compared to the total, of their revenue, capital expenditure (Capex) and operating expenditure (Opex) that qualifies as being potentially sustainable (eligible) in environmental terms; this assessment only concerns the economic activities eligible for the mitigation and adaptation objectives to climate change, the only ones with respect to which the technical screening criteria have been defined up to now as specified.

In order to comply with the aforementioned disclosure obligations, Piaggio carried out an analysis of the economic activities made by the Group, in order to identify those to be considered "eligible" in relation to the objectives illustrated, and prepare the disclosure required by the reference, also having in this regard the interpretative clarifications provided by the European Commission in the form of "Q&A" in the months of December 2021 and February 2022⁹.

It should be noted that, in carrying out the aforementioned activities of analysis and preparation of disclosures relating to Taxonomy, the Management has adopted a prudential approach as a whole, based on its understanding and interpretation, at the current state of knowledge, of the regulatory requirements applicable in this context, the awaited publication of the reference technical regulations for the additional environmental objectives defined by Art. 9 of the Regulations, as well as the intervention of further evolutions in the interpretation of the Regulations, could lead to substantial changes in the assessments and in the KPI calculation process for the next reporting year.

⁸ Although not required by the GRI standards, Piaggio decided to voluntarily include in the document information on the European Taxonomy that has been mandatory for the NFS since 2021.

⁹ "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets", published on February 2, 2022. This document clarifies how the reference to "low carbon emissions" in the description of activity 3.3 should not be taken into account for the purposes of assessing eligibility; this consequently makes all the vehicles produced by the Group "eligible", regardless of the level of CO₂ emissions at the exhaust and the propulsion system adopted.

2 Methodological approach

2.1 Identification of "Taxonomy-Eligible" activities

The first stage of the process made it possible to identify, through an analysis of the activities included in the Delegated Regulation (EU) 2021/2139, those applicable to the Piaggio Group's business, considering the description given in the annexes to the Regulation and the potentially applicable NACE codes.

On the basis of the above analysis, the following activities of the Piaggio Group can contribute to achieving the Climate Change Mitigation and Adaptation objectives:

	DESCRIPTION OF THE TAXONOMY-ELIGIBLE ACTIVITY	APPLICABLE KPI	REFERENCE CONSOLIDATED FINANCIAL STATEMENT ITEM
3.3	Manufacturing low-carbon technologies for transport	Turnover	Net Sales Revenue - Sale of 2-, 3- and 4-wheeler motor vehicles and Gita robots
		CapEx	Property, plant and equipment Intangible assets Rights of use
		OpEx	External maintenance and cleaning costs Labour and consultancy costs
6.4	Management of personal mobility devices, cyclogistics	Turnover	Net sales revenue - Sale of scooters
9.1	Research, development and innovation close to the market	CapEx	Intangible assets
		OpEx	Labour and consultancy costs

2.2 Definition of the perimeter

On the basis of the requirements in the Regulation, the percentages of turnover, Capex and Opex related to "eligible" activities was calculated for 2021 and included all fully consolidated Piaggio Group companies.

2.3 Calculation of KPIs

On the basis of the Group's Consolidated Financial Statements as of 31.12.2021 (the "Financial Statements"), the percentage of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) in relation to the respective total values was calculated for each "eligible" activity identified.

2.3.1 Calculation of the proportion of turnover

As established by the Regulation, the "eligible" proportion of turnover represents the portion of net revenues derived from services or products, including intangible ones, that originate from economic activities consistent with the taxonomy, divided by the total net revenues¹⁰. In the 2021 financial year, the Piaggio Group carried out the following activities for the production of goods or services considered Taxonomy-eligible:

- activity "**3.3 Manufacture of low-emission 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 scooters and personal mobility devices.

Starting from the Net Sales Revenue, in order to identify the proportion considered Taxonomy-eligible, the proportion of revenue relating to "Spare Parts and Accessories" was subtracted, as this was evaluated as not being applicable for eligibility purposes.

2.3.2 Calculation of capital expenditure (CapEx)

The CapEx KPI was calculated by dividing the value that includes "eligible" capital expenditure by the value at the denominator that constitutes total capital expenditure. Specifically, the numerator for the calculation of CapEx is

¹⁰ Assonime Circular No. 1 of 19 January 2022.

represented by additions to property, plant and equipment and intangible assets and "eligible" rights of use during the year, before amortisation and depreciation, any revaluations and excluding fair value changes. The denominator, on the other hand, comprises total capital expenditure and increases in rights of use, before amortisation and depreciation, any revaluations and excluding fair value changes.

For the 2021 financial year, the Piaggio Group incurred the following capitalised costs considered taxonomy-eligible:

- activity "**3.3 Manufacture of low-emission carbon technologies for transport**" at all the Group's production sites, with specific reference to investments concerning the design (including R&D) and manufacture of vehicles (with the sole exception of activities for Racing);
- activity "**9.1 Research, development and innovation close to the market**" with specific reference to capitalised Research and Development expenditure related to experimental development projects for solutions and technologies that contribute to the reduction of atmospheric emissions.

2.3.3 Calculation of the proportion of operating expenditure (OpEx)

The OpEx KPI was calculated by dividing the value comprising the portion of "eligible" operating expenditure by the denominator value constituting total operating expenditure. Specifically, the numerator for the calculation of OpEx is represented by the total value of indirect uncapitalized research and development expenditure and any other direct expenses related to the maintenance and ordinary repair of real estate, plant and equipment necessary to ensure the continuous and effective operation of said. The denominator, on the other hand, is the total value of these costs.

For the 2021 financial year, the Piaggio Group incurred the following operating expenditure considered taxonomy-eligible:

- activity "**3.3 Manufacture of low-carbon emission technologies for transport**" with specific reference to maintenance and repair costs, both of buildings and of plants and equipment, related to production plants and non-capitalised Research and Development expenditure related to new vehicles.
- activity "**9.1 Research, development and innovation close to the market**" with specific reference to non-capitalised Research and Development expenditure related to experimental development projects for solutions and technologies that contribute to the reduction of atmospheric emissions.

TABLE ACCORDING TO REGULATION (EU) 2020/852

APPLICABLE	TOTAL (MILLION EUROS)	% OF ACTIVITIES ELIGIBLE FOR THE TAXONOMY	% OF ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY
Turnover	1,668.7	88.6%	11.4%
CapEx	159.5	78.7%	21.3%
OpEx	32.6	98.7%	1.3%





SUSTAINABILITY GOVERNANCE



SUSTAINABILITY GOVERNANCE

THE SYSTEM FOR RESPONSIBLE BUSINESS MANAGEMENT.....	46
SOCIAL AND ENVIRONMENTAL-ORIENTED POLICIES AND GUIDELINES.....	47

“We are dedicated to the mobility of people and things through high-value products and services that redesign and improve our lifestyles.”

For more in-depth, specific analysis of the Corporate Governance system of Piaggio & C., please see the Report on Corporate Governance and Corporate Ownership for the year ending 31 December 2021, available online at www.piaggiogroup.com in the Governance section.

The provisions of the Parent Company's Articles of Association governing the composition and appointment of the Board (Article 12) were most recently 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 rules on gender balance as regards the composition of the Board of Directors pursuant to Article 147-ter, paragraph 1-ter of the Consolidated Law on Finance, as most recently amended by Law 160/2019, as well as the new text of Article 144-undecies 1 of the Issuers' Regulations.

The Board of Directors currently in office is composed of 9 members, of whom 4 are women (44%). 33% of the members are aged between 30 and 50 years old, the rest are over 50.

Piaggio has a specific governance system inspired by international best practices, which covers all company, decision-making and operational processes, along the entire value chain.

- The Board of Directors examines and approves strategic, industrial and financial plans, including the annual budget and Group's Business Plan, supplementing main guidelines to promote a sustainable business model and lay the foundations for creating long-term value. The Board approves the CSR Report and Consolidated Non-Financial Statement pursuant to Legislative Decree 254/16 (NFS).
- 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, has an advisory function with the Board of Directors on sustainability issues such as:
 - examining and assessing sustainability issues related to business operations and the dynamics of interaction with stakeholders;
 - examining and assessing the system for collecting and consolidating data for the Corporate Social Responsibility Report and the "Consolidated non-financial statement" referred to in Legislative Decree 254/2016;
 - examining in advance the Corporate Social Responsibility Report and the "Consolidated Non-Financial Statement" pursuant to 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 the Company's position in ethical sustainability indices;
 - providing opinions on any additional sustainability issues, on the request of the Board of Directors.
- The Executive in charge of financial reporting prepares the Non-Financial Statement and CSR Report, assisted by the CSR Manager. S/he presents both documents to the Audit, Risk and Sustainability Committee, and then, submits them to the Board of Directors for approval.
- As delegated by the Executive in charge of financial reporting, the CSR Manager manages all activities related to sustainability, through the "Consolidated Financial Reporting" Function: defining the Sustainability Plan and monitoring progress, preparing reporting, relations with international organisations.
- The Ethics Committee develops rules and organisational behaviour in line with international best practices in the field of Corporate Social Responsibility.

The Committee's duties include the following:

- monitoring instruments, conduct and relations between management and company personnel and all stakeholders;
- optimising relations with local communities and stakeholders;
- measuring ethical standards, which are an integral part of the good governance of a company;
- implementing the provisions in the Code of Ethics, including receiving and managing reports of fraud that may involve employees, managers and partners of Piaggio & C. and Group companies.

All operations concerning relations between the Piaggio Group and the external world are analysed and revised by the Committee, with the aim of guaranteeing to all stakeholders that the information cycle is managed transparently. Starting from the assumption that transparency best describes the purpose of corporate social responsibility today, the Committee acts as a "guarantor" for investors, consumers and opinion leaders, to make sure company conduct is based on conformity to laws at all times, on fairness and on the truthfulness of disclosure to the public.

THE SYSTEM FOR RESPONSIBLE BUSINESS MANAGEMENT

In achieving its mission, the Group has adopted tools and organisational instruments in order to respect environmental and social values.

Code of Ethics

Piaggio & C. has adopted a Code of Ethics since 2004 for the Organisational Model pursuant to Italian Legislative Decree 231/2001.

The Code of Ethics was last updated in 2017, with the introduction of an article on safeguarding human rights, aimed in particular at preventing "modern slavery".

Through this article, the company expresses its commitment to recognising and ensuring the utmost respect for the principles that protect human rights, as shared at international level and articulated in a number of international conventions. In particular, respect for personal dignity, for the individual and the prohibition of any type of discrimination. These principles, already embraced by the company as they are implicit in its code of ethics, have been described more specifically, in order to align the code with the ethical and social values that inspire the Piaggio Group's activities.

The company also issues a Modern Slavery Statement annually, designed to ensure that the Group's activities comply with the regulatory provisions set out under the Modern Slavery Act 2015, as issued by the British Parliament and which all companies operating in the UK must observe.

The Code of Ethics, available online at www.piaggiogroup.com/Governance, is in force at all Group companies and clearly and transparently sets out the principles and values which the entire company organisation takes inspiration from:

- complying with the laws of countries where Piaggio operates;
- dismissing and condemning unlawful and improper behaviour;
- preventing breaches of lawfulness, constantly achieving transparency and openness in managing the business;
- seeking excellence and market competitiveness;
- respecting, protecting and valuing human resources;
- pursuing sustainable development while respecting the environment and the rights of future generations.

The Group's Code of Ethics sets out the social and ethical responsibilities of each member of the company's organisation. In particular the ethical and social responsibilities of senior management, middle management, employees and suppliers are defined, in order to prevent any party, acting in the name of and on behalf of Group companies, from adopting a conduct which is irresponsible or unlawful.

The articles of the Code of Ethics also set forth an important principle on how to manage relations with policy-makers: "The Company does not make contributions or offer advantages and/or benefits to political parties and trade unions or to their representatives or candidates without prejudice to compliance with applicable law".

All employees and suppliers are required to sign and respect the Group's Code of Ethics in order to be able to work with Piaggio.

Based on the specific nature and significance of India, the following have been prepared and in effect for some years now at the Indian affiliate:

- the Code of Business Conduct & Ethics;
- the Whistle-Blower Policy, specifically designed to protect and guarantee whistle-blowers of alleged breaches of the Code, and protect the Code's effectiveness;
- a Policy on the Prevention of Sexual Harassment of women in the workplace.

Organisational model pursuant to Legislative Decree no. 231/2001

The internal control and risk management system of Piaggio & C. includes the Organisational, Management and Control Model for the prevention of corporate offences pursuant to Legislative Decree 231/2001 ("Model pursuant to Legislative Decree 231/2001"), which Piaggio & C. adopted in 2004, which was updated by the Board of Directors of the Company on 27 July 2020, with the introduction of the predicate crimes contemplated in Article 25 quinquiesdecies of Legislative Decree 231/2001 (tax crimes) and subsequently revised and approved in the Board meeting of 21 February 2022.

Law Decree 124 of 26 October 2019, "Urgent provisions on taxation and for non-deferrable needs", converted with amendments by Law 157 of 19 December 2019, includes tax crimes in the category of predicate offences pursuant to Legislative Decree 231/2001. The category of predicate offences was further expanded following the transposition of EU Directive 2017/1371, known as the PIF Directive ("Protection of the Union's Financial Interests"), which also introduced the punishment of attempted tax crimes related to the filing of tax returns (Articles 2, 3, 4, Legislative Decree 74 of 10 March 2000).

The new offences introduced in Section O of the Model, when it was revised in 2020, are: Fraudulent tax return through the use of invoices or other documents for non-existent transactions; Fraudulent tax return by other means; Issue of invoices or other documents for non-existent transactions; Concealment or destruction of accounting documents; Fraudulent evasion of tax payments; Inaccurate tax return; Omitted tax return; Undue compensation; Smuggling.

The Model starts with the Code of Ethics, followed by general principles of internal control and guidelines for conduct, and is divided into two parts.

The first part is general, and includes an overview of the legal framework, followed by an introduction to the Model's function and operation within the Company; sections are also included on the disciplinary system, as well as a description of the role, composition, functioning and duties of the Supervisory Body.

In compliance with Law 179/2017, an entirely new section was introduced in 2018 with regulations on whistle-blowing (this policy had already been introduced in India in 2016), designed to protect workers that report unlawful activities and irregularities that come to their knowledge during their work.

To guarantee the confidentiality of the identity of the person reporting the information in question, the Company, in compliance with applicable legislation, believes that the management of reported information must involve the Supervisory Body appointed pursuant to Legislative Decree no. 231/2001. The system to protect whistle-blowers, introduced by Law 179/2017 and implemented by Article 6 of Legislative Decree 231/2001, indirectly assigns the Supervisory Body the task of receiving and managing information reported on alleged offences and breaches of the Model or Code. The Company has therefore set up the following communication channels:

- a dedicated mailbox: organismodivigilanza@piaggio.com;
- a physical mail channel, by sending an envelope with the words "private and confidential" addressed directly to the Supervisory Body at the registered office of the Company, Viale Rinaldo Piaggio, 25, 56025 Pontedera (PI) - Italy;
- Internet points have been set up in plant areas, where workers and other employees who do not have, for work reasons, access to a computer, can report information.

The second, "special" section of the Model formalises specific decision-making protocols for "sensitive processes" in relation to the individual categories of offences the section refers to.

The Model pursuant to Legislative Decree 231/2001 - widely distributed by email to all Piaggio Group employees in Italy, and also published on the company Intranet - is constantly monitored and periodically updated.

Piaggio & C. has also established a "Fraud Policy" with information channels for receiving, analysing and processing reported fraud that may involve employees, directors and partners of Piaggio and Group Companies. The Policy is another instrument that the Piaggio Group has adopted to prevent infringement of the principles of lawfulness, transparency, fairness and loyalty which the Model pursuant to Legislative Decree no. 231/2001 takes inspiration from. The Model is available on the corporate web site (www.piaggiogroup.com) in the section Governance/System.

SOCIAL AND ENVIRONMENTAL-ORIENTED POLICIES AND GUIDELINES

The Piaggio Group has a system of Policies aimed at guaranteeing compliance with principles of fairness, transparency, honesty and integrity in line with international standards on responsible business management.

The Group operates in diverse geographic, legal and cultural contexts. As such, its policies and guidelines are put in place by each company, through their own operating procedures and practices.

Anti-corruption policy

As stated in the Code of Ethics, in pursuing its mission the Group ensures, through appropriate tools, including organisational means, compliance with the absolute prohibition of any practice of corruption, request for and/or provision of preferential treatment, of any collusive behaviour, solicitation, whether direct/indirect and/or through third parties, of personal benefits of any kind for oneself and/or for others, of material benefits and/or any other advantage of any extent in favour of third parties, whether they be private or public entities or government representatives, both Italian and foreign.

When participating in public tenders or competitions called by the Public Administration as well as in any negotiations or contracts entered into with both Public Administration and private entities, all those involved must behave in good faith and in accordance with the law, correct commercial practice and current regulations, as well as with the corresponding company procedures, avoiding any situation from which violation of laws and/or principles of fairness and transparency in the conduct of negotiations may arise. Such negotiations must be conducted only by those previously and expressly authorised to do so, respecting roles and in accordance with corporate procedures. Adequate mechanisms for the traceability of information flows towards the contracting party must also be put in place. Any request for advantages, any intimidating and/or constrictive or oppressive behaviour on the part of Public Administration officials or third contracting parties or which come to the knowledge of operators must be immediately reported.

Function managers who liaise with the Public Administration must:

- provide their partners with guidelines regarding the operative conduct to follow in formal and informal contacts with various public subjects, according to the characteristics of each individual area of activity, sharing their knowledge of regulations and their awareness of situations liable to crime;
- provide for adequate tracing mechanisms as regards official information channels with the Public Administration;
- maintain and request on the part of those having relations with the Public Administration a conduct characterised by fairness, transparency, traceability and good faith, respecting the roles and responsibilities attributed; strictly observe and enforce, also with specific reference to relations with the Public Administration, company procedures aimed at abstractly identifying and tracing the functions and positions responsible and appointed for relations with the Public Administration, in compliance with corporate roles;
- make clear, truthful, complete and traceable statements to public authorities and exhibit complete, truthful and unaltered documents and data;
- maintain a correct and clear conduct such as to avoid inducing the counterparty into even potential error. All consultants, suppliers, customers, and whoever is related to the Group, are committed to complying with laws and regulations in force in all countries where the Group operates.

No relation will be initiated or continued with those who do not intend to comply with such principles.

When appointing these subjects to operate as representatives and/or in the interest of the Group towards the Public Administration, the appointment must be in writing, with a specific binding clause requiring compliance with the principles of ethics and conduct adopted by the Group.

Conduct guidelines which are identical to those for relations with the Public Administration must also be adopted with regard to relations with any private third party, such as suppliers, customers, competitors, partners and/or any contractual counterparty. In this regard, the section on corporate offences in the Model 231 was updated with the following introduction, implementing Legislative Decree no. 38 of 15 March 2017 (implementing Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector), as well as with measures introduced by article 2635 of the Italian Civil Code on the offence of "corruption between private individuals", and with the introduction of the new offence "instigating corruption between private individuals", whereby corruption is a punishable offence even if the offer is not accepted (Article 2635 bis of the Italian Civil Code).

When contributions, grants or financial support are requested from the State, the public corporations or the European Union, all employees involved in such procedures must:

- be correct and truthful when using and presenting documents and declarations that are complete and pertinent to the activities for which such benefits can be legitimately requested and obtained;
- once the requested outpayment has been obtained, the sum should be employed for the goals for which it was originally requested and obtained. People in charge of administrative/accounting functions must verify that each operation and transaction is: legitimate, consistent, congruous, authorised, verifiable; correctly and adequately registered, so that decision, authorisation and implementation process can be verified; supported by correct,

authentic and appropriate documentation, so that careful inspections can be carried out at any time regarding the characteristics and the motivations of the operation, and the identification of those who have authorised, carried out, registered and verified the operation itself.

No incidents of corruption occurred in the reporting year.

Guidelines for compliance with laws and local regulations

Group companies must comply with local laws and regulations and must conduct their activities in line with the Code of Ethics and its core values of honesty, integrity and respect for people. The Code of Ethics underpins Piaggio's commitment to behave in a responsible and respectful manner, and helps staff and contractors to make informed, ethical and legal decisions. Suppliers all over the world who wish to do business with Piaggio must sign the Group's general supply conditions, which include the Code of Ethics.

During 2021, none of the Piaggio Group companies were affected by episodes concerning employee discrimination or the breach of employee rights. Moreover, no infringement procedures have been filed against the Piaggio Group for the breach of anti-competitive or anti-trust laws.

As of 31 December 2021, there were no sanctions¹¹ in place concerning non-compliance with social/economic legislation, including laws and regulations on environmental matters, marketing, advertising, promotions and sponsorships.

Finally, no cases regarding the breach of consumer privacy or loss of consumer data were reported in 2021.

Guidelines for respecting human rights

The Piaggio Group conforms to the Guiding Principles on Business and Human Rights adopted by the United Nations in 2011 and the ILO Declaration on Fundamental Principles and Rights at Work adopted in 1998.

It recognises the importance of its role in condemning any violation of human rights and to this end improves and continually aligns its policies and controls, to prevent any potential violation that could affect the Group or its procurement chain.

Group companies comply with national and international laws and regulations and conduct their activities in compliance with the Code of Ethics. The Code of Ethics was supplemented in 2017 with an article specifically dedicated to human rights. Suppliers all over the world who wish to do business with Piaggio must sign the Group's general supply conditions, which include the Code of Ethics and observe its values.

To maintain the highest standards of ethical, moral and legal conduct, Piaggio encourages its employees to report any allegedly nonconforming conduct, guaranteeing they will not be affected by harmful consequences.

The Whistle-blowing Policy, initially developed for the Group's Indian company, aims to provide a safe means for employees and other parties concerned to report violations that come to their knowledge in the context of their work activities. For this purpose, in compliance with Law 179/2017, an entirely new section with regulations on whistle-blowing designed to protect workers that report unlawful activities and irregularities that come to their knowledge during their work was added to the last revision of the Organisational, Management and Control Model pursuant to Legislative Decree no. 231/2001.

¹¹ Tax sanctions are not included.



RISK MANAGEMENT





RISK MANAGEMENT

"We must treat the land where we live well:
it was not given to us by our fathers,
but it was lent to us by our children."

Masai Proverb

The Piaggio Group started an Enterprise Risk Management (ERM) project to define and implement a structured, integrated system to identify, measure and manage company risks in line with applicable best practices. During 2021, the campaign to update the Group's risk profile, involving company managers across the Group, identified 181 risk scenarios, comprising 25 categories which were grouped into 4 level-one macro-categories (External, Operational, Financial, Strategic Risks). In this context, issues concerning environmental and social aspects, human resources, human rights and the fight against corruption were all analysed, as detailed below.

Environment

The analysis refers to the actual and potential effects of the Group's operations on the environment, considering, for example, 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.

The structure of Piaggio's production sites has been designed based on support mechanisms that use energy from fossil fuels. The use of resources at the production faculties and offices of all affiliates is monitored daily, with the aim of optimising energy use and reducing consumption.

Operations to clean up sites were necessary due to historical site contamination: the pollutants removed had not been used for several decades by the sites, proving the historical nature of this contamination. Other cases of ground contamination have never concerned the Group's operations: the classification, management and transport of waste produced comply with sector regulations.

The volume of water used in the production process is monitored monthly, to safeguard its conservation; a part of this water is re-used.

Lastly, all Piaggio sites have ISO 140001 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 are particularly relevant 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 a development opportunity for Piaggio.

With reference to the risk of suffering physical damage connected to extreme climatic phenomena, it is noted how 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 by the continual renewal of the sites and by specific insurance cover taken out for various sites based on their relative importance.

Employees

This area covers numerous aspects, such as the management of human capital, including career development, the remuneration and training system, the promotion of diversity and inclusion, as well as aspects relative to occupational health and safety and trade union relations.

Piaggio operates globally with employees in Europe, the Americas and Asia. It promotes diversity in age, culture, ethnics, 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 sphere

The social sphere includes aspects concerning Piaggio's relations with consumers, as well as the effects of the business on the community.

In the first case, product quality and reliability are essential and key to obtaining and guaranteeing customer satisfaction and safety. In the "Product - Operational Risk" category, risk scenarios relating to potential product defects 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). The Group undertakes to redistribute economic value generated to support social solidarity initiatives and promote local areas. In 2021, 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 association has allocated almost \$700 million to the fight against AIDS and COVID-19.

In Italy, funds were donated to support research in the health sector and to deal with the emergency due to the COVID-19 pandemic. Thanks to the Piaggio Foundation and the Piaggio Museum, numerous initiatives are organized in the cultural, scientific and artistic fields.

The Vietnamese subsidiary was involved in projects supporting local associations that help families in need and provide education for smaller children.

The Indian subsidiary has focused its commitment on social projects generally in the areas of water and sanitation, education, 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 during 2017, Piaggio specifically prohibits any form of discrimination or forced labour. This Code has been distributed to all subsidiaries and clearly states the principles and values the entire organisation takes inspiration from.

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

The Whistle-blowing Policy, developed for the Group's Indian company, aims to provide a safe means for employees and other parties concerned to report violations that come to their knowledge in the context of their work activities. For this purpose, in compliance with Law 179/2017, an entirely new section with regulations on whistle-blowing designed to protect workers that report unlawful activities and irregularities that come to their knowledge during their work was added to the last revision of the Organisational, Management and Control Model pursuant to Legislative Decree no. 231/2001. Based on the significant and specific nature of the Indian market, the Indian affiliate has put in place: a Code of Business Conduct & Ethic, a Whistle-Blower Policy and Policy on Prevention of Sexual Harassment of women at the workplace to prevent episodes of sexual harassment within the plant.

Based on prevention and control mechanisms established in the Code of Ethics and adopted by all Group subsidiaries, no risk scenarios relative to the violation of human rights were identified.

Fighting corruption

The fight against both active and passive corruption comes under the risk categories "Internal/external offences" of the Group's risk model. In its Code of Ethics, Piaggio strictly prohibits any practice of corruption, request for and/or provision of preferential treatment, of any collusive behaviour, solicitation, whether direct/indirect and/or through third parties, of personal benefits of any kind for oneself and/or for others, of material benefits and/or any other advantage of any extent in favour of third parties.

A number of processes, procedures, roles and responsibilities have been defined to achieve the above objective, as regards business negotiations/relations with the public administration sector and with private entities.

The controls briefly described above decrease residual risk relative to episodes of active/passive corruption to a negligible level.



MATERIAL TOPIC	RISK	CONTROLS
Energy efficiency and emissions reduction (climate change, energy consumption and logistics)	<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/varnish solvents) - lower number of infrastructure works/initiatives to reduce energy consumption/needs - decrease in vehicle emission levels 	<ul style="list-style-type: none"> - ISO 14001 environmental certification - Infrastructure improvements aimed at a rational use of energy - Energy consumption monitoring plans - Development of alternative engines (i.e. hybrid/electric)
Waste handling	<p>Soil/water pollution attributable to:</p> <ul style="list-style-type: none"> - No waste classification/characterisation - Uncontrolled spills and discharges into the sewage system 	<ul style="list-style-type: none"> - ISO 14001 environmental certification - Water waste treatment
Protection of water resources (water consumption and discharges and soil pollution)	<ul style="list-style-type: none"> - Uncontrolled use of water resources 	<ul style="list-style-type: none"> - ISO 14001 environmental certification - Water use monitoring - Reuse of water for production activities
Human capital development (selection process, recruitment and turnover management, training, performance management, dialogue with trade unions)	<ul style="list-style-type: none"> - Lack of competencies and professional expertise necessary to implement strategic/business objectives - Loss of key personnel - Tensions in relations the company has with trade unions 	<ul style="list-style-type: none"> - Mapping key competencies/professional expertise and defining adequate retention plans - Performance review systems - Training courses and continuing professional development - Relations with trade union organisations based on attention, dialogue and a common understanding
Health, safety (OSH management, corporate welfare activities, diversity management)	<ul style="list-style-type: none"> - Worker Injuries/onset of occupational diseases - COVID-19 infection risk 	<ul style="list-style-type: none"> - ISO 45001 certification - Periodic occupational health and safety training - Personal protective equipment and operating instructions - Preparation of an anti-COVID-19 protocol and establishment of a special committee to oversee the implementation of prevention measures
Product innovation (sustainable mobility, CO ₂ emissions, alternative fuels)	<ul style="list-style-type: none"> - Reduced level of technological innovation in the product range - Reduced recyclability/recoverability of end-of-life vehicles - Use of materials/substances harmful to the environment - Regulatory measures to restrict the circulation of internal combustion vehicles in order to reduce the level of emissions 	<ul style="list-style-type: none"> - Considerable investments in research and development - Development of alternative engines (i.e. hybrid/electric) - Product conformity to the REACH Regulation 1907/2006 and End of Life Directive 2000/53/EC - Use of environmentally-friendly, recyclable materials

MATERIAL TOPIC	RISK	CONTROLS
Product and safety and reliability	Faulty products for reasons attributable to: <ul style="list-style-type: none"> - Errors/omissions of suppliers - Errors/omissions during the product development stage - Errors/omissions during the production stage - Errors/omissions during the quality control stage 	<ul style="list-style-type: none"> - Supplier audits - Product testing during various stages of the production process - ISO 9001 quality certification
Customer Satisfaction	Service quality level not in line with customer requirements, for reasons attributable to: <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 extension of the sales/after-sales network - Range of products offered not in line with market requirements 	<ul style="list-style-type: none"> - Periodic appraisal of supplier performance based on international standards - Customer satisfaction analysis and preparation of action plans if areas for improvement are identified with reference to the service provided by the network - New computerisation systems to improve control of the sales network/after-sales service and the level of customer service offered - Geo-marketing system for optimal coverage of the territory through the network
Responsible management of the supply chain	<ul style="list-style-type: none"> - Suppliers that do not comply with environmental sustainability principles (e.g. with reference 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 reference to the development of human resources, freedom of association and collective bargaining, child labour, forced labour, industrial relations, health and safety at work, support for local communities, charity activities, etc.) - Violation of the Group's Code of Ethics by suppliers 	<ul style="list-style-type: none"> - ISO 14001 certification ensures a higher score in the supply audit - Obligation to sign the Group's Code of Ethics
Supporting local communities	<ul style="list-style-type: none"> - Reduced number of initiatives aimed at developing the area where the Group operates and promoting social inclusion values (e.g. partnerships with non-profit/non-government, volunteer associations, etc.) 	<ul style="list-style-type: none"> - Organisation of events at the Piaggio Museum - Piaggio Foundation cultural project - Charity and sponsorship activities - Support for hospitals during the COVID-19 health emergency period

MATERIAL TOPIC	RISK	CONTROLS
Respecting human rights	<ul style="list-style-type: none"> - Incidents of discrimination or exclusion of employees for reasons related for example to age, culture, ethnic origin, religion, political opinion, civil status, gender, physical ability, sexual orientation - For human rights risks within the supply chain, see the relevant point 	<ul style="list-style-type: none"> - Prohibition on any type of discrimination, harm to personal dignity in the Code of Ethics - Use of instruments, including organisational tools, to ensure respect for human rights and the principles in the Group Code of Ethics
Fighting corruption	<ul style="list-style-type: none"> - Unlawful collusion/corruption by employees 	<ul style="list-style-type: none"> - Obligation to sign the Group Code of Ethics - Use of instruments, including organisational tools, to ensure respect for the principles in the Group Code of Ethics
Transparency and company integrity	<ul style="list-style-type: none"> - Information in mandatory financial disclosure (e.g. the annual report, interim report, interim report on operations/ sustainability report) which is untruthful 	<ul style="list-style-type: none"> - Mandatory financial information audited by an external body - Non-Financial Statement audited by an external body - CSR report audited by an external body - Formal undertaking, by all company functions, on achieving sustainability objectives establish and reporting, on an annual basis, of any gaps with results actually achieved
Creating economic value	<p>Failure to achieve established growth objectives for reasons attributable to:</p> <ul style="list-style-type: none"> - competitive dynamics - sales network - political/macroeconomic instability of countries where the Group operates 	<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





**THE ECONOMIC
DIMENSION**



THE ECONOMIC DIMENSION

2021 RESULTS AND FUTURE OBJECTIVES.....	62
PUBLIC GRANTS AND TAX BENEFITS	64
TAXES	65
VALUE FOR SHAREHOLDERS	68
COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS	69

"Capital as such is not evil; it is its wrong use that is evil.
Capital in some form or other will always be needed."

M. K. Gandhi.

Integrating economic choices with those of a social and environmental nature is a fundamental commitment for the creation of value in the long term.

The creation of economic value is fundamental to the operations of any company, and is the element that the existence and future of the company itself depend on. For a production company, the generation of added value is the first way to be socially responsible: and is a value which may benefit a large number of stakeholders in different ways.

The economic dimension of acting as a company must be fully enhanced within the role that it plays for all its stakeholders. To this end, the Piaggio Group carefully oversees the process of producing value and provides transparent, specific and exhaustive disclosure in the Report on Operations of the 2021 Consolidated Financial Statements (see the chapter “Financial position and performance of the Group”) to which reference is made for further details.

2021 RESULTS AND FUTURE OBJECTIVES

COMMITMENT	2021 OBJECTIVES	2021 RESULTS	2022 OBJECTIVES	MEDIUM TERM OBJECTIVES
Shareholder remuneration.	<ul style="list-style-type: none"> - Safeguarding shareholders' value. 	<ul style="list-style-type: none"> - Distribution of the dividend. - Distribution of the interim dividend. 	<ul style="list-style-type: none"> - Safeguarding shareholders' value. 	<ul style="list-style-type: none"> - Distribution of the dividend and safeguarding shareholders' value.
Conducting business operations fairly and transparently.	<ul style="list-style-type: none"> - Continuing improvement of the corporate web site. 	<ul style="list-style-type: none"> - Piaggio selected among Sustainability Leaders in the Sole 24 Report of 29 April 2021. - CFI.co (Capital Finance International), a British newspaper specialising in economics and finance, awarded Piaggio the prize for the best innovative and sustainable strategy in Italy. - Piaggio won the second prize BBS Biblioteca Bilancio Sociale for electric mobility in India, reflecting the best of Italian manufacturing. 	<ul style="list-style-type: none"> - Continuing improvement of the corporate web site. 	<ul style="list-style-type: none"> - Specific and timely compliance with laws and regulations. - Continuing improvement of the corporate web site. - Ongoing alignment of the Code of Ethics with national and international best practices.

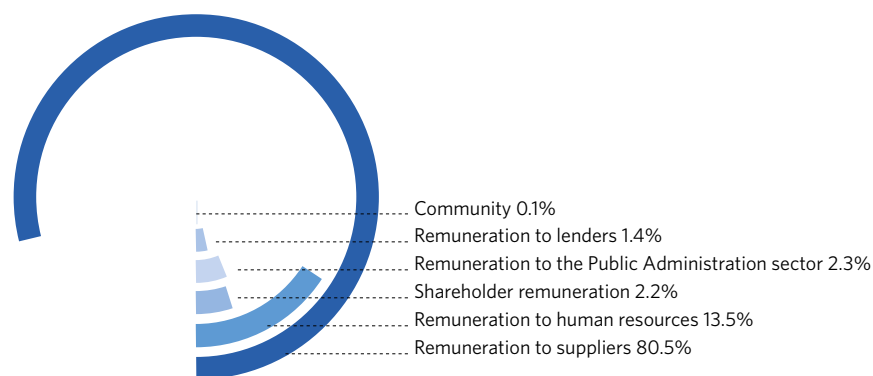
Determination and distribution of the economic value generated

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 distributed economic value is distributed among the different stakeholders as follows: remuneration to suppliers (reclassified operating costs), remuneration to human resources (direct remuneration comprising salaries, wages and termination benefits and indirect remuneration comprising social security contributions), remuneration to lenders (borrowing costs), remuneration to shareholders (dividends distributed), remuneration to the Public Administration sector (total taxes paid), external donations and donations to the community. The value retained by the Group is represented by profits retained as reserves and non-monetary items (depreciation, amortisation, write-downs, provisions and deferred taxes).

DETERMINATION OF THE ECONOMIC VALUE GENERATED AND DISTRIBUTED

	2021	2020	2019
IN THOUSANDS OF EUROS			
Economic value generated by Group	1,909,899	1,422,462	1,638,042
Remuneration to suppliers	1,421,291	1,008,028	1,172,489
Remuneration to human resources	238,721	212,772	228,323
Remuneration to lenders	24,897	27,437	28,193
Shareholders remuneration	39,639	32,856	51,805
Remuneration to the Public Administration sector	40,343	23,539	32,121
Community	1,768	1,356	1,374
Economic value distributed by Group	1,766,659	1,305,988	1,514,305
Economic value retained by Group	143,240	116,474	123,737



ECONOMIC VALUE DISTRIBUTED BY THE GROUP - 2021

The economic value distributed by Piaggio in 2021 amounted to approximately €1,766,659 thousand, or 93% of the economic value generated. Most of this amount refers to the remuneration of suppliers (80.5%), followed by remuneration to human resources (13.5%), the Public Administration sector (2.3%), shareholders (2.2%), lenders (1.4%) and the community (0.1%). Compared to 2020, the Economic value distributed increased by 35%.

PUBLIC GRANTS AND TAX BENEFITS

In 2021 the Piaggio Group benefited from government aid amounting to a total of €1,421 thousand.

Piaggio & C. obtained research grants, totalling €70 thousand, for research projects. The contents and results of these are commented on in the chapter on the product dimension.

Piaggio Vehicles Private Limited (India) obtained a grant for exports, the amount of which (€1,351 thousand) was calculated as a percentage of the FOB value of the exports.

GRANTS RECEIVED¹²

	2021	2020	2019
IN THOUSANDS OF EUROS			
Grants (collected)	70	582	633
Export grants	1,351	1,054	2,180
Total	1,421	1,636	2,813

Tax benefits of Euro 2,864 thousand, on the other hand, were obtained by Piaggio & C. S.p.A., Aprilia Racing S.r.l. and Piaggio France S.A.S.

In particular:

- During 2021, Piaggio & C. accrued a tax credit for the sanitisation and purchase of personal protective equipment pursuant to Article 32 of Decree Law no. 73 of 25.5.2021 n. 73, amounting to €79 thousand, a tax credit for investments in capital goods pursuant to Article 1 of Law no. 178 of 30 December 2020, amounting to €745 thousand, a credit for investments in advertising goods pursuant to Article 57-bis of Decree Law no. 50 of 24 April 2017, amounting to € 88 thousand and a credit for investments made in research and development activities during 2020, pursuant to Law no. 190 of 23 December 2014, as amended, amounting to €1,517 thousand;
- Aprilia Racing was given a tax credit for investments made in research and development activities during 2020, pursuant to Law 190 of 23 December 2014, as amended, for a total amount of €411 thousand;
- Piaggio France benefited from a tax credit of €24 thousand. This credit is equal to 50% the expenditure incurred in financing the creation and management of a nursery or other forms of childcare for the children of company employees under 3 years of age;

TAX RELIEF

	2021	2020	2019
IN THOUSANDS OF EUROS			
Tax exemption			
Piaggio Hellas		46	
Tax credit			
Piaggio & C.	2,429	224	
Piaggio Concept Store Mantova S.r.l.		26	
Aprilia Racing	411	1,116	1,144
Piaggio France	24	9	
Total	2,864	1,421	1,144

Finally, during 2021 the Group did not receive new loans at a subsidised rate.

¹² Values in currencies other than the Euro have been translated using the annual average exchange rate.

TAXES

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

Approach to taxation

All Group companies operate mainly in the country and market in which they are located, paying taxes on profits generated there, on the income of employees directly employed in these activities, as well as consumption taxes and other local taxes imposed by the various regulations in force.

Subsidiaries are not located in countries that are “non-cooperative” for tax purposes or in countries considered by Italian tax law to have a so-called privileged tax status, unless this is required by unavoidable industrial or commercial needs. Where this is the case, the Parent Company adopts and complies with the tax regime envisaged 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.

Intra-group 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 APA - “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.

Since 2014, the Parent Company has set up an optional 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 assignment 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 of the operation of the Tax Control Framework.

This has promoted a process of centralisation for the Tax Entity and a greater comparison between said and all main corporate bodies. The current organisation is more likely to guarantee the identification of the most relevant tax risks, an the assessment of the consequences and the adoption of necessary solutions or corrective tools. All of this also helps to ensure correct performance of all tax compliance activities and the settlement of taxes due, reducing the risk of formal and/or substantial violations.

For its analyses and activities, the Group also avails of leading professional firms or, if necessary and permitted, it consults the competent Tax Authorities in advance.

Stakeholder engagement

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 the importance they play in promoting sustainable development. To ensure full transparency and in compliance with GRI Standard 207-Tax, the following is a breakdown of consolidated data required by the above standard by tax jurisdiction.

As required by GRI Disclosure 207-4, since all necessary information referring to the most recent consolidated financial statements was not available for the purposes of this report, the information in this section refers to the year ended 31 December 2020, as this period refers to the consolidated financial statements immediately preceding the most recent consolidated financial statements.

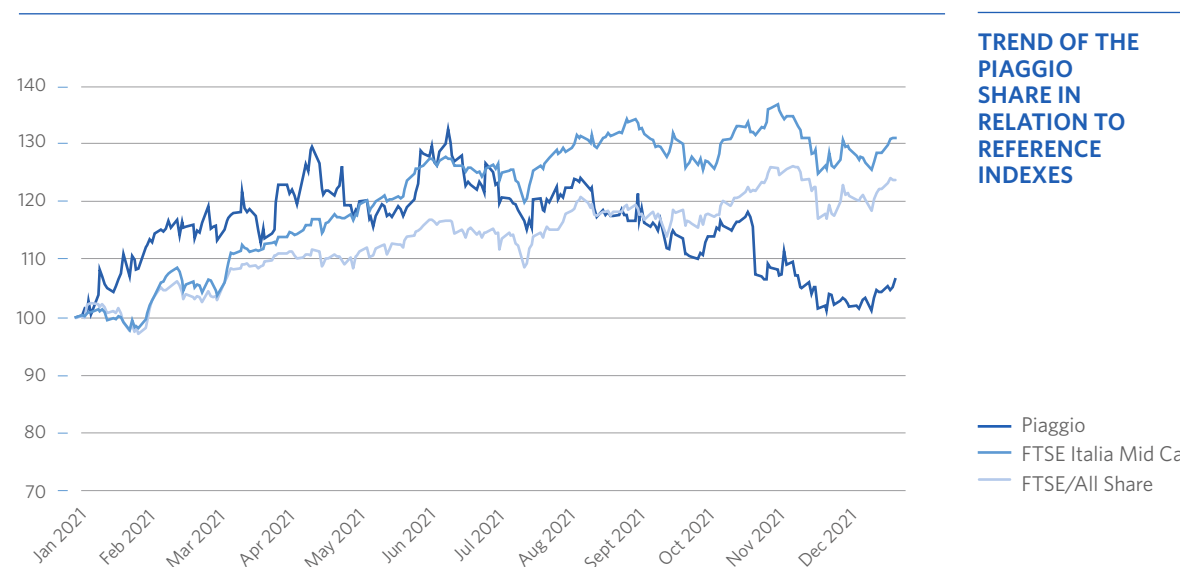
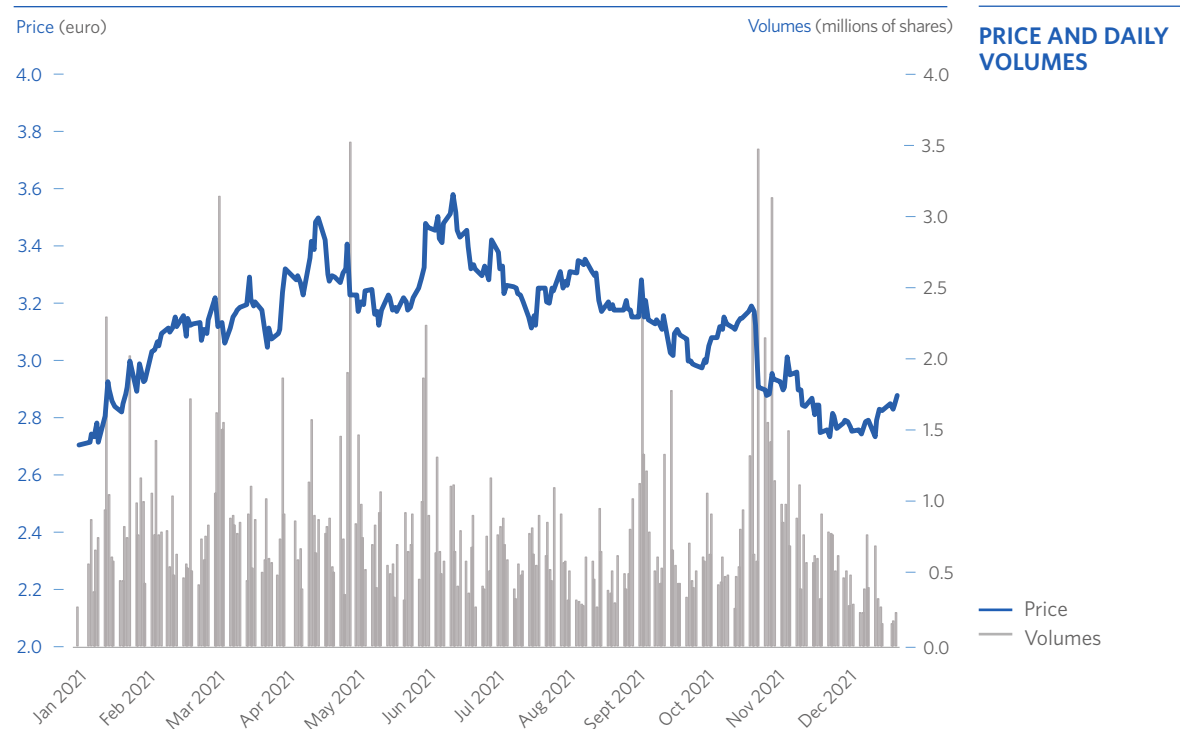
The following should be noted:

- the data presented refer to the 2020 financial year;
- the workforce is that indicated at 31 December 2020;
- revenues from third parties also include other revenues;
- revenues from the Group 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 taking into account eliminations on consolidation;
- pre-tax profit (loss) includes the amounts of dividends received from other Group entities;
- property, plant and equipment do not include investment property as the latter is not involved in the process to generate corporate value;
- regarding any differences between the income tax accrued on profits and the tax due (GRI 207-4-b-x), please refer to Note 14 of the Consolidated Financial Statements as of 31 December 2021 of the Piaggio Group. It should also be noted that both the income taxes accrued and those paid on a cash basis in various countries are affected by the significant presence of dividends received from Group entities, which are included in the pre-tax profit (loss). As is the case in most countries, these jurisdictions also have exemption tax regimes for dividends, as they are the expression of a profit already taxed from the investee company.

COUNTRY	DESIGNATION	ACTIVITIES	ANNO 2020						
			NO. OF EMPLOYEES	REVENUES FROM THIRD PARTIES	REVENUES FROM THE GROUP	PRE-TAX PROFIT (LOSS)	PROPERTY, PLANT AND EQUIPMENT	TAXES PAID	ACCRUED TAXES
IN MILLIONS OF EUROS									
Italy	Piaggio & C. S.p.A.	Production and sale of vehicles							
	Aprilia Racing S.r.l.	Research and development							
	Piaggio Concept Store Mantova S.r.l.	Commercial distributor							
	Total Italy		3,057	852	121	45	174	6	10
Croatia	Piaggio Hrvatska Doo	Commercial distributor	9	3					
France	Piaggio France SAS	Selling agency	41		6	1		1	4
Germany	Piaggio Deutschland GMBH	Selling agency	31		4	1			
Greece	Piaggio Hellas S.A.	Commercial distributor	19	28		1	1		
Holland	Piaggio Vespa B.V.	Holding company and selling agency	20		4	16			
Spain	Piaggio Espana S.L.	Selling agency							
	Nacional Motor S.A.	Inactive							
	Total Spain		32		4	(4)			
UK	Piaggio Limited	Selling agency	19		2				
USA	Piaggio Group Americas Inc.	Commercial distributor							
	Piaggio Advanced Design Center Corp.	Research and development							
	Piaggio Fast Forward Inc.	Research and development							
	Total USA		103	58	2	(16)	1		
India	Piaggio Vehicles Pvt Ltd	Production and sale of vehicles	1,550	245	27	10	67	3	
Vietnam	Piaggio Vietnam Co. Ltd.	Production and sale of vehicles	854	162	131	39	25	5	7
Indonesia	Pt. Piaggio Indonesia	Selling agency	31	34		2			1
Singapore	Piaggio Asia Pacific Ltd	Selling agency	16		3	1			
Japan	Piaggio Group Japan	Selling agency	10	8					
China	Piaggio China Co Ltd.	Holding							
	Foshan Piaggio Vehicles Tech. Dev. Co.Ltd.	Research and development							
	Total China		64	48	3	5		1	1
Brazil	AWS do Brasil	Inactive							
	Aprilia Brasil	Inactive							
	Total Brazil								
Grand total						100	268		24
Consolidation entries						(50)	(3)		
Total consolidated			5,856	1,438	308	50	265	17	24

VALUE FOR SHAREHOLDERS

Piaggio & C. SpA has been listed on the Milan Stock Exchange since 11 July 2006. In 2021, after reaching an intraday record of 3.620 euros on 15 June, the Piaggio Share closed at 2.874 euros, up 6.6% - the highest year-end level since 2006.



Dividends

Since 2019, Piaggio has adopted a new policy to distribute dividends with the distribution of an interim dividend during the year (rather than a single distribution), to align with other international companies in the two-wheeler sector, also with the aim of optimising cash flow management, considering the seasonal nature of the business.

SUMMARY OF DIVIDENDS PAID BY PIAGGIO & C. SPA

	TOTAL DIVIDEND			DIVIDEND PER SHARE		
	2021	2020	2019	2021	2020	2019
	€/000	€/000	€/000	€	€	€
Of the previous year's result	9,285	19,642	32,155	0.026	0.055	0.090
Interim dividend for current year's result	30,354	13,214	19,650	0.085	0.037	0.055

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

Piaggio considers financial disclosure to be of vital importance in building a relationship of trust with the financial market.

In particular the Investor Relations function engages institutional and individual investors as well as financial analysts in an ongoing dialogue, producing transparent, timely and accurate information to promote a correct perception of the Group's value.

During 2021, despite continuing difficulties related to the spread of COVID-19, numerous initiatives with the financial community were promoted, through participation in roadshows and virtual conferences.

Initiatives also included conference calls, managed daily by the IR function, and institutional communication events concerning quarterly results.

To ensure adequate reporting and compliance with Borsa Italiana and Consob regulations, the Company's website is promptly and continually updated with all information concerning the Group and key corporate documents, published in both Italian and English.

In particular, press releases disclosed to the market, the Company's periodic financial reports, the Corporate Social Responsibility Report, and data on business and financial performance are all published online, along with the material used in meetings with the financial community, Piaggio share consensus, as well as corporate governance documents (articles of association, insider trading and material concerning shareholders' meetings).



THE PRODUCT DIMENSION



→ THE PRODUCT DIMENSION



GROUP OBJECTIVE.....	76
RESEARCH GUIDELINES	78
EUROPEAN FUNDED PROJECTS.....	90
MEETING CUSTOMER REQUIREMENTS.....	93

“We are committed to broadening the horizons of our brands and products by constantly promoting technological innovation, uniqueness of design, attention to quality and safety, respecting communities and the environment”.

COMMITMENT	2021 OBJECTIVES	2021 RESULTS	2022 OBJECTIVES	MID-TERM OBJECTIVES
2W Vehicles Study, research and development of environmentally sustainable products: - reducing fuel consumption and emissions; - increasing performance.	Electric powertrains for light mobility			
	- Marketing of new electric scooters.	- Marketing of Piaggio 1.	- Extension of the electric range, with new models and different engines added.	- Expansion of the range for new customer groups.
	Study of electronic/electromechanical devices to reduce pollutants in urban use (Start & Stop)			
	- Studies on hybrid and mild-hybrid engines.	- Ongoing studies on hybrid and mild-hybrid engines, evaluation of different solutions and architectures for different product categories.	- Implementation of prototype studies of innovative hybrid architectures.	- Research and development of new devices aimed at further reducing consumption and emissions by decreasing absorption and improving engine use.
	Study of innovative high-efficiency automatic transmissions, both simplified and high-performance versions			
	- Continued development, massive use of virtual models to optimise the performance and efficiency of CVTs ¹³ .	- This is a continual improvement activity, carried out both internally and as co-design, e.g. with belt suppliers.	- This is a continual improvement activity, carried out both internally and as co-design, e.g. with belt suppliers.	- Continuous improvement of transmissions in order to improve the mechanical performance of traditional engines.
	Construction of batteries with higher energy density, durability and reliability and lower cost			
- Continuation of development and research activities on different-sized power batteries.	- Development of a modular battery in two sizes for Piaggio 1. Foundation of the Swappable Batteries Motorcycle Consortium (SBMC).	- Commitment to the implementation, adoption and dissemination of standardised SBMC batteries.	- Study of SBMC battery applications for use in several vehicles and possible secondary or alternative use.	
Dissemination of the PMP system¹⁴ and enhanced features (version with intercom and telephony management)				
- Ongoing research into new functions and improvement of the HW dedicated to the Man/Machine interface. Increased integration with navigation functions.	- Marketing of a new HW version incorporating new functions at a lower cost.	- With an increased functionality, and streamlined interface.	- Continuous improvement of the system and harmonisation with other electronic on-board devices in terms of safety, comfort, data exchange, improved reliability.	

¹³ Continuously variable transmission.

¹⁴ MIA Multimedia Platform.

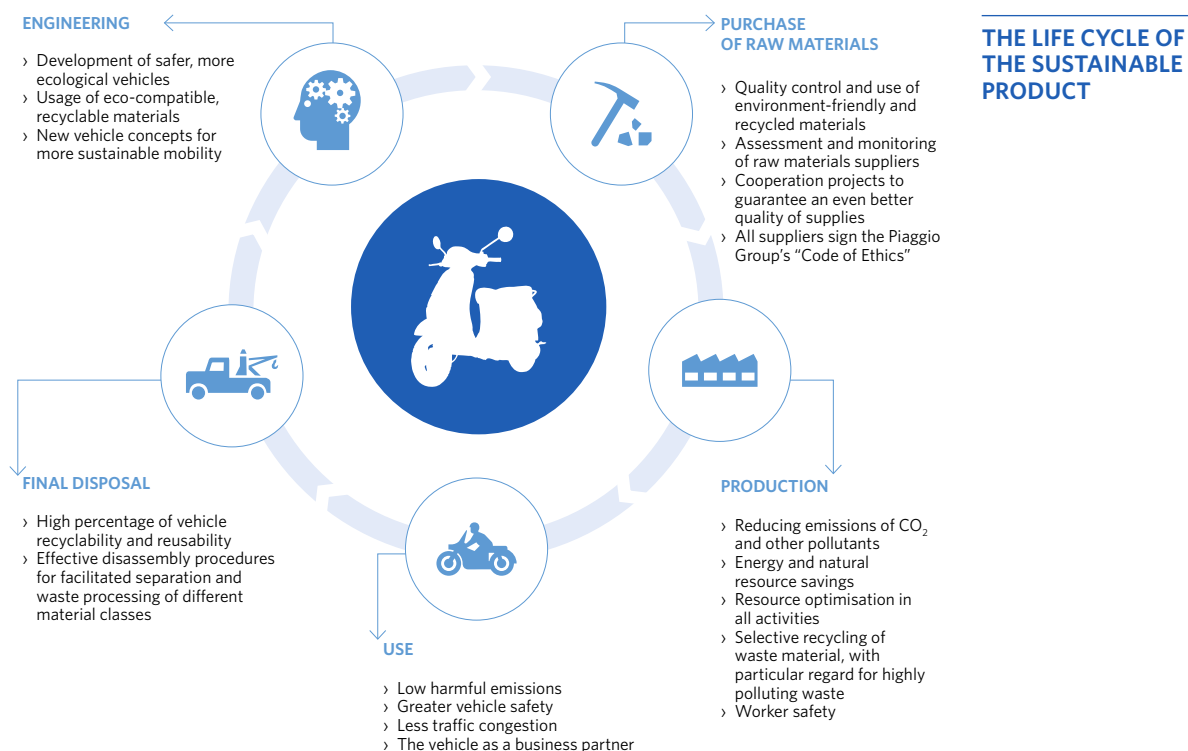
COMMITMENT	2021 OBJECTIVES	2021 RESULTS	2022 OBJECTIVES	MID-TERM OBJECTIVES
<p>3/4W Vehicles</p> <p>Developing environmentally friendly products:</p> <ul style="list-style-type: none"> - low consumption and low CO₂ emissions; - good product end life recycling and recovery levels. <p>Meeting demand for professional and commercial short-distance mobility, offering a last-mile transport solution:</p> <ul style="list-style-type: none"> - compact, agile, easy-to-drive vehicles, with good handling in urban environments; - vehicles with a high load capacity and specific payload; - definition of a vehicle for new sales activities such as street food and street shops. 	<p>4W Europe - Porter</p> <p>- <u>New Porter:</u></p> <p>Completion of development and industrialisation activities to guarantee the production start-up of various versions and variants from January 2021.</p> <p>- <u>New Electric Porter:</u></p> <p>Final Business Plan presentation by 1Q-2021 and development/ industrialisation start up.</p> <p>- <u>New Porter (Thermal + Electric):</u></p> <p>Technical/economic feasibility of implementing the new passive safety features in line with the R137 and subsequent standards.</p> <p>Technical/economic feasibility of implementing the new active safety features in line with Regulatory Developments (GSR).</p>	<p>4W Europe - Porter</p> <p>- <u>New Porter:</u></p> <p>Launch of the new Porter NP6 completed with all versions and variants.</p> <p>- <u>New Electric Porter:</u></p> <p>Presentation of the Business Plan with alternative scenarios and the start of initial concept and development activities.</p> <p>- <u>New Porter (Thermal + Electric):</u></p> <p>Presentation of technical/economic feasibility for Passive Safety, standard R137 (July 2022) and the start of industrialisation activities.</p> <p>Presentation of technical/economic feasibility for Active Safety (GSR with ADAS and Cybersecurity) standard 661/2009/EC (July 2024) and the start of gap analysis and design activities for electrical and electronic architecture.</p>	<p>4W Europe - Porter</p> <p>- <u>New Porter:</u></p> <p>Phase in/phase out management to guarantee the production of versions impacted by R137.</p> <p>- <u>New Electric Porter:</u></p> <p>Definition of the production scenario and start of development activities up to validation on phase 1 prototypes.</p> <p>- <u>New Porter (Thermal + Electric):</u></p> <p>Continuation of the design and development activities related to Active Safety until completion of the validation of the electrical/electronic architecture on the first prototypes.</p>	<p>Development of new vehicles for urban and short-haul mobility (Europe, India and export markets) for the transport of goods and people with the following main objectives:</p> <ul style="list-style-type: none"> - reduced consumption; - high mobility/handling in urban settings; - high specific payload; - use of environmentally friendly tractions. <p>Use of recycled plastic. Development and industrial production of new versions of 3W LPG/Natural gas vehicles with low emissions and fuel consumption and Full electric versions for developing markets. Definition of technical vehicle and powertrain concepts to align with future market and legal developments.</p>

COMMITMENT	2021 OBJECTIVES	2021 RESULTS	2022 OBJECTIVES	MID-TERM OBJECTIVES
	<p><u>3W India - Ape</u></p> <p>- <u>Ape 501</u> Completion of the development and industrial production of the Ape 501 300cc AF¹⁵ in line with production start-up by 1Q-2021.</p> <p>- <u>Ape Cargo Electric:</u> Completion of the development and industrialisation of the version with fixed batteries and 4 batteries between Q1 and Q3 2021.</p> <p><u>3 / 4W Export - Ape/ Porter</u></p> <p>- <u>Ape City and City Xtra</u> Completion of the development and industrial production of versions with 230cc Petrol and LPG engines. Availability on export markets from 2Q 2021.</p> <p>- <u>Ape City Electric:</u> Development of the Ape e-City version with a fixed battery configuration, for export from 2Q 2021.</p> <p>- <u>Electric Ape Cargo</u> Development and industrial production of the version with fixed batteries for export from 2Q 2021.</p> <p>- <u>Ape 501</u> Development of the Cargo BSIII and Eu IV version with 230cc engine Q1 2021.</p>	<p><u>3W India - Ape</u></p> <p>- <u>Ape 501</u> Postponement of Ape 501 300cc AF industrial production activities. Diesel version implemented.</p> <p>- <u>Ape City and City +</u> Adoption of LPG and CNG monofuel engines.</p> <p>- <u>Ape Cargo Electric:</u> Version implementation with fixed batteries and 4 batteries between Q1 and Q3 2021.</p> <p>- <u>Ape City and City Xtra</u> Implemented versions with a 230cc Petrol Eu IV engine. Availability on export markets from 3Q 2021.</p> <p>- <u>Ape City Electric:</u> Development of the Ape e-City version with a fixed battery configuration, for export from 3-4Q 2021.</p> <p>- <u>Electric Ape Cargo</u> Implementation of the version with fixed batteries for export from 3-4Q 2021.</p> <p>- <u>Ape Xtra</u> Development of the BSIII and Eu IV version with 230cc engine Q1 2021.</p>	<p><u>3W India - Ape</u></p> <p>- <u>Ape City and City +/- Cargo</u> Improvements to comfort and consumption for the 230cc petrol/LPG/CNG versions and the 300cc Ape Cargo Target.</p> <p>- <u>Ape City and Cargo Electric:</u> Improvements to comfort and consumption. Implementation of the swappable battery version and three batteries on the Ape e-Xtra.</p> <p>- <u>Ape City and City Xtra</u> Extension of the distribution of NTX and NTX+ versions in LATAM.</p> <p>- <u>Ape City and Xtra Electric:</u> Extension of distribution in LATAM.</p>	

15 AF = Alternative Fuel

GROUP OBJECTIVE

The main objective of the Piaggio Group is to meet the most progressive needs for mobility, through a deep understanding of people and their needs, reducing the environmental impact and improving the energy consumption of its vehicles, ensuring excellent levels of performance at all times. In its effort to ensure the sustainability of its products, the Piaggio Group takes into account the entire life cycle, which comprises the design, procurement of raw materials, production proper, use of the product by customers and, finally, decommissioning, which consists in disassembly at the end of service life and in the disposal and/or recycling of the components and raw materials.



Research and development macro-areas

During its life cycle, every product directly and indirectly affects both the health and safety of people and the environment understood as ecosystem quality. For this reason the Piaggio Group focuses its R&D activities on developing innovative solutions to boost energy efficient and increase the safety, reliability and recyclability of its products.

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-area and extra-urban use; this is achieved by introducing electric engines and further developing traditional engine technologies (increasingly sophisticated internal combustion engines), as well as the Group making more use of renewable, sustainable energy sources;
- **reliability and safety:** vehicles that allow a growing number of people to get about town easily, and out of town, and on leisure trips, contributing to easing traffic congestion and ensuring high levels of active, passive and preventive safety;
- **recyclability:** products that minimise environmental impact at the end of their life cycle;
- **cost-effectiveness:** vehicles with lower running and maintenance costs.

Product range

The Piaggio Group designs and develops a wide range of products, intended for numerous uses, countries and customers. In particular, Piaggio operates in extensive product categories:

Urban vehicles

In this category, mainly comprising scooters, rational and functional components are predominant, as they are a valid response to the problems posed by the rapid, often chaotic urbanisation taking place across the planet, which has led to an increase in traffic jams and pollutants emitted within urban areas.

The Piaggio Group is committed to offering mobility solutions that reduce the level of traffic congestion, gaseous and noise pollution, accelerating the path towards Sustainable Mobility.

Significant results can only be achieved by reducing the environmental impact of vehicles, also in terms of their contribution to climate change, and by encouraging their deployment to replace less environmentally-friendly vehicles. Piaggio equips its vehicles with state-of-the-art engines to reduce emissions of pollutants and greenhouse gases, continuously developing internal combustion engines, and introducing hybrid and electric engines. In order to increase their diffusion, Piaggio is committed at all times to increasing safety by introducing active, passive and preventive safety systems on its vehicles.

Motorcycles

These vehicles are often used in non-urban areas, usually for emotional and recreational reasons. Their users place great value on intangible aspects such as brand value, feelings, performance in general times, etc. From a technical point of view, however, the key words are still safety and energy efficiency.

Commercial Vehicles

In this category, functional and economic aspects prevail. The Piaggio Group operates in Europe and India on the light commercial vehicles market, with products designed for short-range mobility in urban areas (European urban centres) and suburban areas (the product range for India). Piaggio's also has a steadfast commitment to its research into Urban Vehicles with a focus on Sustainable Mobility.

Fleet vehicles

These vehicles are halfway between commercial and urban vehicles. In 2020 the Piaggio Group designed and developed a new scooter, the Piaggio My Moover 125cc Euro 5, specifically designed for the last-mile delivery of parcels sent by post. In 2021, studies were conducted to make it even more suitable for this use, which are not currently aimed at its marketing and sale.

Smart robots

In 2019, Piaggio Fast Forward (PFF), the Piaggio Group's robotics company, started marketing the Gita robot, designed to automatically transport personal belongings by automatically following the user, thus allowing him/her to interact with people and the environment hands-free. Following the success of the agreements signed in 2020 for the use of Gita in different environments such as airports, shopping centres, ports and for home food delivery in residential areas¹⁶, Piaggio Fast Forward presented the new GitaMini in 2021 which is smaller, lighter and more compact than the Gita. Marketed in the United States, where the movement of robots on city streets is regulated, it was indicated by The Wall Street Journal as one of the best technology gifts of 2021.

¹⁶ The pilot projects involved major partners including:

- Cincinnati International Airport (CVG) (7 million passengers a year);
- Delivery Co-op, a company specializing in the last mile delivery of food products in the city of Lexington, Kentucky.
- Doğan Trend Automotive, part of the Doğan Group, a holding company based in Istanbul.

RESEARCH GUIDELINES

The main guidelines for research are functional to the Group achieving its objectives:

- development of sustainable mobility, through the study and placing on the market of advanced engines such as hybrid and electric engines;
- continual improvement of internal combustion engines (ICE); reduction of consumption and emissions through the improvement of energy efficiency; use of renewable non-fossil fuels;
- improvement of vehicles with the aim of making them more efficient, sustainable and safe; the study and introduction of new vehicle concepts;
- the study and introduction of devices for safety (active, passive and preventive) and comfort; connectivity as an integral part of preventive safety and comfort;
- the environmental compatibility of the product and process (Life Cycle Management).

Sustainable Mobility

The Piaggio Group has been a pioneer in electric mobility since the mid-1970s and is constantly seeking the most technologically advanced solutions, developed at its Research and Development Centres around the world. The Group sees the ability to combine robotics and software as key to improving future mobility systems in cities and, through its capabilities in the production of electric vehicles and the management of related infrastructure, intends to confirm its leadership in the revolution which is taking place.

As 2030 approaches, Piaggio has decided to embark on a path based mainly on electric technology¹⁷, 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."¹⁸

This 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 Sustainable Mobility. When fully operational, the department will have 40 electronic, mechanical and electrical engineers.

- Piaggio 1

The first tangible result of this "new approach" is the Piaggio 1 electric scooter, to be marketed in 2021. This scooter features sophisticated technical solutions such as the HUB brushless motor (in the rear wheel), the removable battery to reset the charging time, digital instrumentation, the full-LED lighting system, keyless starting device, the helmet compartment under the seat, a streamlined construction and modern design. It is available in two versions:

- Piaggio 1 - Speed 45 km/h, range up to 55 km in ECO mode, up to 43 km in SPORT mode (WMTC cycle), continuous power 1.2 kW, 1.4 kWh easy-to-remove battery;
- Piaggio 1 Active - Speed 60 km/h, range up to 85 km in ECO mode, up to 66 km in SPORT mode (WMTC cycle), continuous power 2 kW, 2.3 kWh easy-to-remove battery.

Both types of battery are designed and built by Piaggio.

- Vespa Elettrica

2020 saw the debut on the market of the Vespa Primavera Elettrica "motorcycle", boasting a better performance that is beyond the limit of the "moped" category. This development has made it possible to expand the base of customers looking for an environmentally friendly vehicle with a performance that is suitable for urban transit. In 2021, other models in this series were developed, and will be marketed in the coming years. The Vespa Elettrica was showcased at the Italian Pavilion of Expo Dubai (18.11.21), during the Dubai Design Week, as part of the ITALIA GENIALE¹⁹ exhibition. The exhibition was organised by ADI and ADI Design Museum for the Ministry of Economic Development, the Ministry of Foreign Affairs and International Cooperation and the General Commissariat for Expo 2020 Dubai, in association with UIBM Ufficio Italiano Brevetti e Marchi, Unioncamere and ITA/ICE Italian Trade Agency.

¹⁷ Statement by Roberto Colaninno, Chairman and CEO of the Piaggio Group, at the presentation of the Moto Guzzi V100 (September 2021, adnkronos).

¹⁸ Statement by Michele Colaninno, Chief of Strategy and Product of the Piaggio Group, in the Piaggio-BP joint press release (October 2021).

¹⁹ Subtitle: "Design enables. Beauty, originality, creativity of a universally appreciated industrial design".

- Ape e-City Full Electric

In December 2019, Piaggio launched the Ape e-City version with Full Electric engine on the Indian market. This important technical innovation for the model has been developed to meet a growing need for eco-friendly vehicles.

The Ape e-Cargo version, to flank the e-City model, will be introduced from the beginning of 2021, guaranteeing the availability of a full range of electric vehicles for passenger and goods transport, with the further aim of expanding sales on European and export markets.

The range of electrical products will be further enhanced in the coming years; there was a strong commitment to this area of R&D in 2021. However Piaggio's strategy for Sustainable Mobility not only targets technology and the end product, but also the system. This is why it announced two important cooperation initiatives in 2021.

- Swappable Batteries Motorcycle Consortium (SBMC)

Following the signing of the Letter of Intent in March 2021, the Piaggio Group signed with HONDA Motor Co. Ltd., KTM F&E GmbH and YAMAHA Motor Co. Ltd. an official agreement for the foundation of the Swappable Batteries Motorcycle Consortium (SBMC). Piaggio and the other founding members of the Consortium believe that a system of standardised interchangeable batteries is a key factor in the development of electric mobility. The Consortium aims to promote the large-scale diffusion of light electric vehicles such as mopeds, scooters, motorcycles, tricycles and motor quadricycles, encouraging a more sustainable management of the life cycle of batteries, in line with international climate policies.

The Consortium aims to solve problems regarding the future of electric mobility, such as autonomy, charging times, infrastructure and costs, without losing sight of the four main objectives:

- the development of common technical specifications for interchangeable battery systems;
- verification of the possibility of sharing battery systems;
- the definition and promotion of the Consortium's common specifications, to be proposed as standards to European and international standardisation bodies;
- extension of the adoption of the Consortium's common specifications globally.

- Memorandum of Understanding Piaggio-Bp²⁰

On 25 October 2021, Piaggio and Bp signed a Memorandum of Understanding to develop and implement a wide range of services to support the growing deployment of electric two- and three-wheeled vehicles in Europe, India and Asia, including the Indian affiliate Jio-Bp. Once opportunities for cooperation have been defined in detail, it will offer interchangeable charging and battery stations, as well as fully comprehensive services such as "Battery as a Service" (BaaS, the leasing, management and recycling of batteries) and "Vehicle as a Service" (VaaS, the leasing, repair, maintenance and intelligent energy management of vehicles). Activities and the focus will initially focus on the Indian market, where Jio-Bp and the Piaggio Group are already engaged in developing solutions for electric vehicles, and will then explore growth opportunities in Asia (China, Indonesia and Vietnam) and Europe.

Two-wheeler sector

Continual improvement of combustion engines

The Piaggio Group's engine research focuses on five fundamental areas:

- the optimisation of engine hydraulic fluid dynamics and combustion;
- optimisation of electronic management;
- reduction of organic leaks (friction, pumping);
- improved transmission efficiency, in step or CVT mode;
- the study of acoustics and engine timbre to have noise emissions that are lower, not unpleasant and evocative²¹.

²⁰ Bp p.l.c., formerly British Petroleum, is a UK company operating in the energy sector and especially the oil and natural gas sectors, where it is one of the four largest players worldwide (together with Royal Dutch Shell, ExxonMobil and Total). The head office is in London.

²¹ This concerns the application of psychoacoustics, which studies sounds in relation to auditory sensations from a psychological and physiological perspective, to the development of vehicles and in particular, the intensity of sound sensation, the localising power of the ear, etc. Psychoacoustics is at the basis of a great deal of research and technological applications, such as those relating to high fidelity, stereophony, musical acoustics and noise protection (see the Treccani medical dictionary). In our case, the timbre of the engine is also part of the emotional sphere linked to the vehicle and the Brand. To give an example, a Moto Guzzi must have a pleasant and contained roar, but which is typical of a Moto Guzzi.

The most important R&D results in the engine sector, in 2021, are reported below:

Transition to Euro5 of the entire European range

In 2021, the entire European range of Piaggio Group vehicles was converted to the Euro5 standard. In addition to complying with the new emission limits, the changeover entailed considerable technical and economic work, because OBD2 - Step 1²² software had to be introduced, which necessarily led to modifications to both engines and vehicles, to equip them with:

- Misfire Detection
- Lambda probe degradation monitoring
- Functional diagnostics
- Suction pressure sensor check
- Engine temperature sensor check
- T.P.S. Sensor check

Scooter engines

400 engine (mounted on the Piaggio Beverly 2021 and Piaggio Mp3 Maxi 2021)

Based on the well-known and successful 350, the "400" is not an oversized version²³, but has been redesigned. The 400 has a longer, weight-optimised connecting rod, together with a lightened piston moulded in aluminium alloy - a motorcycle solution - in order to reduce friction and vibrations transmitted to the vehicle. The classic scooter architecture has been maintained: with a single-cylinder, four-stroke, four-valve, liquid-cooled, electronic fuel injection engine, with automatic multi plate wet clutch for an improved and consistent performance. This unit features an innovative system patented by Piaggio, called PCV - Positive Crankcase Ventilation: consisting of two blades integrated in the crankcase, the system reduces pumping losses and thus consumption. A new intake line, new valve lifting, and a new chain tensioner for quieter timing system operation. The fuel supply system has a new high-pressure injector for improved fuel atomisation. The combustion chamber is also new, with an iridium spark plug.

This considerably increases performance compared to the previous 350: 16% more power, peaking at 1500 rpm lower, and 30% more torque, peaking at 750 rpm lower. Maximum power 26 kW (35.4 hp) at 7000 rpm and a maximum torque of 37.7 Nm at 5500 rpm. Weight and dimensions remain substantially the same as the 350 version.

50 4T SXR engine

The new Aprilia SXR scooter is equipped with a modern 50cc 4-stroke Euro 5 engine with electronic injection from the i-get family, with 3-valve distribution. The use of electronic injection with an 8-hole injector on a 50 cc engine demonstrates the cutting-edge research achieved in reducing emissions and consumption. With a WMTC cycle, distance exceeds 40 km with one litre of fuel, also thanks to the calibration and efficiency of the CVT.

I-get engine with Start and Stop

The Medley 125 and 150 2020 are an evolution of the Piaggio i-get family, developed between 2019 and 2020. The i-get is one of the most sophisticated and efficient scooter engines in the world. For technical details, please see the 2020 edition of this Report. In 2021, other engines equipped with this system were developed, which will be put on the market in the near future.

22 On-board diagnostics (OBD) for auto-diagnosis and reporting of vehicle errors and/or failures, with controls of parameters of the engine control units and other electronic devices of the vehicle. This includes a standard data exchange interface that can be read from any workshop. Diagnostics are therefore fundamental for vehicle maintenance and for continually complying with requirements of legislation regarding emissions.

23 A simple increase in displacement could have been achieved by increasing the diameter of the piston, without particular development and industrialisation costs

Motorcycle engines

Moto Guzzi V100 Mandello

A state-of-the-art engine for an important event such as the celebration of the first 100 years of the Moto Guzzi brand (1921-2021) and the 50th anniversary of the launch of the first legendary Moto Guzzi V7 Sport (1971). The new design has resulted in a compact, lightweight and original power unit while staying faithful to the V90 architecture. The new version stands out from all previous Moto Guzzi V90s as it has big ends with external exhausts (to improve ergonomics in the knee area and rationalise the intake and injection line) and liquid cooling (necessary because of the high specific power and for improved quietness).

The main technical features are: a 1042cc engine capacity; a double big end camshaft distribution controlled by chain, rocker arms and four valves per cylinder; damp casing lubrication; liquid cooling; hydraulically controlled wet clutch; ride by wire throttle for improved performance and fuel economy, as well as providing four riding modes: Travel, Sport, Rain and Road. Each combines 3 different engine maps, 4 levels of traction control and 3 levels of engine braking. A maximum power over 115 hp, maximum torque over 105 Nm, maximum engine speed 9500 rpm. Six-speed gearbox with QuickShift and final drive shaft, mounted on an aluminium single-sided swingarm, with geometry designed to eliminate the suspension reaction to engine torque. On-board electronics include the 6-axis inertial platform for Cornering ABS management, Euro5 compliant.

660 Aprilia Tuareg 2021 Twin Cylinder

After its debut in 2020 on the Aprilia RS 660 and Aprilia Tuono 660, the twin-cylinder engine is now also available on the Aprilia Tuareg 660. This version is a 660cc water-cooled parallel twin engine, which is structural and supports the swingarm. The thermodynamics are from the V4; the upper crankcase is integrated with the cylinders to reduce dimensions and make the structure more robust. The cylinders are not aligned with the crankshaft, to minimise internal friction and reduce consumption. The distribution is 4-valve twin shaft per cylinder with small bowls. The clutch has an anti-juddering system. Performance has been adapted to the new application and maximum power for this version is 80 hp (Euro 5). Throttle control is electronic (ride-by-wire) and allows the rider to finely adjust delivery, reduce consumption and emissions and optimise the APRC system developed specifically for this model. It includes: ATC (Aprilia Traction Control) adjustable on 4 levels and which may also be excluded; Aprilia Cruise Control; AEB (Aprilia Engine Brake) 3-level engine brake control system; AEM (Aprilia Engine Map) with 3 different mappings to change engine delivery without changing the maximum power.

Moto Guzzi V7 2021

The new V7 features a new Moto Guzzi engine, closely derived from the engine on the "All-Terrain" V85 TT. It is the most recent and modern unit built at Mandello, guaranteeing a better performance and greater overall efficiency, maximising the riding experience and reliability.

The maximum power has increased by 25%, from the previous 52 hp at 6200 rpm to the current 65 hp at 6800 rpm. The maximum torque has also gone up significantly, 60 Nm at 4250 rpm to the excellent value of 73 Nm at 5000 rpm, with more than 80% of the torque already available at 3000 rpm.

Vehicle improvements

New concepts (Tilting vehicles)

The reference point is the Piaggio MP3 tilting three-wheeler created in 2006, which has enabled Piaggio to become a leader in the field of Dynamic Safety²⁴. These new concepts, with the adoption of additional safety features, can reach levels close to automotive standards, while maintaining advantages in terms of footprint, emissions and consumption typical of two-wheelers. Depending on the markets and formulas adopted, multi-wheel concepts can also benefit from important regulatory advantages.

²⁴ Vehicles with two front wheels offer a greater stability and shorter stopping distances compared to standard two-wheelers, even on wet or uneven terrain.

Piaggio Maxi 400/500 2021

In addition to the engine already described, the new Mp3 Maxi 400 features a number of technical and aesthetic improvements also extended to the 500 model, aimed at improving efficiency, comfort and safety. LED direction indicators and DRL lights now feature, for considerable energy savings. The new illuminated under-seat compartment can hold two full-face helmets or a computer bag. It can be opened by pressing the button on the vehicle, with the remote control (which includes the "Bike Finder" device, which turns on the indicators remotely) and with a smartphone from the Piaggio MIA app. The instrument panel features the two classic circular elements and a multi-function screen with indicators showing average and instantaneous consumption, average and maximum speed, range, journey time, and the ambient temperature with ice alarm. Completing the picture are the clock, odometer with two sections, battery voltage indicator and 11 indicators for the headlights, direction indicators, reserve, oil pressure, injection malfunction, anti-theft device, ABS, ASR, hazard warning lights, DRL, roll lock engaged, parking brake engaged and Piaggio MIA connection that allows you to answer an incoming call, hang up and manage your music with a dedicated button. The leg shield back plate has two shockproof padded elements in front of the rider's knees - the result of safety research combined with a future adoption of an Airbag.

As part of its research, Piaggio has designed and built a prototype of an electric, twin engine, category L2e titling four-wheeler vehicle (Resolve), while in 2020 it put a new three-wheeler model on the market:

My Moover

In 2020, the Piaggio Group presented a new three-wheeler model called My Moover 125cc Euro 5, distributed in 2021 with considerable success, seeing that it won the tender called by Poste Italiane S.p.A. for the supply of 5,000 three-wheeler thermal scooters. This innovative tilting three-wheeler model has been specially developed for parcel and mail deliveries in urban areas. It features an exceptional load capacity (85 kg - 25 kg on the front rack and 60 kg on the large rear compartment). Thanks to the tilting system (twin²⁵ wheeled rear trolley with differential/engine block), it guarantees high stability and safety in driving.

New product formulas: Moto Guzzi V100 Mandello

The V100 Mandello is a milestone in the centenary history of the Moto Guzzi brand, and certainly the most innovative bike since the days of the founder Carlo Guzzi. It features all-new adaptive aerodynamics, cornering ABS, semi-active suspension and quick shift gearbox, to name but a few, as well as the new water-cooled V90° 4V engine. In addition, the model features innovative ARAS devices (radar, blind spot detection etc.) developed specifically with Piaggio Fast Forward in 2021.

Reduction in absorption and weight²⁶

During the design stage considerable attention was paid to reducing absorption and weight, two fundamentally important factors to decrease consumption and improve performance.

Aerodynamic simulations (CFDs) and validation of results by comparative analysis with experimental wind tunnel data made it possible to reduce the power required for the same performance.

These studies led to the definition of the fairing of the Aprilia RS 660, inspired by Aprilia's racing experience. The fairing has a dual wall with the aim of improving aerodynamic penetration, increasing stability at high speeds, and protecting the rider from air pressure and from heat coming out of the radiator and engine²⁷.

25 The choice of a twin-wheeled rear trolley is due to the type of vehicle and load, designed to have the agility of a two-wheeler but offering the stability of a three-wheeler.

26 The same applies to the engine, of which the weight has a significant impact on overall weight.

27 The heat coming out of the engine and radiator is a major problem for comfort in supersports, due both to the high power involved and the small size of the front section of the bike.

The Aprilia RS 660 has a construction configuration that reduces the weight, as the engine replaces part of the chassis. To reduce weight, all Aprilia supersports bikes have lithium batteries, which are more expensive but much smaller and lighter than conventional lead accumulators.

Devices for Safety and Comfort

Motorcycle Airbags

In November 2021, the Piaggio Group announced a collaboration agreement with Autoliv, Inc., a world leader in automotive safety systems, with the aim of developing an airbag for two-wheeler vehicles. This device, currently absent from the market, will offer a much higher level of rider protection than in the past, especially in urban areas.

Piaggio and Autoliv have already developed the initial concepts using advanced simulations and full-scale crash tests. The collaboration will serve to further develop the product and assess its marketing potential.

ARAS Devices for Motorcycles

Advanced Rider Assistance Systems (ARAS) can play a key role in preventing accidents and protecting motorcyclists. ADAS (Advanced Driver Assistance System) systems are already widespread in cars, but the different dynamics of two-wheelers compared to them prevent a simple switch from one system to the other. ARAS for motorcycles must be adapted so they are not harmful, but instead make a valuable contribution²⁸.

The Piaggio Group's motorcycle system has been developed, built and supplied by Piaggio Fast Forward in close collaboration with Piaggio R&D which, during 2021, conducted tests and fine-tuning on some models, with a view to marketing by 2022.

The PFF modules use Vayyar's Radar-on-Chip (RoC) mmWave 4D imaging sensor that provides multiple ARAS functions, such as Blind Spot Detection²⁹ (BSD), Lane Change Assist³⁰ (LCA) and Forward Collision Warning³¹ (FCW), with a single sensor covering a range of about 100 meters, equipped with an extremely wide field of vision.

Electronic controls

This sector is still rapidly expanding, as regards safety, performance and comfort. On-board electronics, especially for high-performance motorbikes, are extremely important because they give the vehicle much of its personality. The devices used on the Group's products are:

- single-channel ABS for light scooters, dual-channel ABS for medium-sized scooters and motorbikes, and three channels for tilting models;
- traction control (both with and without the Ride by Wire system), combined with ABS;
- semi-active electronic suspension on the Aprilia RSV4 and Moto Guzzi V100;
- ride by wire (adopted on most of the Group's vehicles);
- CAN handlebar controls (digital protocol);
- cruise control (based on Ride by Wire) (Aprilia and Moto Guzzi motorbikes, Piaggio MP3);
- APRC (Aprilia Performance Ride Control) system on the Aprilia RSV4, Thunder 1100 and RS 660 including Traction Control; Wheelie Control; Launch Control; Quick Shift; Pit Limiter; Cruise Control; Engine Brake, Engine Map; some of these controls also feature on the Moto Guzzi V100;
- Multi-map ABS Cornering (RSV4 RR and RF, Tuono 1100 RR and Factory, RS 660, also on the Moto Guzzi V100 since 2021) with RLM (Rear Liftup Mitigation);
- Riding Mode: pre-set electronic configurations that determine the best calibration of traction control, wheelie control, engine brake, ABS and other parameters managed according to conditions of use (Aprilia and Moto Guzzi);
- bending lights, i.e. a pair of additional LEDs inserted in the parabolas that illuminate the inside of the curve on bends (Aprilia RS 660);
- Human Machine Interface for clearer, more detailed information without distractions;
- dissemination and expansion of the Piaggio Multimedia Platform connectivity system, based on linking the smartphone and the vehicle via Bluetooth®, iOS and Android.

²⁸ Example: car radar does not provide for a change in camber typical of motorcycles when cornering; in this situation, it would interpret the road surface as a front obstacle and set of an alarm.

²⁹ Visualization of a vehicle arriving in the so-called "blind spot".

³⁰ Haptic or visual warning of an inadvertent lane change.

³¹ Haptic or visual warning of a frontcollision hazard.

MIA multimedia platform: always connected with your smartphone

The MIA multimedia platform, available in various versions for the Group's brands, lets users connect their smartphone to their vehicle, and connect their vehicle to the web, for a truly multi-functional product. The platform becomes a superb onboard computer that can simultaneously display the speedometer, rev counter, power and engine torque instantaneously, the longitudinal acceleration, bend angle, plus instantaneous and average fuel consumption, average speed, battery status, and much, much more. From the smartphone connected to the MIA, riders can display maps and routes and locate fuelling stations and service centres. The tyre condition control function (indirect TPMC) uses information from the vehicle and smartphone sensors to monitor tyre wear and inflation, immediately alerting the user to any potentially critical situations; general analysis lets the user check vehicle conditions.

The version developed for Aprilia transforms the smartphone into a semi-professional tool for the track. With this version, there is active communication between the vehicle and the smartphone: the rider can change the settings of his RSV4 and Tuono V4 through his smartphone, also via geo-referenced automation. The package also includes a module which enables vehicle operation to be analysed directly on smartphones, and another module for the automatic acquisition of lap times and improvement of driving style (in performance terms) for semi-professional use on the track. A new version of the connectivity control unit (PMP3) has been developed to integrate active functions even when the display is off, transforming the user's phone into a convenient remote control to remotely operate the direction indicators and horn ("find me" function to easily find the vehicle within a radius of 100 meters), the dipped-beam projector ("follow me" function to illuminate the route near the vehicle) and control the electric opening of the seat. The first implementation of the new device was on the Euro 5 version of the Medley, available on the market since January 2021, and will be extended to the entire scooter range of the Group.

Reverse gear for scooters

Piaggio MP3 500 hpe Sport Advanced features a reverse gear, for the first time in the world on an ICE³² scooter. The device allows you to park easily and effortlessly in narrow spaces and slight slopes that can make manoeuvring tough. The reverse gear is engaged with the engine on and the vehicle stationary, via the command on the instrument panel.

Three/four-wheeler sector

Piaggio's product strategy addresses the transport of people and goods over medium and short distances, and focuses on the handling, compact size and safety of vehicles, as well as environmental issues.

This challenge in Europe, India and increasingly on export markets (America and Africa), is tackled through the following actions:

- the study, production and sale of low consumption engines with reduced pollutant emissions;
- the increasingly widespread use of alternative fuels for the entire product range;
- the development and sale of electric vehicles;
- high transportation efficiency (ratio between transportable weight and total weight on ground).

On 6 September 2021, the PIAGGIO Group, HONDA Motor Co. Ltd., KTM AG, and YAMAHA Motor Co. Ltd. signed the official agreement to create the Swappable Batteries Motorcycle Consortium (SBMC).

The agreement aims to promote the large-scale deployment of light electric vehicles such as mopeds, scooters, motorcycles, tricycles and motor quadricycles, and incentivise more sustainable battery life cycle management.

The founding members of the consortium believe that the development of low-voltage electric mobility depends crucially on the availability of swappable battery systems designed to common specifications.

The consortium aims to solve the main issues related to the future of electric mobility: autonomy, charging times, infrastructure and costs.

32 Electric vehicles have a natural reverse gear, since their motors can rotate indifferently in both directions.

3/4-wheeler India

Current Indian legislation provides for the introduction of BSVI emission limits from April 2020 for three- and four-wheelers on the domestic market, and consequently the production and sale of BSIV configuration vehicles will discontinue.

Since January 2020 Piaggio has produced three-wheeler vehicles complying with the new regulations, thus becoming the first manufacturer of three-wheelers in the country to have updated its entire range to the new standard.

A common goal for the entire Piaggio range manufactured in India is to reduce consumption and the TCO (Total Cost of Ownership), through measures to continually improve vehicle efficiency, also based on innovative technology for this type of product (petrol, LPG and natural gas engines with electronic injection, diesel engines with electronic control and vehicles with electric drive).

Developments on the Indian three-wheeler market have confirmed the growth trend in recent years for vehicles with alternative engines (LPG, natural gas and electric), especially in urban and semi-urban areas.

In order to serve this ever-growing demand, and in addition to the Ape e-City and Cargo full electric, Piaggio:

- has made a new 230cc powertrain (petrol and bifuel) available since 2020, to replace the 200cc engine, with the aim of improving performance, reliability, noise and consumption;
- a 300cc powertrain has also been available since the second half of 2020 - designed, developed and produced internally, strongly focused on using and optimising the use of alternative fuels such as LPG and methane. The advantage over the current BSVI version is a significant improvement with a view to TCO and performance;
- in addition, from mid-2023 onwards, all vehicles equipped with combustion engines will undergo developments and upgrades to comply with the new emissions regulations that will come into force for the domestic market. This legislation, which sets level II OBD, with the control of all "emission relevant" parameters from the control unit, is a further step towards monitoring and reducing emissions.

With regard to export markets, the new versions with 230cc engines (replacing the 200cc model and the electric versions of Ape City and Ape Cargo) have been available since 2021.

4 wheelers Europe

In February 2021, Piaggio presented the petrol/LPG version, with single wheel, of the new Porter NP6 4-wheeler light commercial vehicle on the European market; other versions/variants are now also available.

The new vehicle, the result of an important agreement with China's largest manufacturer of commercial vehicles, Foton, has allowed for a significant increase in specific capacity, comfort and performance, and has been conceived favouring versions with a 1,500 cc petrol engine, with petrol/LPG and petrol/methane fuel versions, as well as "mild gas", single and twin wheel versions. This configuration means that pollutant and CO₂ emissions are lower than the current Euro 6d version.

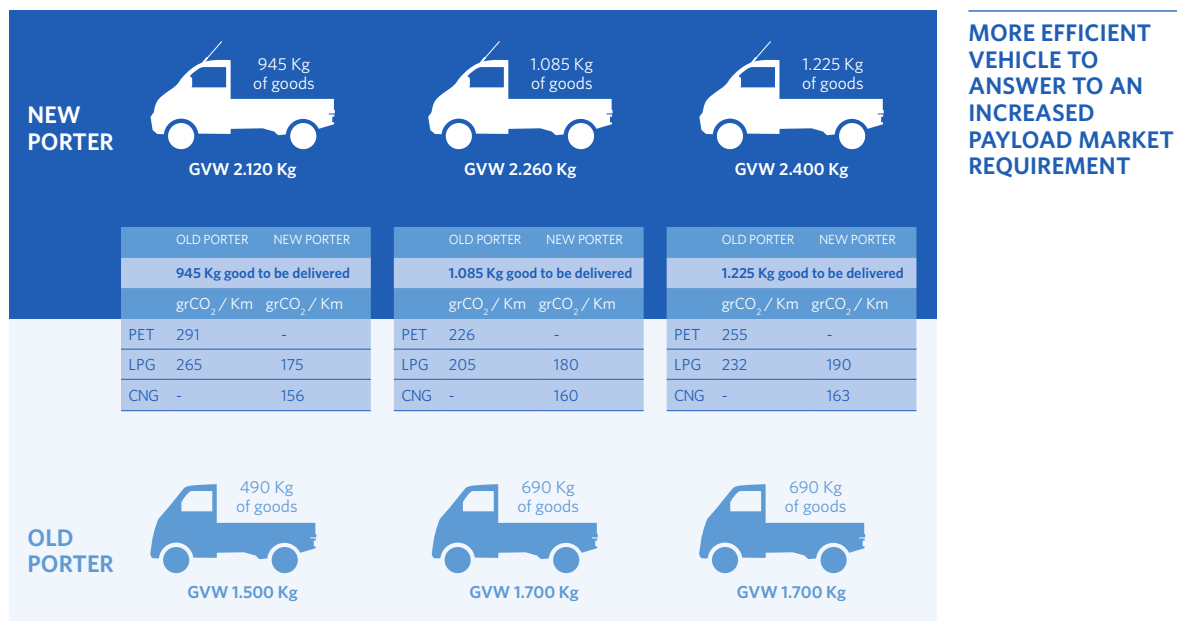
The Full Electric version is also being defined, which aims to meet the growing demand for vehicles with a low environmental impact.

The range of commercial vehicles offered by Piaggio for the European market focuses on "intracity" mobility, with special attention on limiting fuel consumption and pollutant emission levels; these are fundamental elements for a sustainable transport system, especially in the "last mile" handling and delivery process, which has a direct impact on the quality of life in metropolitan areas and historical centres.

In addition to the reduction in emissions, the introduction of environmentally-friendly engines enables Piaggio commercial vehicles to guarantee low environmental impact for goods transport missions in city centres (historical city centres in particular), thanks to their compact dimensions and high transportation efficiency (ratio between transportable weight and total weight on the ground).

In fact, the new Porter NP6 has been designed in an innovative and specific way for its mission, with a payload increase of 40% compared to the old Porter, while maintaining its compact size. So the NP6 can be used to transport a greater

load in terms of weight and volume, thus meeting the needs of the evolving market. The next table shows the significant reduction in CO₂/km between the old and new vehicle, while improving performance in terms of transportable load.



The new vehicle perfectly meets new market needs, focused on the use of compact and low-impact vehicles, for the commercial transport of goods and services, mainly in urban and sub-urban areas.

Life Cycle Management

2-Wheelers

Although no legislation on recyclability for two-wheelers is currently in force or is planned, the Piaggio Group has taken steps in this direction. The technologies and materials used for the design and construction of the Group's scooters and motorcycles have targeted environmental compatibility and their effective end-of-life disposal since the introduction of the Sfera 50 model (1990). As from 2008, Piaggio has also changed the title blocks of drawings and information in its bills of materials so that materials used in constructing vehicles can be checked and disassembly can be optimised for easier disposal.

Through a partnership with UniFi, the characteristics of recyclability of the MP3 125 Hybrid in accordance with ISO 22628 were analysed. This was achieved by taking apart a real vehicle and registering all of its components. The recyclability rate was 88%, far higher than the limit of 85% set for the automotive industry for category N1 and M1 vehicles.

Over the next year, the analysis, conducted using the same methodology, will be extended to other vehicles to verify their recyclability.

4-Wheelers

In the four-wheeler sector, the regulatory panorama is similar to that of cars.

With the introduction of the European Regulation REACH (Registration, Evaluation, Authorisation and Restriction of Chemical Substances) in 2007, automotive manufacturers are required to follow AIG (Automotive Industries Guidelines) which include monitoring the use of hazardous/prohibited substances, and checking the recyclability and recoverability rates of materials used.

In this regard, Piaggio has adopted a challenging process over the years to guarantee high recyclability levels of its vehicles, achieving important results such as the limited use of materials considered hazardous (lead, chromium, mercury and cadmium) and an end-of-life vehicle disposal manual.

Piaggio constantly monitors the recyclability and recoverability rates of its vehicles according to an internal procedure

that complies with the requirements of Directive 2000/53/EC, and these two indicators are always above permitted thresholds.

The indicators are calculated and supplied to 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 kit of components, with an indication of the relative materials with their codes and the recycling and recoverability percentages.

The survey also paved the way for a database, which updates in real time vehicle material compositions and their recyclability and recoverability rates, from the design stage onwards. Piaggio's passion for the environment is also channelled into its commitment to guaranteeing the environmental compatibility of its commercial vehicles, from the design stage until the end of their working life.

Below are the recyclability and recoverability figures for the new Porter NP6 (calculated with the heaviest variant) compared to the data of the best-selling version of the old Porter.

	OLD PORTER MULTITECH GPL EURO6	NEW PORTER NP6 SW LPG SR 2.12T
Recyclability (Rcyc)	PORTER MAXXI = 91.45 %	89.5%
Recoverability (RCOV)	PORTER MAXXI = 96.1 %	98.9%

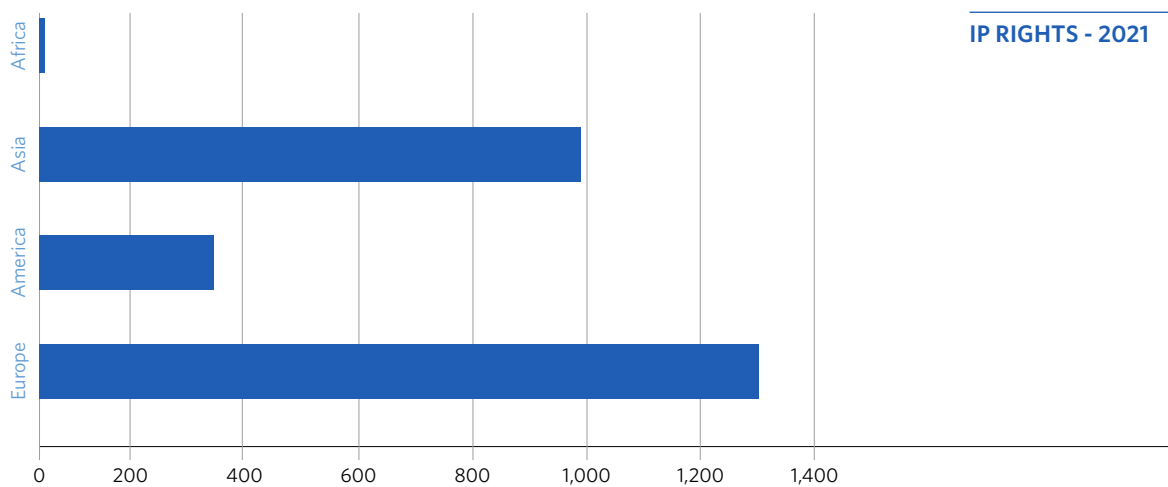
Use of recycled plastics

On all Piaggio Group vehicles, mass-pigmented polypropylene components (floorboard, leg shield back plate, air cleaner, etc.) can be made of recycled materials, at the discretion of the supplier.

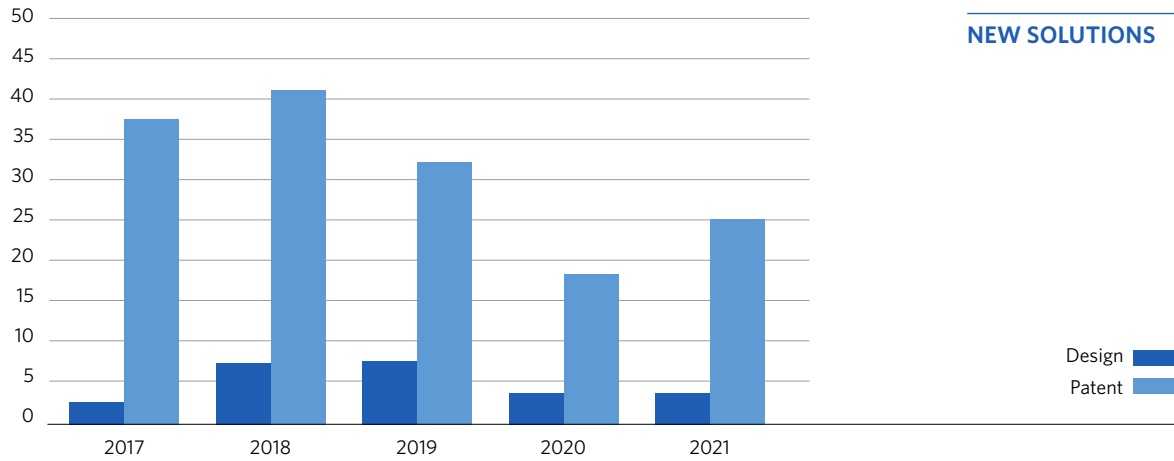
Industrial patent rights

Piaggio's dedication to intensive research and development is reflected in the continual increase in patent applications in countries where the Group operates.

Piaggio has more than two thousand patents worldwide. Many of these concern the tilting three-wheel sector, an area in which the Piaggio Group has always been a pioneer, and in which it intends maintaining its position as industry leader. Piaggio's dedication to intensive research and development is reflected in the continual increase in patent applications in countries where the Group operates.



In 2021, the number of new patented solutions went up to 25, confirming the Piaggio Group’s strong focus on intellectual property. Piaggio is one of the leading Italian companies for its number of patented solutions.



Partnerships with universities and research centres

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. 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.

PROJECT	PARTNER	COUNTRY	TYPE	RELATIONSHIP
PIONEERS	IDIADA AUTOMOTIVE TECHNOLOGY SA	Spain	Research Centre	PIONEERS project coordinator; already a partner for crash test activities
PIONEERS	UNIVERSITY OF FLORENCE	Italy	University	Crash simulations for passive safety devices
PIONEERS	AUTOMOBIL CLUB ASSISTENCIA SA	Spain	Association	Dissemination of results
PIONEERS	BUNDESANSTALT FUER STRASSENWESEN	Germany	Research Centre	Accident analysis
PIONEERS	DUCATI MOTOR HOLDING SPA	Italy	OEM ³³	Development of side protection systems and test methodology
PIONEERS	ROBERT BOSCH GMBH	Germany	Supplier, automotive electronic systems	Pre-crash braking
SAFE	OECON Products & Services GmbH	Germany	Coordinator	Definition of minimum eCall system requirements for motorcycles
SAFE	Robert Bosch GmbH	Germany	Supplier, automotive electronic systems	Definition of minimum eCall system requirements for motorcycles
SAFE	Bayerische Motoren Werke Aktiengesellschaft	Germany	OEM	Definition of minimum eCall system requirements for motorcycles
SAFE	Kawasaki Motors Europe N.V.	Netherlands	OEM	Definition of minimum eCall system requirements for motorcycles
SAFE	KTM AG	Austria	OEM	Definition of minimum eCall system requirements for motorcycles
SAFE	Yamaha Motor Europe N.V.	Netherlands	OEM	Definition of minimum eCall system requirements for motorcycles
SAFE	Digades GmbH Digitales und analoges Schaltungsdesign	Germany	Supplier, eCall systems	Prototype eCall system for scooters
SAFE	Milan Polytechnic	Italy	University	Definition of minimum eCall system requirements for motorcycles
C-MOBILE	IDIADA AUTOMOTIVE TECHNOLOGY SA	Spain	Coordinator	Development of C-ITS services for motorcycles
C-MOBILE	AJUNTAMENT DE BARCELONA	Spain	City of Barcelona	Trial of C-ITS services for motorcycles
C-MOBILE	EUROPEAN ROAD TRANSPORT TELEMATICS IMPLEMENTATION COORDINATION ORGANISATION INTELLIGENT SYSTEMS & SERVICES EUROPE	Belgium	ITS Association	Dissemination of results
C-MOBILE	NEDERLANDSE ORGANISATIE VOOR TOEGEPAST NATUURWETENSCHAPPELIJK ONDERZOEK TNO	Netherlands	Research Centre	C-ITS system architecture definition
DRIVE2THEFUTURE	ETHNIKO KENTRO EREVNAS KAI TECHNOLOGIKIS ANAPTYXIS	Greece	Research Centre	Coordinator
DRIVE2THEFUTURE	INSTITUT FRANCAIDES SCIENCES ET TECHNOLOGIES DES TRANSPORTS, DE L'AMENAGEMENT	France	Research Centre	HMI concept experimentation for autonomous and connected vehicles
DRIVE2THEFUTURE	FRAUNHOFER GESELLSCHAFT ZUR FOERDERUNG DER ANGEWANDTEN FORSCHUNG E.V.	Germany	Research Centre	HMI concept definition for autonomous and connected vehicles

33 OEM: Original equipment manufacturer.

Technological antennas (Group Research Centres)

In addition to its external partnerships, the Group has three high-calibre technological flagships: the Piaggio Advanced Design Center in Pasadena (USA), the multiple world champion Aprilia Racing team, engaged in the global challenge represented by the MotoGP, and the Piaggio Fast Forward advanced research centre in Boston.

The Piaggio Advanced Design Center (PADC) aims to shed light on changes in society, lifestyles and urban and metropolitan mobility formulas, developing an international system of skills and research in the sectors of style and product marketing that can generate stimuli and results that can then be developed within a technological environment. Aprilia Racing, one of the most successful and prestigious teams in the world, which has also been involved in MotoGP since 2015, has a technical collaboration with the Group R&D department, engaging in a continuous exchange of ideas and skills.

Piaggio Fast Forward (PFF) is a pioneer in the intelligent movement of people and goods using technologies of an ideal size: larger than aerial drones but smaller than cars and trucks.

The company's mission is to help people move better, further, faster and more enjoyably. PFF creates robots that follow, move alongside or transport people in motion. In the era of artificial intelligence, autonomous machines and interconnected networks, PFF promotes more vibrant cities, getting people and objects from A to B more effectively by exploiting the potential of intelligent vehicles.

The motto of PFF is "autonomy for man", i.e. placing autonomy at the service of humans, as well as promoting greater freedom, pleasure and efficiency in movement.

This is what Piaggio Fast Forward calls "moVibilità" ("MoVability"). PFF designs vehicles like Gita and Kilo to improve and expand human capabilities both at work and during leisure time. The first Piaggio Fast Forward product is the Gita, with sales starting in California in November 2019. Kilo is Gita's "big brother". Thanks to a greater load capacity, it can carry up to 100 kg of weight in the 120 litre compartment and has an extraordinary stability thanks to its three-wheel basis. The Gita and Kilo are both practical and fun, functional and beautiful. They are the first in a portfolio of technologies currently under development.

EUROPEAN FUNDED PROJECTS

The Piaggio Group promotes funding applications for its own activities at a regional, national and European level, in a nod to the quality of its research. The projects, besides funding research, are a way to engage with partners and suppliers that can identify and develop cutting-edge technologies in the fields of most interest for Piaggio.

The following funded projects were implemented in 2021:

[C-Mobile \(H2020\): smart, cooperative transport systems](#)

Trials in real contexts (e.g. Barcelona, Bilbao, Bordeaux, Newcastle, Copenhagen, Thessaloniki) of smart, cooperative transport systems (C-ITS) that are interoperable and can therefore be used on a wide scale. The project is being coordinated by IDIADA (the Spanish research centre), with the involvement of ERTICO. The project, which began in 2017, lasted 48 months and ended in May 2021. During the project, Piaggio was involved in activities of the Barcelona site and contributed to the development of the MAI (Motorcycle Approaching Intersection) function, supported the testing of C-ITS services for motorcyclists and promoted the dissemination and use of the C-Mobile App.

[PIONEERS \(H2020\): passive protections systems for motorcyclists](#)

The project is being coordinated by IDIADA, with leading manufacturers of protective clothing taking part (including Dainese, Alpinestar, Motoairbag), as well as universities and research centres (University of Florence, Fraunhofer, BAST). Piaggio is involved in the design and development of a vehicle onboard protection system to reduce minor injuries from low-speed, side impact.

The project started in 2018 and ended in October 2021. During 2021, trials of the demonstrator prototype built (safety leg cover) were completed, comparing two lateral crash tests between cars and scooters, with and without the protection device on board.

DriveToTheFuture (H2020): the role of motorcycles in cooperative and automated transport

The project aims to analyse the needs, expectations and behaviour of active and passive users in the current mobility and connected, cooperative and automated transport scenario, considering different transport modes (road, rail, water and air).

Piaggio is taking part to define the role of 2-wheelers (opportunities and limits) in this context and is studying alternatives to interaction with automated vehicles, with a particular focus in interfaces for vehicles (HMI). The project started in May 2019. During 2021, Piaggio worked with its French partner, Gustave Eiffel University, to test an HMI equipped with Blind Spot Assist functionality for motorcycles on a driving simulator. The project will end in 2022.

SAFE (CEF): regulations for emergency calls

The "SAFE - After-Market eCall for Europe" project will define the standards and specifications for developing and introducing aftermarket emergency call (eCall) systems for the automotive industry. Piaggio is taking part together with other manufacturers and ACEM, the European Association of Motorcycle Manufacturers, to evaluate the eCall specifications (Technical Standards) defined by the competent European group CEN/WG15 for L category vehicles (including scooters and motorcycles), with testing involving PSAP (Public Safety Answering Points) and alignment of the specifications based on the results obtained. The project is the natural continuation of activities conducted in the L_HeERO project (which ended in March 2018). During 2021, Piaggio conducted call testing activities with the Italian PSAP (AREU of Varese) in order to test the vehicle interface and analyse the behaviour of the PSAP operator. The project will end in November 2021.





MEETING CUSTOMER REQUIREMENTS

The Group's vehicles are sold in over 100 nations. Piaggio has its own sales network on main European markets, in America, India and Asia Pacific, while it operates through importers in other areas of EMEA and Africa.

Dealers and their staff represent the main communication channel for managing customers and for conveying the corporate image, assisted by the activities of the Group's Customer Service department. Product quality and the services provided to the customer in general are the company's top priorities.

Our customers are the testimonials of the quality of our vehicles and together with our brands and know how, are the cornerstones of our business.

Piaggio markets its vehicles mainly by participating in the MotoGP Championships and other competitions, by taking part in industry trade fairs worldwide, and organising test rides and events/rallies promoting the Group's various brands.

To continually improve the quality of its vehicles and perceived comfort, Piaggio has put in place a product development process that is detailed, precise, robust and binding, an outgoing quality audit process that is customer-driven and an effective product and constantly monitors data from the service network on customer issues.

The Group also has dedicated functions, which test the reliability of all new and existing products, from initial design to marketing. Tests are not limited to laboratory testing, but also to dynamic road testing based on different purposing profiles, based on the actual use of vehicles by customers.

To ensure the sales network carries out maintenance work in a safe environment, Piaggio publishes on the portal dedicated to dealers and in individual manuals (one per model), along with the technical instructions for carrying out maintenance operations, the general rules of conduct which service network staff must observe during maintenance work.

BEST AFTER-SALES SERVICE IN THE MOTORCYCLE AND SCOOTER SECTOR IN ITALY

Piaggio received the 'Blue Sticker' from the German Quality Institute - ITQF - for the **best after-sales assistance service in the motorcycle and scooter sector in Italy, winning 1st place in the ranking** based on the judgment of 265,000 consumers.

The survey, published in the Affari&Finanza supplement of the newspaper La Repubblica on 22 November 2021, was carried out by the German Institute of Quality and Finance (ITQF), active in Italy since 2013 and European leader in quality tests and seals.

The top ranking in the Italian motorcycle and scooter sector achieved by the Piaggio Group's after-sales assistance service is a significant recognition, in line with the company strategy pursued in recent years that has resulted in numerous innovative initiatives.

Quality systems certification

Achieving and maintaining quality management system certification at global level (ISO 9001:2015) is part of the company's shared culture and belongs to all Group employees. The results obtained in terms of product reliability, improving process performance, increasing customer satisfaction (internal and external customers) stem from the fact that all employees pursue quality, customer focus, continual improvement and excellence as part of their everyday activities.

Supply verification/audits

The quality of Piaggio products also depends on the quality of its supplies. The Piaggio Group is very much involved in scouting and audits, in order to select new suppliers, constantly monitor quality levels and approve processes for the development of new components. Piaggio's auditors carry out these activities through scheduled supplier audits.

New suppliers only become part of Piaggio's "base" after a detailed and positive assessment of their production processes, the products that derive from them and certification of the functions, dimensions and materials described in the project specifications.

Audits, which are requested by the Purchasing Department, evaluate a potential supplier's quality system and capacity to develop the product in question.

Suppliers successfully evaluated and included as qualified suppliers may also be subject to process audits in the event of:

- the development of new products;
- the resolution of problems identified during mass production;
- problems reported during the vehicle warranty period.

Audits for new products are scheduled to evaluate the supplier's capacity to manage the processes necessary to manufacture the new product and provide technical support in defining and controlling these processes as and when deemed necessary or as requested.

Audits for consolidated products are performed to solve specific problems identified during production, verify the supplier's capacity to control processes involved in product manufacturing and periodically monitor improvement in services in terms of output/complaints³⁴, to resolve problems identified under warranty and, finally, to verify the effectiveness of corrective actions taken by suppliers to prevent these problems reoccurring.

Quality control of finished products

Piaggio has a comprehensive quality management system to monitor product quality levels in the various stages of the production process and prior to dispatch to the customer. The standard procedures introduced in all Piaggio Group plants enable the constant monitoring of the quality of all vehicles produced, ensuring product standards that fully meet both regulatory and type-approval specifications and the expectations of the end customer. Each vehicle manufactured at Piaggio Group sites is subject to multiple quality controls throughout the assembly process and at the end of the line. In addition, off-line checks are carried out at pre-established intervals by highly qualified and trained personnel, according to procedures and standards defined "with the customer in mind", i.e. with checks that monitor both the aesthetic and functional performance of the vehicle at a static and dynamic level.

Staff select a sample of vehicles each day, from finished/approved products, before these are dispatched to the end customer. These vehicles undergo rigorous road testing, based on a standard check list. Any anomalies detected are classified according to a score based on the severity of the defect and the impact this could have on the end customer. The final quality status compared to the objective status is available for each model. If the objective is not reached, an improvement plan is created to identify and implement the necessary corrective measures.

In the event that serious anomalies are found, an immediate diagnosis is made, based on which the shipments of all vehicles belonging to the batch in question, together with a sample number of vehicles of the previous batch, are evaluated to adopt remedial actions. All vehicles are then carefully rechecked and where necessary, are repaired, before they are approved and subsequently authorised for shipment.

³⁴ Returns, reprocessed, selected, material accepted as an exception.

Product traceability

The traceability of the vehicles and their main components is essential in order to enable Piaggio to promptly identify and block or limit batches characterised by presumed and/or observed defects, preventing the sale of potentially defective products on the one hand and implementing any necessary interventions in the field on the other.

Piaggio has adopted a system for efficient product traceability which identifies products, components and materials deemed to be significant at all stages of the production cycle. In particular, all components manufactured internally and externally that have a direct impact on user health and safety, the environment and compliance with type approval are identified.

The system therefore traces all identified components, maintaining records of tests, controls and inspections, certifying product quality in view of the processes it has undergone in the various stages of the production cycle. This makes it possible to identify lots with faulty components on all vehicles involved and, if necessary, take prompt action to protect customers.

Product information

Due to the type of business it does, the Piaggio Group is subject to numerous national and international regulations that govern information on its products, both in the field of advertising communication and in the field of manuals related to each individual vehicle. Piaggio's use and maintenance booklets provide information on how to use the vehicle correctly, while encouraging users to drive in a safe and responsible manner, for instance, by:

- always complying with speed limits and the Highway Code;
- using all precautions for safe driving and passive safety systems (e.g., wearing a helmet when riding motorcycles and scooters);
- always being cautious and paying the utmost attention when driving, especially when road conditions are wet and slippery;
- refraining from altering vehicle performance: it is forbidden by the law and dangerous for driving safety.

Vespa World Club

Since 1946 Vespa has been attracting the attention of its users. Initially spontaneously and later organised and assisted by the parent company, they started to lay the foundations for Vespa Clubs which we still experience today. Participation and the number of Vespa Clubs in the world and in Italy are continually on the increase.

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.

In 2021, there were more than 1100 Vespa Clubs in 58 countries with over 100,000 members.

The Vespa World Club has the following mission:

- promote initiatives and coordinate social, tourist, sports and competitive events;
- establish bodies which represent National Vespa Clubs in dealings with all national and international organisations;
- hold trophy events, rallies, competitions, shows, exhibitions, congresses, conferences and meetings;
- deal with and act in the interests of members;
- promotes and provides training on road safety and awareness;
- promote studies and historical research work on relations between Vespa and the community;
- provide a channel for the company to reach fans.

In 2021, the year when Vespa celebrated its 75th anniversary, the international activities planned in the Vespa World Club calendar were partially suspended as a result of efforts to combat the COVID-19 pandemic.

It was possible to organise the following events, in compliance naturally with health regulations:

Vespa Club Italia:

Gran Circuito del Sestriere (Sestriere circuit), a historical re-enactment, 24 July.
Milano AutoClassica, Rho exhibition 1-2-3 October.
Padua Vintage Cars and Motorcycles, exhibition at Padua 21-24 October.

Vespa Club Austria:

Salzburg vintage car show, exhibition at Salzburg 15-17 October.

Ape Club Italy:

Aperigiro, beekeeping cultural meeting, photo raid contest, 9-10 October.

Moto Guzzi World Club

The Moto Guzzi World Club was established in 2002 with a view to:

- promoting interest, awareness and the historic value of the Moto Guzzi brand and motorcycles;
- creating and developing bonds between the owners of Moto Guzzi motorcycles;
- organising events, meeting, conferences and competitions;
- promoting national and international motorcycle tourism and rediscovering and promoting local touring opportunities thanks to club activities and the exchange of information between members;
- creating and developing ties with non-profit organisations and other charities and sports and non-sports associations with a social, humanitarian or environmental mission, etc., which can benefit from the initiatives promoted by the Club in the motorcycling world and other sectors;
- promoting relations with the parent company and coordinating its own activities and those of its members with the work of other national and international brand-related clubs.

Today, after 19 years of activity, and in addition to its direct members and 82 recognised clubs in Italy, the Moto Guzzi World Club also boasts:

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

The activities planned for the Moto Guzzi World Club's 2021 calendar were suspended as a result of efforts to combat the COVID-19 pandemic.

Moto Guzzi Fast Endurance Trophy

The third edition of the Moto Guzzi Fast Endurance Trophy, called The European Cup, took place from May to October 2021.

The event, organised by FMI, was dedicated to the Moto Guzzi V7 III, 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 event had 6 races held at Italy's main motorcycle racing circuits.

The formula of the race includes teams of 2 riders who alternate riding the bike every 15 minutes.

31 crews were involved, from Italy, France, Spain and Germany.





**GOOD VIBES
MUSIC HITS FROM THE 70S**

In order to get a "BINGO" (5 in a row) on the scorecard below, accurately identify the artist or group that made the song a #1 hit in the 1970s. Answers on page 10.

THE ENVIRONMENTAL DIMENSION

→ THE ENVIRONMENTAL DIMENSION



VEHICLES PRODUCED	102
ENVIRONMENTAL MANAGEMENT SYSTEM.....	103
ENVIRONMENTAL CERTIFICATION	103
ENERGY CONSUMPTION.....	103
EMISSIONS OF CO ₂ AND OTHER POLLUTANTS.....	105
CONSERVING WATER RESOURCES.....	107
WASTE HANDLING AND RECOVERING.....	110
ENVIRONMENTAL SPENDING AND INVESTMENTS	113
LOGISTICS.....	114

“We are customer-driven. The customer’s satisfaction, safety, pleasure and emotions come first. We develop products to customer requirements, accompanying the changes in the ecosystem within which customers move.”

COMMITMENT	2021 OBJECTIVES	2021 RESULTS	2022 OBJECTIVES	MID-TERM OBJECTIVES
Protecting the environment: - reducing pollutant emissions - conserving natural resources.	<u>Pontedera Plant:</u> - Decentralisation of furnaces for the production of the required heat 3RV (II lot). - Replacement of lighting fixtures with LEDs. - Modification of the painting pre-treatment cycle in order to keep only one plant in operation with a reduction in the use of energy and resources.	<u>Pontedera Plant:</u> - Decentralisation of furnaces for the production of the required heat 3RV: activity started. - Replacement of 2-wheeler workshop lighting fixtures (2 lines) and offices. - Decommissioning of the 3-wheeler pre-treatment and cataphoresis plant (March 2021).	<u>Pontedera Plant:</u> - Decentralisation of furnaces for the production of the required heat 3RV: completed. - Replacement of lighting fixtures with LEDs: activities in progress. - Completion of the e-mobility department for the development of electric vehicles. <u>Scorzè Plant:</u> - Energy efficiency with boiler replacement and plant requalification.	<u>All plants:</u> - Evaluation/application of new technologies with lower environmental impact. <u>Pontedera Plant:</u> - Reduction of asbestos cement roofs: preparations to be made for dismantling 100% of the non-encapsulated roofs. <u>Mandello Del Lario plant:</u> - Refurbishment of the plant in order to enable virtuous industrial management thereof.

Piaggio has organised its processes and activities through a management system which focuses on Quality, the Environment and the Health and Safety of Workers, with a view to providing a model of sustainable development that not only guarantees lasting success, but also ensures that the expectations of stakeholders are met (including investors, shareholders, partners, suppliers, the social community and public administration).

Environmental sustainability - understood as the ability to protect and safeguard natural resources, combined with the capacity of the ecosystem to absorb the direct and indirect impacts generated by manufacturing activities - is among the key focal points of Group Policy, as expressed by the company's senior management team. This concept provides the basis for the environmental certification (ISO 14001) process that has already been launched (or is being continued) at the various production sites, and is an essential point of reference for every Group company, wherever they may operate.

Specifically, Piaggio is committed to minimising the environmental impact of its industrial activities by carefully defining the product design, the manufacturing technological cycle and by using the best technology and the most modern production methods. Pursuing these objectives generates continual improvement in environmental performance, not only in production but also throughout the product life cycle.

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



During the procurement of raw materials/components, the main impact derives from the relative production and distribution that involves direct and indirect emissions of CO₂, the consumption of water and the production of waste. These impacts cannot be monitored by the Group.



During production, the main impacts are related to the consumption of electricity and natural gas which results in direct and indirect CO₂ emissions, water consumption mainly related to painting and the amount of waste produced. All these impacts are monitored and reported in the next few pages.



During distribution, the impact is from the fuel consumption of vehicles used to transport finished products, spare parts and accessories. These impacts cannot be monitored by the Group.



During use by the customer, the impact is from the fuel consumption of vehicles and any disposal of consumables and worn components. The actual impacts cannot be monitored by the Group as they depend on the real use that customers make of their vehicle. Piaggio promotes safe and responsible driving and studies vehicles that are increasingly environmentally friendly.



Finally, during disposal, the impact is from the dismantling of various components for their recovery or disposal. All vehicles are designed for their effective disposal at the end of their life. In addition, the Group's vehicles have a particularly long life. The Vespa in particular maintains a high second-hand value and is a collector item for a large group of enthusiasts.

Quantitative data on the mitigation of the environmental impact resulting from the Group's operations are reported on in the sections below.

With these objectives in mind, initiatives and goals for the future focus on the following areas:

- maintaining environmental certification awarded to all production sites;
- reducing energy consumption;
- reducing emissions of CO₂ and other pollutants;
- conserving water resources;
- waste handling and recovery;
- absence of soil contamination;
- environmental spending and investments.

The data in this chapter refer only to production plants. The Group also operates through commercial companies (distributors and selling agencies) and research centres located on various reference markets. The consumption of natural resources at these sites cannot always be detected, as they sometimes refer to properties that are not owned where services are shared with other tenants and in any case are to be considered marginal and therefore irrelevant.

VEHICLES PRODUCED

In order to place the data on energy consumption, emissions, water supply and waste management into context, the data relating to the vehicles and engines produced in the various financial years are presented below for comparison. It should be noted that the consumption of resources may differ significantly in accordance with the type of vehicle being produced.

2W Vehicles

UNIT	PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
2021	135,737	21,391	16,191	84,023	180,313	437,655
2020	112,303	26,658	8,857	66,866	147,245	361,929
Delta 2021-2020	20.9%	-19.8%	82.8%	25.7%	22.5%	20.9%
2019	120,626	24,685	10,604	91,289	136,639	383,843

Commercial Vehicles

UNIT	PONTERERA	BARAMATI	TOTAL
2021	8,993	76,005	84,998
2020	6,301	93,660	99,961
Delta 2021-2020	42.7%	-18.9%	-15.0%
2019	6,231	205,185	211,416

Engines

UNIT	PONTERERA	NOALE AND MANDELLO DEL SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
2021	111,781	16,272	16,594	125,964	166,908	437,519
2020	109,396	1,579	8,880	81,664	140,188	341,707
Delta 2021-2020	2.2%	930.5%	86.9%	54.2%	19.1%	28.0%
2019	116,377	0	10,480	129,051	127,421	383,329

ENVIRONMENTAL MANAGEMENT SYSTEM

The Piaggio Group has defined a specific organisational structure to achieve the environmental sustainability objectives of its production sites.

The responsibilities and roles of the Environmental Management System (EMS) with Organisational Units/Functions involved are reported in the Quality, Environmental and Occupational Health and Safety Management Manuals, for sites in Italy.

Environmental organisational structure of Italian sites of the Piaggio Group

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

The head of the Environmental Management System reports to the representative of the Processes Quality & Cost Engineering Department on the performance of the Management System and about any need for improvement. The Environmental Management System manager, a position held by the General Plants manager, has power of attorney to perform his duties and responsibilities, while Environmental Managers are appointed by the Environmental Management System manager after obtaining approval of their affiliated Manager.

The subsidiaries in Vietnam and India (PVPL) have EHS (Environment Health and Safety) teams which work full-time on environmental, health and safety issues, with clearly defined roles and responsibilities. Piaggio Vietnam's EHS team is led by the Technology and Maintenance Manager who reports to the Director of Operations while a full-time employee is responsible for the management of environmental issues. The environmental team at PVPL, consisting of senior management, engineers and operators, is part of the Maintenance Department and reports to the Director of Operations.

ENVIRONMENTAL CERTIFICATION

For several years now, the Piaggio Group has implemented an environmental management system in its facilities in compliance with the international standard UNI EN ISO 14001. At the end of 2019, certification was renewed for a further three years for Italian sites, confirmed by the maintenance audit of November 2021.

ENERGY CONSUMPTION

The aim of the Group is to optimise plant management and minimise energy waste. Energy is procured from leading energy companies whose production is partly from renewable sources. In particular, according to the latest statistics published by Enel Energia (the energy supplier of Italian plants), 38% of the energy produced in Italy comes from renewable sources.

Although the structure of the company's production sites has been designed to run on fossil fuels, Piaggio is engaged in optimising the management of existing sites to cut consumption. Having an extensive monitoring network of main energy carriers is important for achieving noticeable results, especially in more complex activities. Since 2016, the Pontedera site has adopted measures to reduce energy waste, with a smart metering system that can use, observe and compare in real time (with a delay of 3 hours) the consumption recorded by over 90 meters at the site.

Specifically, when reconfiguring or restructuring plants, the Technology functions carry out evaluations and analysis with a view to introducing machinery and methods that minimise environmental impact.

In 2021, Piaggio presented the project for the new Moto Guzzi factory and museum. The production site in Mandello del Lario was redesigned with a strict focus on environmental sustainability and the efficient use of resources. All the new buildings will be constructed using the old building volumes, with the selection of materials focusing on efficient management of energy resources, photovoltaic systems and environmentally sustainable materials.

ENERGY CONSUMPTION OF PIAGGIO GROUP PLANTS³⁵

		PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL SITES
Electricity (Thousand KWh)	2021	34,091	4,168	836	16,123	16,313	71,531
	2020	32,200	3,771	654	15,847	15,060	67,532
	Delta 2021-2020	5.9%	10.5%	27.8%	1.7%	8.3%	5.9%
Methane/Natural Gas (Sm ³)	2021	5,488,105	416,967	202,153			6,107,225
	2020	5,085,839	328,737	143,121			5,557,697
	Delta 2021-2020	7.9%	26.8%	41.2%			9.9%
LPG (Ton)	2021				921	30	951
	2020				926	27	953
	Delta 2021-2020				-0.5%	13.5%	-0.2%
Diesel fuel (Litres)	2021	2,490	90	12	12,340	752,435	767,367
	2020	2,743	62	10	14,122	740,295	757,232
	Delta 2021-2020	-9.2%	45.2%	20.0%	-12.6%	1.6%	1.3%

GJ ³⁶		ELECTRICITY	METHANE/NATURAL GAS	LPG	DIESEL FUEL	TOTAL
Sites	2021	257,510	215,396	43,622	27,635	544,163
	2020	243,115	196,081	43,961	27,273	510,431
	Delta 2021-2020	5.9%	9.9%	-0.8%	1.3%	6.6%

USE OF FUELS FOR COMPANY CARS AND TESTING VEHICLES³⁷

		PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINHPHUC	TOTAL SITES
Petrol (litres)	2021	146,835	127,671	51,048	153,320	125,036	603,910
	2020	136,168	108,541	31,598	97,010	98,985	472,302
	Delta 2021-2020	7.8%	17.6%	61.6%	58.0%	26.3%	27.9%
Methane/Natural Gas (Sm ³)	2021	660					660
	2020	4,571					4,571
	Delta 2021-2020	-85.6%					-85.6%
LPG ² (Ton)	2021	1			5		7
	2020	3			6		9
	Delta 2021-2020	-45.3%			-12.4%		-22.3%
Diesel fuel ² (Litres)	2021	137,871	50,992	6,683	77,844		273,389
	2020	102,492	32,144	5,654	193,739		334,029
	Delta 2021-2020	34.5%	58.6%	18.2%	-59.8%		-18.2%
CGN (Ton)	2021				5		5
	2020				7		7
	Delta 2021-2020				-20.8%		-20.8%

GJ ³⁵		PETROL	METHANE/NATURAL GAS	LPG	DIESEL FUEL	CNG	TOTAL
Company vehicles	2021	19,534	23	85	9,846	240	29,728
	2020	15,167	161	415	12,031	304	28,077
	Delta 2021-2020	28.8%	-85.6%	-79.6%	-18.2%	-20.8%	5.9%

In 2021 the total consumption of the Group was equal to 573,891 GJ compared to 538,508 GJ last year.

35 Some values are based on estimates. The Group did not purchase energy from renewable sources certified through guarantees of origin.

36 The data relating to energy and fuel consumption expressed in GJ are calculated using the conversion standards set out in the standard parameter table published by ISPRA and by the Italian Ministry of the Environment, Land and Sea (MATTM) for the year 2021. For electricity, the standard coefficient of 1 kWh = 0.0036 GJ was used.

37 Some values are based on estimates.

EMISSIONS OF CO₂ AND OTHER POLLUTANTS

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.

The increases recorded in 2021 in CO₂ emissions are due to the growth in production volumes that affected the entire Group as a whole. Structural works (the replacement of boilers and restructuring of distribution networks), carried out over time and already described in previous financial statements, show that changes made have been appropriate.

CO₂ emissions deriving from the combustion of methane, natural gas, diesel fuel and LPG used at plants are reported below.

DIRECT³⁸ CO₂EQ EMISSIONS OF PIAGGIO GROUP PRODUCTION SITES

TON.	PONTERERA*	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
2021	11,049	827	401	2,742	2,164	17,183
2020	10,262	652	284	2,761	2,119	16,079
Delta 2021-2020	7.7%	26.8%	41.2%	-0.7%	2.1%	6.9%

* Pontedera's direct CO₂ emissions include not only the emissions deriving from the consumption of non-renewable fuels, but also the emissions produced by the post-combustion of VOCs.

The greenhouse gases deriving from the use of diesel, fuel oil and methane at Italian plants, were determined using the calculation factors provided for in the ETS regulation referred to in the "Emission Trading" Directive (Directive 2003/87/EC).

With reference to CO₂ emissions, the industrial plant at Pontedera comes under the scope of the "Emission Trading" directive (Directive 2003/87/EC) which implements the Kyoto Protocol. The site is classed as a "Group A" site, relative to plants releasing the lowest amount of CO₂ indicated in the Directive.

CO₂ emissions are almost entirely derived from the combustion of methane, marginally from the combustion of diesel fuel in back-up power generators and small amounts from the combustion of VOCs in the painting post-combustor.

The monitoring and reporting of CO₂ emissions from the Pontedera plant are governed by a specific Group procedure, which is periodically audited in-company and annually audited by a certification body.

Direct CO₂ emissions deriving from the combustion of fuels at Piaggio's Pontedera site are certified by a certification body accredited by the National Competent Authority in March of each year.

Below are the CO₂ emissions deriving from the leakage of F-gas from the plants.

CO ₂ EQ [T]		PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	TOTAL ITALY
F-gas	2021	440	68		508
	2020	177			177
	Delta 2021/2020	148.9%	-100.0%		187.6%

The next table shows the CO₂ emissions from the use of company cars and from testing and development activities.

TON.	PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
2021	720	438	138	562	274	2,132
2020	610	341	89	722	215	1,976
Delta 2021-2020	18.1%	28.4%	54.9%	-22.2%	27.8%	7.9%

Overall, direct emissions of the Group in 2021 were equal to 19,823 tons (18,232 tons in 2020).

³⁸ To calculate Scope 1 emissions, the following were considered: (i) for Italian plants, the emission factors published by ISPRA in the document National Standard Parameters; (ii) for foreign plants, Department for Environmental Food & Rural Affairs (DEFRA) emission factors. It should be noted that the emissions calculated with the emission factors published by ISPRA are indicated in tonnes of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂eq), as can be inferred from the relevant technical literature. Compared to the CSR Report 2020, a different source was used for the emission factors applied to foreign plants. Therefore, the relevant emission data were restated.

INDIRECT³⁹ CO₂EQ EMISSIONS OF PIAGGIO GROUP PRODUCTION SITES

Location based

TON.	PONTEDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
2021	8,857	1,083	217	13,221	13,795	37,173
2020	9,061	1,061	184	12,995	13,750	37,051
Delta 2021-2020	-2.3%	2.1%	18.0%	1.7%	0.3%	0.3%

Market based

TON.	PONTEDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
2021	15,633	1,911	383	13,221	13,795	44,943
2020	14,766	1,729	300	12,995	13,750	43,539
Delta 2021-2020	5.9%	10.5%	27.8%	1.7%	0.3%	3.2%

For the location-based method, average emission factors related to national energy generation, published by national governing bodies, were used for the various countries where operations are carried out. In particular: for Italian plants, reference was made to the ISPRA publication "Emission factors for electricity production and consumption in Italy"; the emission data of Indian plants were determined by applying the coefficients established by The Central Electricity Authority "CO₂ Baseline Database for the Indian power sector"; the data relating to the plants in Vietnam were calculated using the coefficients established by the "Department of Meteorology, Hydrology and Climate change - Ministry of Natural resource and Environment Vietnam".

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 other countries, the same factors used for the location-based method were applied.

Emission intensity

As previously commented, in 2021 the Group improved the efficiency of its production processes. The table below provides evidence of the results achieved:

	EMISSIONS ⁴⁰		VEHICLES SOLD	EMISSIONS/REVENUE	EMISSIONS/VEHICLES SOLD
	TON	MILLION EUROS			
2021	54,867	1.669	536	33	102
2020	53,307	1.314	483	41	110
Delta	1,560	355	53	-8	-8
delta %	2.9%	27,0%	11,0%	-19,0%	-7,3%

³⁹ Scope 2 emissions are indicated in tons of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂eq), as can be inferred from the relevant technical literature.

⁴⁰ Emissions from company cars and testing activities are excluded.

OTHER SIGNIFICANT EMISSIONS AT THE PRODUCTION SITES OF THE PIAGGIO GROUP⁴¹

		PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
COV (Ton)	2021	26.2			218.1	0.7	245.1
	2020	19.1			214.4	2.8	236.2
	Delta 2021-2020	37.2%			1.8%	-73.0%	3.8%
	2019	33.8			425.4	2.7	461.9

In 2021, a slight increase in overall VOC emissions was recorded compared to 2020 - a year characterised by prolonged production stoppages due to the pandemic - despite the significant growth in production. As for the Vietnamese plant, the strong reduction is due to the installation of a new plant for the absorption of harmful emissions.

CONSERVING WATER RESOURCES

Water consumption is one of Piaggio’s main areas of focus and it has taken concrete action to implement its Policy of trying to reduce the consumption of energy and natural resources. Piaggio has consistently worked on this, analysing the water consumption of the Pontedera plant, which in a decade has more than halved its m³ consumption of well water. This reduction was made possible by plant upgrades (e.g. inverters on well pumps) and in more recent times by replacing less efficient systems with latest generation technologies (e.g. new 2R painting and new cataphoresis). The Baramati and Vinh Phuc plants reuse part of the water withdrawn as part of the effort to reduce consumption. The Pontedera, Baramati and Vinh Phuc plants are located in areas with high water stress (Source: Aqueduct Water Risk Atlas).



⁴¹ The reported data were processed considering the emission of VOCs in terms of hourly mass flow, based on periodic monitoring, and the number of hours of operation of the plants in the reporting year. The indicator only considers VOC (volatile organic compounds) released by solvents used in painting.

WATER WITHDRAWALS

MEGALITRES	PONTERA NOALE AND SCORZÈ	MANDELLO DEL LARIO	INDIA	VIETNAM	TOTAL	OF WHICH WATER STRESS AREAS		
2021	Groundwater (total)	164	7	1		172	164	
	Freshwater (≤1,000 mg/L Total Dissolved Solids)							
	Other types of water	164	7	1		172	164	
	Third-party water (total)	61	15	1	207	111	395	379
	Freshwater (≤1,000 mg/L Total Dissolved Solids)				207	111	318	318
	Other types of water	61	15	1			78	61
Total	225	22	2	207	111	567	543	
2020	Groundwater (total)	159	5			164	159	
	Freshwater (≤1,000 mg/L Total Dissolved Solids)							
	Other types of water	159	5			164	159	
	Third-party water (total)	72	30	1	215	95	412	382
	Freshwater (≤1,000 mg/L Total Dissolved Solids)				215	95	310	310
	Other types of water	72	30	1			102	72
Total	231	35	1	215	95	576	541	
Change	Groundwater (total)	5	2	1		8	5	
	Freshwater (≤1,000 mg/L Total Dissolved Solids)							
	Other types of water	5	2	1		8	5	
	Third-party water (total)	(11)	(14)	1	(8)	16	(17)	(3)
	Freshwater (≤1,000 mg/L Total Dissolved Solids)				(8)	16	8	8
	Other types of water	(11)	(14)	1			(25)	(11)
Total	(6)	(13)	2	(8)	16	(9)	2	
Change %	-2.5%	-35.9%	295.3%	-3.7%	16.3%	-1.6%	0.3%	

Despite the increase in activity volumes, water withdrawals are broadly in line with the previous year. Piaggio will continue though with targeted activities and controls to further reduce water use, in the belief that minimising this resource is essential.

WATER DISCHARGES⁴²

MEGALITRES	PONTEDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	INDIA	VIETNAM	TOTAL	OF WHICH WATER STRESS AREAS			
Third-party water										
2021	Freshwater (≤1,000 mg/L Total Dissolved Solids)					89	89	89		
	Other types of water					225	22	2	250	225
Total	225	22	2		89	338	314			
Third-party water										
2020	Freshwater (≤1,000 mg/L Total Dissolved Solids)					76	76	76		
	Other types of water					231	35	1	266	231
Total	231	35	1		76	343	307			
Third-party water										
Change	Freshwater (≤1,000 mg/L Total Dissolved Solids)					12	12	12		
	Other types of water					(6)	(13)	2	(17)	(6)
Total	(6)	(13)	2		12	(4)	7			
Change %	-2.5%	-35.9%	295.3%		16.3%	-1.3%	2.2%			

As regards waste water, environmental respect is ensured with processes to treat and purify waste water.

With reference to discharges, a summary of their destination by production site is provided below:

- **Pontedera**: the plant's drains are divided into two separate networks:

- one that collects "industrial" waste, originating from the painting plants, the wastewater preparation plant and the temporary waste storage areas, which could lead to the discharge of potentially polluted rainwater runoff;
- the other collects "non-industrial" waste (from the toilets, canteens and unpolluted rainwater).

The two networks are completely separate and both deliver to a purification hub outside the plant, where the wastewater, after initial chemical/physical treatment is then sent for biological treatment, after which is discharged into an open riverbed. A small part of the discharges, originating from the toilets of two areas of the plant, flows directly into the public sewerage network which is directly connected to the biological system of the integrated water supply. From the tables above, it is assumed that all the water collected is discharged into the sewers, a part in the industrial network (about 100,000 m³) and the rest into the non-industrial network; it is obvious that both industrial and non-industrial discharges are strongly affected by the annual rainfall;

- **Noale**: all buildings are connected to the public sewer system; the waste water is of a non-industrial origin only (from toilets and the site canteen);

- **Scorzè**: the plant is not served by the public sewer system, so waste water is biologically purified at the site and then conveyed to the local Rio Desolino canal;

- **Mandello del Lario**: the plant discharges a part of waste water directly into the public sewer system (non-industrial waste water, canteen waste water, etc.), while waters used in the cooling plants are discharged into the Torrente Valletta stream;

- **Baramati**: waste water is treated and reused for internal purposes and irrigation;

- **Vinh Phuc**: the site has a chemical/physical purification plant for waste from painting pre-treatment operations before it is conveyed to the public sewer systems, where all other site waste (non-industrial waste) is sent. The final destination is in the public sewer system. A part of this water is re-used. In 2021 the recovery of waste water amounted to 15,850 m³, equal to 14.31% of the water withdrawn;

- **Commercial companies**: water use, which is only for toilet facilities and comes from the mains, coincides with waste water. The water use of these sites cannot always be recorded, as the sites are sometimes located at property which is not owned, where communal services are shared with other occupants.

⁴² The water discharges of the Vietnamese plant are estimated to be 80% of water withdrawals.

WATER CONSUMPTION

MEGALITRES	PONTERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	INDIA	VIETNAM	TOTAL	OF WHICH WATER STRESS AREAS
2021	0	0	0	207	22	229	229
2020	0	0	0	215	19	234	234
Change	0	0	0	(8)	3	(5)	(5)
Change %	0	0	0	-3.7%	16.3%	-2.1%	-2.1%

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

WASTE HANDLING AND RECOVERING

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, their 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 2021, there was an increase of 14.1% in waste produced, which is to be correlated with the growth in production volumes (13.2% increase in vehicles produced).

At Italian plants, the percentage of waste sent for recovery improved, exceeding 93% of the waste produced. Lastly, it should be noted that the separation of hazardous from non-hazardous waste and the possibility of recovering waste is affected by local regulations.

TON.	ITALY			INDIA			VIETNAM			TOTAL		
	DISPO-SAL	RECYCLING	TOTAL	DISPO-SAL	RECYCLING	TOTAL	DISPO-SAL	RECYCLING	TOTAL	DISPO-SAL	RECYCLING	TOTAL
2021												
Hazardous	260	504	764	71	115	186	1,281	-	1,281	1,613	619	2,232
Non-hazardous	298	7,863	8,161	97	1,797	1,893	160	412	572	555	10,071	10,626
Total	558	8,367	8,925	168	1,912	2,080	1,442	412	1,854	2,168	10,690	12,858
2020												
Hazardous	28	586	614	58	53	111	826	-	826	913	638	1,551
Non-hazardous	901	6,524	7,425	365	1,423	1,788	144	364	508	1,410	8,311	9,721
Total	929	7,110	8,039	424	1,476	1,899	971	364	1,335	2,323	8,949	11,272
Change												
Hazardous	232	(82)	150	13	62	75	455	-	455	700	(19)	680
Non-hazardous	(603)	1,339	736	(269)	374	105	16	48	64	(855)	1,760	905
Total	(371)	1,257	886	(256)	436	180	471	48	519	(155)	1,741	1,585

2021 TON.	ITALY			INDIA			VIETNAM			TOTAL		
	DISPO-SAL	RECYCLING	TOTAL	DISPO-SAL	RECYCLING	TOTAL	DISPO-SAL	RECYCLING	TOTAL	DISPO-SAL	RECYCLING	TOTAL
Paints, varnishes and glazing, enamels, adhesives, sealants and inks	65	1	66	97	41	138	862	-	862	1,024	42	1,066
Waste from chemical surface treatment and coating of metals and other	3	-	3	66	-	66	-	-	-	69	-	69
Waste from the shaping and physical and mechanical surface treatment of metals and plastics	4	697	701	-	106	106	85	-	85	90	803	893
Oil and liquid fuel waste	1	6	8	1	14	16	-	-	-	3	21	24
Waste from organic solvents, refrigerants and propellants	103	54	158	-	-	-	-	-	-	103	54	158
Waste from packaging, absorbent material, wiping cloth, filtering and protective material not otherwise specified	101	6,211	6,312	-	1,154	1,154	50	322	373	152	7,687	7,838
Other waste not otherwise specified	34	476	510	2	74	76	7	14	21	43	565	608
Construction and demolition waste	18	800	818	2	365	368	-	7	7	20	1,172	1,192
Waste from waste management facilities, off-site treatment plants and preparation of water intended for human consumption and water for industrial use	-	-	-	-	-	-	323	-	323	323	-	323
Municipal waste	228	120	349	-	157	157	114	69	183	342	346	688
Total	558	8,367	8,925	168	1,912	2,080	1,442	412	1,854	2,168	10,690	12,858

2020 TON.	ITALY			INDIA			VIETNAM			TOTAL		
	DISPO- SAL	RECYCLING	TOTAL	DISPO- SAL	RECYCLING	TOTAL	DISPO- SAL	RECYCLING	TOTAL	DISPO- SAL	RECYCLING	TOTAL
Paints, varnishes and glazing, enamels, adhesives, sealants and inks	-	63	63	103	56	158	586	-	586	689	119	808
Waste from chemical surface treatment and coating of metals and other	-	-	-	58	-	58	3	-	3	60	-	60
Waste from the shaping and physical and mechanical surface treatment of metals and plastics	-	528	528	-	65	65	63	-	63	63	593	656
Oil and liquid fuel waste	1	8	9	-	18	18	1	-	1	2	26	28
Waste from organic solvents, refrigerants and propellants	-	134	134	-	-	-	-	-	-	-	134	134
Waste from packaging, absorbent material, wiping cloth, filtering and protective material not otherwise specified	-	4,584	4,584	-	999	999	51	288	339	51	5,871	5,922
Other waste not otherwise specified	687	404	1,091	1	49	50	3	18	21	690	471	1,161
Construction and demolition waste	2	1,310	1,311	1	290	291	-	8	8	2	1,608	1,610
Waste from waste management facilities, off-site treatment plants and preparation of water intended for human consumption and water for industrial use	25	-	25	-	-	-	156	-	156	181	-	181
Municipal waste	214	78	292	262	-	262	108	51	158	583	129	712
Total	929	7,110	8,039	424	1,476	1,899	971	364	1,335	2,323	8,949	11,272

The analysis by type of waste produced shows that packaging waste (cardboard, wood, etc.) and construction and demolition waste are predominant.

Avoiding soil contamination

In 2021, as in previous years, no spills or polluting events of significance occurred at any of Piaggio's sites.

At the Mandello and Pontedera, decontamination initiatives are under way due to historic contaminations. These situations emerged during demolition work in Mandello and during environmental monitoring campaigns in Pontedera. In both cases, the pollutants found have not been used in the production sites for several decades, providing the historical nature of their origin. In accordance with legal obligations, the two situations have been reported to the relevant authorities and are managed according to their instructions.

ENVIRONMENTAL SPENDING AND INVESTMENTS

As proof of the Group's commitment to environmental sustainability, investments were made for the environment at Italian sites during 2021, directed in the Pontedera Plant to the construction of the new e-mobility department, where electric vehicles will be designed and developed. This last development, which is not included in the summary, has committed the company for more than €1,200,000.

ENVIRONMENTAL SPENDING AND INVESTMENTS IN ITALY

EUROS	2021	2020	2019
Waste disposal, emissions management and environmental clean-up costs	1,360,743	970,546	669,950
Costs for prevention and environmental management	1,235,946	1,120,228	980,718
Total	2,596,689	2,090,774	1,650,668

LOGISTICS

The Group has consolidated its logistics model aimed at benefiting from the synergies among various distribution centres in Europe and identifying opportunities for optimisation, paying particular attention to service quality aspects. To optimise distribution, the model provides for the following:

- the targeted management of departures and itineraries to be covered;
- the storage of vehicles produced in Italy at the distribution hub adjacent to the production site, of vehicles 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 certified by Piaggio, in accordance with the relevant quality standards;
- the replacement of vehicles for internal shuttling with others equipped with systems to cut CO₂ emissions;
- the collection of packaging from dealers and related disposal in accordance with local regulations in force;
- the disposal with separate collection of waste materials and replacement of packaging;
- printing only documents which are necessary.

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

- the number of trips needed to transfer stock between centres has been optimised;
- The use of electronic archives for storing shipment documents has been consolidated and paper copies have been reduced;
- printing of shipping documents to be sent to end customers has been minimised, and electronic documents are used whenever possible.

In 2020, the three-year distribution contract for two-wheeler vehicles became operational.

The difficult situation caused by the COVID-19 pandemic has unfortunately not allowed maximum efficiency to be achieved. In addition, England leaving the European Community also generated difficulties in distribution at the beginning of the year, partially offset during the same year. This led to an inefficiency in distribution operations per vehicle in 2021 equal to 2.34%, mitigated by an improvement of 3.25% for commercial vehicles compared to the previous year, also due to the rationalisation of the product range.

As part of activities to streamline the distribution warehouses at the Pontedera production hub, the crating process, with vehicles only being crated during the dispatch stage, made it possible to optimise vehicle stock. This meant that for scooters from Asia (excluding those from India) transit necessary for transport to Europe was optimised.

Activities have started to have paperless transport documents as far as possible so that hard copy documents can be nearly entirely phased out.

The production centres in India and Vietnam also set up procedures aimed at minimising the number of trips for shipping produced vehicles and consumption of packing materials.





THE SOCIAL DIMENSION

→ THE SOCIAL DIMENSION



DEVELOPING HUMAN RESOURCES	119
STAFF	119
PERSONNEL MANAGEMENT POLICIES.....	120
INDUSTRIAL RELATIONS.....	129
OCCUPATIONAL HEALTH AND SAFETY	133
RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN	136
SUPPORTING LOCAL COMMUNITIES.....	139
CHARITY ACTIVITIES AND SPONSORSHIPS.....	144

"Behaving well and respecting the dignity of people and pursuing the common good is good for business. There is always a link between what we do and a business, and between what we do and the future of a business."

Interview with Pope J. Bergoglio – Sole 24 Ore 7 September 2018.

COMMITMENT	2021 OBJECTIVES	2021 RESULTS	2022 OBJECTIVES	MID-TERM OBJECTIVES
Skills model	<ul style="list-style-type: none"> - Periodic monitoring of competencies, gap analysis and the definition of a corrective action plan. 	<ul style="list-style-type: none"> - Updates to job/skill profiles to integrate the new Electric R&D Division. 	<ul style="list-style-type: none"> - Periodic monitoring of Job Profiles and skills and updates in line with the organisational evolution of the company. - Integration of the model to provide a minimum target of language skills depending on professional roles. 	<ul style="list-style-type: none"> - Verification and alignment of skills within the strategic plan requirements
Talent management	<ul style="list-style-type: none"> - Selection of the new talent round and related training and development initiatives. - Design of a Talent Academy dedicated to technical areas for the training and development of young people with high potential. 	<ul style="list-style-type: none"> - Online training sessions held, dedicated to the Group's talents. - A new two-year training course was set up, dedicated to "Talent" and aimed at the development & retention of top-performing resources. 	<ul style="list-style-type: none"> - Start of the new talent round and related training and development initiatives. 	<ul style="list-style-type: none"> - Development of innovative training activities following the Piaggio Academy approach. - Assessment of proposed development tools and analysis of results for continuous improvement.
Succession Planning	<ul style="list-style-type: none"> - Updating of global risk mapping in line with organisational changes. 	<ul style="list-style-type: none"> - Mapping of key roles at a global level. 	<ul style="list-style-type: none"> - Updating of mapping in line with organisational changes. 	<ul style="list-style-type: none"> - Continuous updating of the Succession planning process to reflect organisational and business developments.
Training	<ul style="list-style-type: none"> - Creation of a training catalogue, mainly with e-learning. - Continuation of training in the field of Health and Safety, mainly favouring e-learning. 	<ul style="list-style-type: none"> - In view of the limitations on classroom activities due to COVID restrictions, teaching was based on e-learning, with a significant focus on H&S issues and technical skills with a strong operational impact (e.g. language training). 	<ul style="list-style-type: none"> - Relaunch of the creation of a Corporate Management Training programme for the development of a global Group identity. 	<ul style="list-style-type: none"> - Consolidation of tools for sharing methods to manage and develop training at a global level.
Health and safety	<ul style="list-style-type: none"> - Computerisation of Health & Safety activities. 	<ul style="list-style-type: none"> - Implementation of software tools for the management of H&S issues in a standardised way: e.g. KPIs, statistics and reporting, improvement activities. - Daily monitoring of KPIs, improvement activities and analysis according to the level of: injuries, first aid and near misses. - Cross-functional promotion of H&S analyses and initiatives. 	<ul style="list-style-type: none"> - Behavioural training programme "Safety Culture". - Expansion of the network of Company Safety Officers and development of cross-functional H&S skills. - Strengthening of the Piaggio H&S Global network. 	<ul style="list-style-type: none"> - Attainment of the "generation" stage in evolution of a Safety Culture.

DEVELOPING HUMAN RESOURCES

Human resources, with their skills, capacities and dedication, are a key factor in Piaggio's competitiveness and growth. Everything we do as individuals or as a team is shaped by our strategic vision, our results-driven approach, our constant commitment to customer satisfaction, our desire for innovation and our awareness of future market scenarios, to generate value for each and every stakeholder. People are the key element that enables us to meet challenges in an increasingly dynamic and competitive international scenario.

It is for these reasons that Piaggio places such central importance on people in the organisation, assuring them our respect and protection in all Group companies.

STAFF

Over the years, the Group has always focused on aligning its organisation with international best practices. During 2021, Piaggio adopted organisational initiatives to deal with the impacts of the COVID-19 emergency and support the commercial, innovation and development objectives of new products, while maintaining efficiency and productivity targets.

As of 31 December 2021, Group employees totalled 5,702, down overall by 2.6% compared to 31 December 2020.

COMPANY EMPLOYEES BY GEOGRAPHIC SEGMENT AS OF 31 DECEMBER

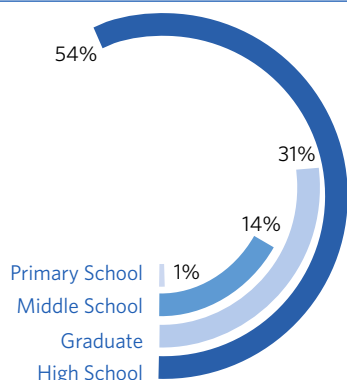
EMPLOYEE/STAFF NUMBERS	2021	2020	2019
EMEA and Americas	3,295	3,331	3,483
<i>of which Italy</i>	3,026	3,057	3,199
India	1,328	1,550	1,749
Asia Pacific 2W	1,079	975	990
Total	5,702	5,856	6,222

AVERAGE NUMBER OF COMPANY EMPLOYEES BY PROFESSIONAL CATEGORY

EMPLOYEE/STAFF NUMBERS	2021	2020	2019
Senior management	109	106	105
Middle management	672	664	671
White collars	1,616	1,673	1,728
Blue collars	3,762	3,791	3,920
Total	6,159	6,234	6,424

COMPANY EMPLOYEES BY EDUCATIONAL QUALIFICATIONS AS OF 31 DECEMBER 2021

EMPLOYEE/STAFF NUMBERS	GRADUATE	HIGH SCHOOL	MIDDLE SCHOOL	PRIMARY SCHOOL	TOTAL
EMEA and Americas	804	1,647	815	29	3,295
<i>of which Italy</i>	625	1,576	801	24	3,026
India	503	825	0	0	1,328
Asia Pacific 2W	448	629	2	0	1,079
Total	1,755	3,101	817	29	5,702



**COMPANY
 EMPLOYEES BY
 EDUCATIONAL
 QUALIFICATIONS**

An entry turnover rate of 5.2% and leaving turnover rate of 6.1% were recorded in Italy in 2021 (excluding staff on a fixed-term contract).

GROUP EMPLOYEE TURNOVER AS OF 31 DECEMBER 2021

EMPLOYEE/STAFF NUMBERS	NEW RECRUITS												% TURNOVER		
	< 30			30-50			> 50			TOTAL			M	W	TOTAL
	M	W	TOTAL	M	W	TOTAL	M	W	TOTAL	M	W	TOTAL			
EMEA and Americas	53	9	62	46	11	57	10	-	10	109	20	129	4.8%	1.9%	3.9%
India	28	1	29	58	1	59	2	1	3	88	3	91	6.8%	9.7%	6.9%
Asia Pacific	28	7	35	38	4	42	1	1	2	67	12	79	7.6%	6.1%	7.3%
Total	109	17	126	142	16	158	13	2	15	264	35	299			
% Turnover	19.3%	16.2%	18.8%	5.5%	2.2%	4.7%	1.0%	0.5%	0.9%	5.9%	2.8%	5.2%			

EMPLOYEE/STAFF NUMBERS	LEAVERS												% TURNOVER		
	< 30			30-50			> 50			TOTAL			M	W	TOTAL
	M	W	TOTAL	M	W	TOTAL	M	W	TOTAL	M	W	TOTAL			
EMEA and Americas	13	10	23	35	16	51	73	17	90	121	43	164	5.3%	4.2%	5.0%
India	23	3	26	93	2	95	18	-	18	134	5	139	10.3%	16.1%	10.5%
Asia Pacific	22	2	24	16	4	20	-	-	-	38	6	44	4.3%	3.0%	4.1%
Total	58	15	73	144	22	166	91	17	108	293	54	347			
% Turnover	10.3%	14.3%	10.9%	5.6%	3.0%	5.0%	7.0%	4.2%	6.4%	6.6%	4.3%	6.1%			

PERSONNEL MANAGEMENT POLICIES

Piaggio adopts a system of recruitment, development and salary packages for personnel which recognises and rewards merit and performance. Any type of discrimination is specifically forbidden by the Code of Ethics.

The primary focus on human resources and the development of core competencies for business development are the cornerstone of relationships with people and are reflected in the following corporate policies:

Competitive organisation

The Group pursues an innovative organisational approach as a way to create a competitive edge and support a multicultural, multinational, lean organisation focused on the customer and on generating value.

In its relations with staff and regardless of the work they carry out, Piaggio respects the principles set forth by the Group's Code of Ethics in all circumstances, as well as the laws in force in the geographic areas where it operates.

Piaggio does not resort to child labour according to the age limits in force in the various countries or to forced labour and adheres to main international laws, such as the UN Convention on the Rights of the Child (UNCRC) and the 1998 Human Rights Act.

Recruitment and internal mobility

During 2021, resourcing activities mainly focused on highly professional and specialised positions, and new professional competencies in the e-mobility and cyber security area.

Recruitment is now fully supported by digital tools, so that a common methodology can be adopted at a global level. Alongside external recruitment, the number of positions filled by internal candidates has remained steady, with a view to job rotation and career development.

Career development

Development and career paths at Piaggio 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 individuals to fill key positions. The development of the core skills necessary to remain in step with evolving markets and business is a priority. This is why the Group's human resources development policies focus on building, maintaining and developing factors that are instrumental for competing in international contexts which are continually evolving.

The Group's managerial and professional competencies model

Piaggio has identified a managerial skills model, which constitutes the set of behaviours to be put into practice each day, in order to ensure the success of the manager in question and the Group as a whole at global level.

At the same time, Piaggio has developed a reference model regarding the various professional skills required, which represent the shared assets of professionalism and expertise that constitute the true foundation of the company, and serve as the only real guarantee of continuity and quality of results.

In 2021, detailed periodic gap analysis was conducted, in order to set up training and continual professional development plans.

THE GROUP'S MANAGERIAL COMPETENCIES MODEL



Development paths

The goal of the development tools is to build and improve the managerial and professional skills required by the respective models, while realising potential and assessing and rewarding excellent performance, as well as safeguarding specific technical know-how. Specifically, the tools used by Piaggio include:

- development plans, which identify the actions to be taken for employee development;
- job rotation and participation in strategic or international projects;
- management and professional training (see "training" section);
- the talent management programme for younger employees (see the "talent management" section).

Career paths

Resources are encouraged to follow a career path focused on continual improvement through training and development of their expertise, so they can successfully tackle the changes and challenges of the near future.

Performance appraisal processes for succession planning are created to develop the technical expertise and managerial skills of resources, in order to consolidate the Group's leadership role. Expatriation and job rotation, plus Talent Development programmes are key to encouraging the growth of resources and laying the foundations for shaping the managers of tomorrow.

In line with market best practices, Piaggio deploys a number of tools for the supervision and management of succession plans with regard to key Group positions, and in 2021, the Group used the global IT platform to test the methodology implemented, which also takes into account the skills and performances recorded each year.

Evaluation

The Group places great importance on using transparent criteria and methods for reviewing employees with respect to:

- performance,
- managerial and professional competencies and language skills,
- international mobility,
- potential,
- professional aspirations and goals,

as regards their specific role and company needs.

Both the evaluator and the person being evaluated are given the opportunity to share the result of the performance and skills assessment, and to add to this with suggestions for the establishment of the individual development and training path, to be implemented in accordance with a clearly defined time scale through the dedicated SAP SuccessFactors IT platform.

Employees are evaluated by comparing their competencies against the company model for their specific role, as evidenced by concrete and observable behavioural indicators relative to their everyday work. The review process is managed in an integrated way through a dedicated IT platform and provides the information necessary for the processes of succession planning, management reviews and a gap analysis of professional competencies, which are conducted across the Group.

PERCENTAGE OF EMPLOYEES WHO RECEIVED PERFORMANCE AND CAREER DEVELOPMENT REVIEWS IN 2021⁴³

GEOGRAPHIC SEGMENT	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

Programmes to manage young talent are one of the main tools used for development, attraction and retention. The programmes are aimed at employees around the world who show high potential, great enthusiasm for their work and the courage to undertake new directions, in order to identify and ensure a growth path for the most deserving resources.

⁴³ The company population and work performance during an appraisal period of at least 6 months is considered.

In general, these programmes allow talented employees to access customised development plans, which comprise:

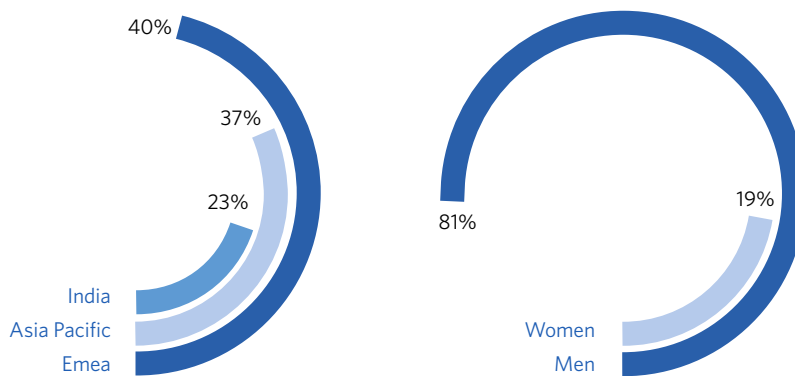
- coaching and personalised training;
- strategic and international projects;
- job rotation.

The programmes include Piaggio Way, which involves employees under 35 years of age, from all geographic areas of the Group. At present 30 employees are involved, in addition to a community of 66 students who have completed their development plan and who still remain active in the programme.

The geographic breakdown of active participants is as follows: 40% EMEA, 23% India, 37% Asia Pacific.

Access to the programme is on a meritocratic basis and includes an assessment by a third party to guarantee the impartiality and objectivity of the evaluation.

A structured Talent Review process is conducted each year to verify programme participation.



GEOGRAPHIC DISTRIBUTION OF TALENT AND BREAKDOWN BY GENDER AS OF 31 DECEMBER 2021

Training

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

Training activities are 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 gaps emerging from performance appraisals, development and career plans and specific business projects;
- planning of training activities in line with the Piaggio competency model;
- planning and delivery of courses with the identification of participants' level of satisfaction.

The analysis of occupational health and safety training needs is carried out together with the Health & Safety department, with the aim of meeting legal obligations, observing company procedures introduced to strengthen awareness and enhance knowledge of specific risks and respond to any specific needs.

In 2021, taking into account the limitations due to anti-COVID measures, classroom training activities were reduced and the use of digital tools for training (e-learning courses and synchronous training in virtual classrooms) was consolidated. Technical/professional training focused considerably on the development of skills in design, vehicle planning, programme management and the implementation of innovative tools for data management and team collaboration.

In Italy, training was also carried out in e-learning mode for over 600 resources on compliance issues pursuant to Legislative Decree 231, on the crimes related to this Decree, and on the specific methods of conduct indicated by the Piaggio Code of Ethics and Organisational Model.

As part of a specific project, more than 1,500 hours of training/awareness-raising were provided to Indian employees on the prevention of sexual harassment crimes.

TRAINING HOURS⁴⁴ BY AREA OF INTERVENTION AND GEOGRAPHIC SEGMENT

THEMATIC AREA	2021				2020			
	EMEA AMERICAS	INDIA ASIA PACIFIC 2W	TOTAL	EMEA AMERICAS	INDIA ASIA PACIFIC 2W	TOTAL		
Managerial training	2,161	16,484	1,013	19,658	712	9,224	3,213	13,149
Technical - professional training	7,802	28,290	2,875	38,967	4,236	12,941	2,294	19,471
Language training	2,795	157	1	2,953	2,850	1,093	104	4,047
Health and safety training	11,272	9,379	4,020	24,671	11,287	9,849	4,578	25,714
Total	24,030	54,310	7,909	86,249	19,085	33,107	10,189	62,381

TRAINING HOURS BY GENDER

THEMATIC AREA	2021			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Managerial training	18,286	1,373	19,658	11,673	1,476	13,149
Technical - professional training	35,215	3,752	38,967	18,239	1,232	19,471
Language training	1,728	1,225	2,953	2,864	1,183	4,047
Health and safety training	21,813	2,857	24,671	22,342	3,372	25,714
Total	77,042	9,207	86,249	55,118	7,263	62,381

TOTAL TRAINING HOURS BY PROFESSIONAL CATEGORY

HOURS	2021			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Senior management	816	61	877	771	120	891
Middle management	14,806	627	15,432	11,611	616	12,227
White collars	22,221	4,598	26,819	18,614	4,066	22,680
Blue collars	33,193	3,275	36,468	17,431	2,260	19,691
Other workers ⁴⁵	6,006	647	6,653	6,692	201	6,893
Total	77,042	9,207	86,249	55,118	7,263	62,381

HOURS PER CAPITA	2021			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Senior management	8.2	7.6	8.1	7.7	17.1	8.3
Middle management	25.0	7.7	22.9	19.9	7.9	18.5
White collars	19.2	10.4	16.8	15.7	9.2	14.0
Blue collars	12.8	4.5	11.0	6.4	3.1	5.7
Total	16.0	6.8	14.0	10.5	5.6	9.5

⁴⁴ The figure does not include hours of on-the-job training.

⁴⁵ This category includes agency workers and interns.

Rewards

Reward policies are designed to reward individuals and recognise their contribution to the company, according to the criteria of competitiveness, fairness and meritocracy, which are openly shared throughout the evaluation processes, in order to motivate and retain those individuals who make significant contributions to the achievement of business results.

The Group reward system is differentiated for the various professional groups in the company, and consists of a fixed salary component and variable objective- and benefits-based incentive systems.

In Italy, in 2021 Piaggio set up a digital platform to manage welfare services, through which employees can exercise the choice options provided for in their national employment contracts and supplementary company agreements.

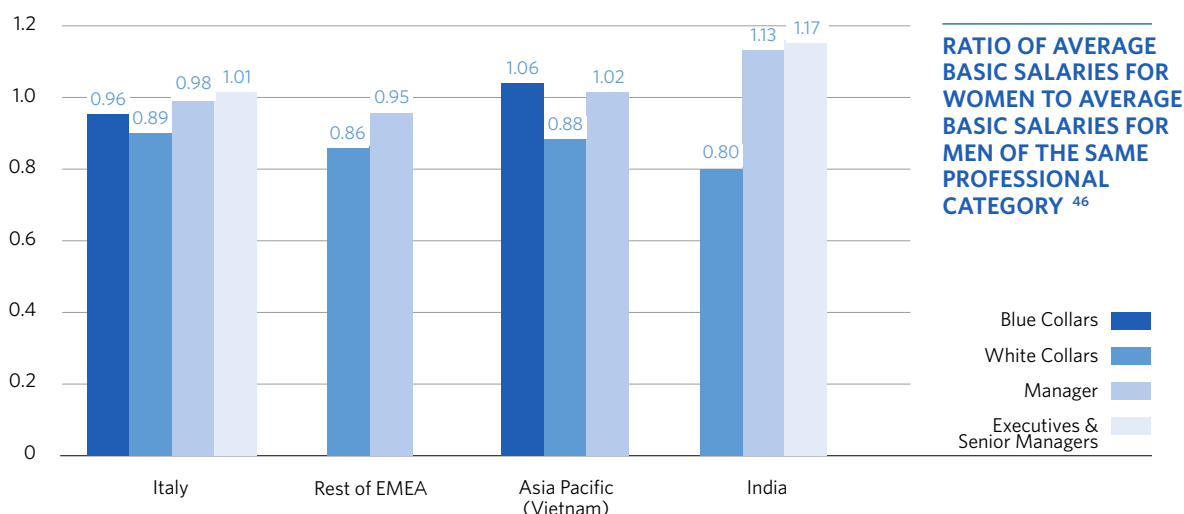
Salary packages

Piaggio offers to new recruits and all its employees a salary package in line with best market practices. Accordingly, Piaggio has adopted a structured salary review process based on:

- comparing salaries with market benchmarks, considering the market positioning of the company as a whole and the review of individual organisational roles, which is periodically revised. Comparisons are conducted using internationally recognised methods, with the support of specialist consultants;
- setting out guidelines for the salary review process that take into account company results and focus on criteria of meritocracy, competitiveness, internal fairness and sustainability;
- the timely identification of fixed and variable remuneration actions, consistent with defined guidelines, with meritocratic logics and the retention needs of strategic resources for the business, also with a view to the development of roles defined through the succession planning process.

An analysis performed on a single country basis did not reveal any significant differences between the basic salary and remuneration of men compared to women with the same category, experience and assigned duties.

Piaggio complies with labour laws in the various countries where it operates, adopting collective bargaining agreements where applicable.



Objective-based incentive systems

The achievement of excellent results in terms of objectives set by the company is rewarded through variable incentive systems, focused on business-related qualitative and quantitative objectives as well as on the internal efficiency of each area of responsibility.

The full process of setting objectives and reviewing results is conducted with employees, using objective criteria.

⁴⁶ In individual geographical areas, the categories not represented do not have female employees or their small number would make the calculation insignificant.

Benefits

Piaggio offers a benefits package in line with best local market practices, which is structured on an organisational basis. Benefits include, by way of example:

- company car;
 - private health insurance;
 - company medical centre at various production sites;
 - agreements with local groups and facilities of interest for employees.
- Benefits are provided to full-time as well as to part-time employees without differentiation.

Diversity and equal opportunities

Piaggio operates globally with a diversity of employees, in terms of age and gender, in Europe, America, India and Asia. Staff diversity represents values and opportunities arising from various different ways of pursuing and achieving the highest levels of performance within a single, broader Group organisational design.

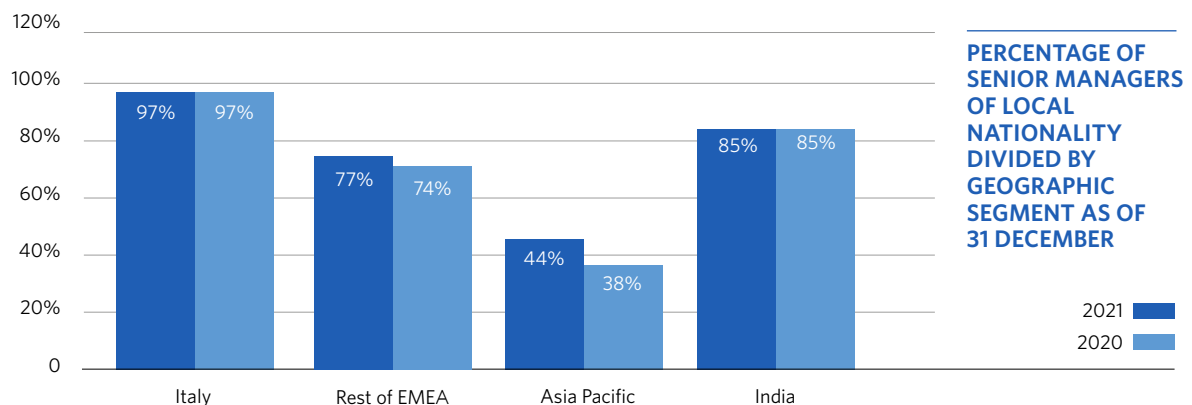
For Piaggio, managing diversity means acknowledging and respecting differences as part of the shared substratum of company culture. The Group therefore rejects any form of discrimination on the basis of gender, age, nationality, ethnic background, ideology or religion. It operates in strict compliance with law and with contractual requirements, and in keeping with the customs, practices and usages of each country in which the Group operates.

The Group's concrete commitment to embracing diversity is reflected by its adoption of a Code of Ethics, conformity to international laws on equal opportunities and use of policies that protect forms of diversity already found within the company.

The Group seeks to spread its culture and values throughout the world through shared digital platforms (company Intranet and tools supporting the work of HR such as the Success Factor, Piaggio Global Training), with a view to creating the conditions for fostering an international mindset and a building a truly multinational organisation, in which all employees can benefit from equal opportunities.

Human resources management processes are conducted applying the same principles of merit, fairness and transparency in all the countries in which the Group operates, with the accent placed on aspects of relevance for the local culture.

Piaggio selects and hires its staff based solely on the candidates' characteristics and experiences and the requirements of the position. As shown in the graph below⁴⁷, Piaggio promotes and supports the recruitment of candidates from many parts of the world, to contribute to the international mindset that is a key value for the Group.



In order to promote and sustain intercultural exchange and diversity management, the Group encourages the international mobility of its people, enabling the reciprocal secondment of employees between Group companies.

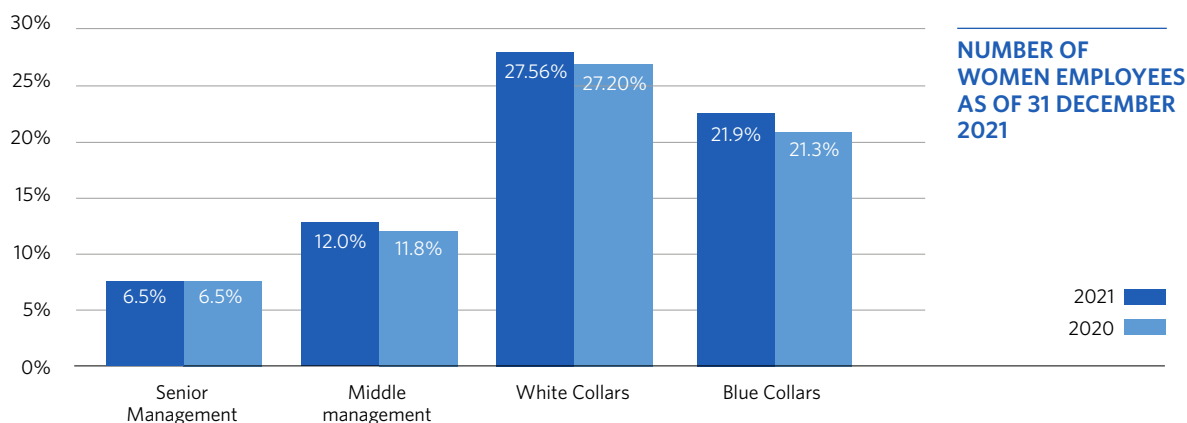
⁴⁷ Figures include senior managers, first- and second-level executives reporting to top management at Piaggio & C SpA, and the first- and second-level executives of subsidiaries. The term local refers to the national level and local senior managers means senior managers with nationality the same as the country where they work.

Female employment

Female employees at Piaggio play a fundamental role at all levels of the organisational structure. Females make up 22% of the workforce, in line with the previous year in all professional categories.

COMPANY EMPLOYEES BY GENDER AND GEOGRAPHIC SEGMENT AS OF 31 DECEMBER

	2021		2020	
	MEN	WOMEN	MEN	WOMEN
EMEA and Americas	2,268	1,027	2,287	1,044
<i>of which Italy</i>	2,059	967	2,073	984
India	1,297	31	1,517	33
Asia Pacific	882	197	788	187
Total	4,447	1,255	4,592	1,264



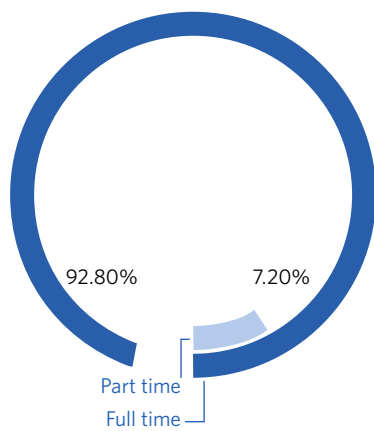
COMPANY EMPLOYEES BY CONTRACT TYPE, GENDER AND GEOGRAPHIC SEGMENT AS OF 31 DECEMBER 2021

EMPLOYEE/STAFF NUMBERS	FIXED-TERM CONTRACT			OPEN-ENDED CONTRACT		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMEA and Americas	15	1	16	2,253	1,026	3,279
<i>of which Italy</i>	15	1	16	2,044	966	3,010
India	148	10	158	1,149	21	1,170
Asia Pacific	294	65	359	588	132	720
Totale	457	76	533	3,990	1,179	5,169

Equal opportunities are offered to employees of both genders, with concrete initiatives in place to help people strike a balance between work and domestic life. Such initiatives include alternatives to full-time work.

COMPANY EMPLOYEES BY PROFESSION, GENDER AND GEOGRAPHIC SEGMENT AS OF 31 DECEMBER 2021

EMPLOYEE/STAFF NUMBERS	FULL TIME			PART TIME		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMEA and Americas	2,234	837	3,071	34	190	224
<i>of which Italy</i>	2,027	781	2,808	32	186	218
India	1,297	31	1,328	0	0	0
Asia Pacific	882	197	1,079	0	0	0
Total	4,413	1,065	5,478	34	190	224



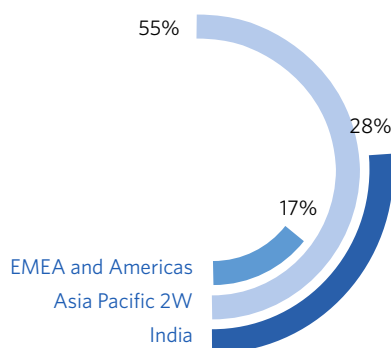
PART-TIME EMPLOYMENT IN ITALY AS OF 31 DECEMBER 2021

Young employees

Within the Group, the company's largest population is in the 30-50 age group. The generational mix is essential for more experienced workers, who can set an example and pass on skills and abilities learned over time, to impart their knowledge to younger employees.

COMPANY EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE BRACKET AS OF 31 DECEMBER

EMPLOYEE/STAFF NUMBERS		< 30	30-50	> 50	TOTAL
2021	Senior management	0	42	66	108
	Middle management	1	463	209	673
	White collars	174	1,019	407	1,600
	Blue collars	494	1,809	1,018	3,321
	Total	669	3,333	1,700	5,702
2020	Senior management	0	43	64	107
	Middle management	1	463	197	661
	White collars	218	1,056	351	1,625
	Blue collars	697	1,885	881	3,463
	Total	916	3,447	1,493	5,856



COMPANY EMPLOYEES UP TO 30 YEARS OF AGE BY GEOGRAPHIC SEGMENT AS OF 31 DECEMBER 2021

Parental/maternity leave

Our companies apply laws passed by pertinent national legislation.

The Group does not discriminate in any way against women who take maternity leave. Indeed, to support work-child care balance, a horizontal part-time contract has been granted to 184 employees in Italy. In addition, as further support for work-life balance, employees at the Pontedera site can benefit from an agreement for childcare support (see the Industrial Relations section). As demonstration of the above, the following information has been provided for the companies where the phenomenon is more numerically significant ⁴⁸.

	EMEA & AMERICAS (INCLUDING ITALY)			ASIA PACIFIC		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Employees on maternity/paternity leave during 2021	25	17	42	101	21	122
Employees returning in 2021 after maternity/paternity leave	25	10	35	99	20	119
Employees returning in 2020 after maternity/paternity leave	19	12	31	110	17	127
Employees returning to work and on the payroll 12 months after returning from maternity/paternity leave	18	11	29	95	20	115
Retention rate (%)	94.74%	91.67%	93.55%	86.36%	117.65%	90.55%

In Italy, all employees who are parents of a child⁴⁹ up to 12 years of age are entitled to an additional period of absence from work. In Vietnam, this opportunity is guaranteed up to 7 years of age.

Engagement and dialogue with staff

The Piaggio Group's internal communication guidelines are designed to keep employees informed with regard to business performance and prospects, bringing them closer to top management strategies.

The system is based on the conviction that sharing strategic objectives with every employee is a key factor to success. Piaggio uses communication and information tools which respect and empower the social and cultural realities within the Group.

In particular, in Italy there is an active national Intranet portal, "PiaggioNet", which provides information on the Group, with company news and the latest on the product ranges of the various brands, as well as a range of staff services (e.g. transfer management, manuals/internal procedures, Piaggio Global Training platform and direct access to the online company publication Wide Piaggio Group Magazine, which is also published on the Group's websites, updated on a continual basis and available in Italian and English versions).

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 the employees of foreign subsidiaries through the dedicated Intranet portal "PiaggioNet International", whose contents are published in English.

Additional specific initiatives are provided for employees of premises in Vietnam and India.

INDUSTRIAL RELATIONS

The Piaggio Group acknowledges 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; in fact ongoing dialogue is considered as fundamental for finding the best solutions to specific company needs.

The Group's approach lies in involving workers and their representatives in the pursuit of company objectives, establishing a continuous dialogue with them. The solutions and conduct adopted in various countries where the Group operates are in line with the social and institutional context, but are always consistent with the fundamental principles and overall needs of the Group.

⁴⁸ The figures refer only to parental leave requested up to the child's first birthday.

⁴⁹ Natural, adopted or in foster care.

Piaggio complies with the labour legislation of countries where it operates.

Permanent employees working at the Group's production companies have 100% salary and welfare cover, in accordance with law and collective bargaining agreements.

Italy

During 2021, dialogue and discussion with Trade Unions and with workers' representatives continued with the aim of seeking shared solutions in the context of an international scenario that has been characterised by the ongoing COVID-19 pandemic crisis and, also following repercussions due to this health emergency, by phenomena that have had negative impacts on the supply of production systems in terms of the service level of transport and availability of raw materials; these situations were managed through the use of the Ordinary Redundancy Fund.

On the other hand, the excellent response from the markets to the Piaggio Group's products, together with the expectations of growth in demand for two-wheelers expected for 2022, led to the signing of a trade union agreement at the end of November 2021 which launched a fixed-term recruitment plan for a maximum number of 580 people, to strengthen the workforce of the group's plants in Pontedera (Pisa), Mandello del Lario (Lecco) and Scorzè (Venice) as early as the first quarter of 2022.

Under the agreements signed with the trade unions, workers who have already had experience at Piaggio over the last few years will be hired, to avoid wasting skills acquired and at the same time allow for a more effective response to changing market trends.

In addition, as regards the Pontedera site, 50 people will be recruited on an indefinite contract by March 2022, and for the Moto Guzzi production hub, vertical part-time workers and some of the leasing⁵⁰ staff at the Company will switch to permanent employment.

As far as the COVID-19 health crisis is concerned, discussions continued within the framework of the company's Control Committees, set up at individual sites, to verify the application of rules to combat and contain the spread of the COVID-19 virus in the workplace, and discuss and identify suitable tools to deal with pandemic emergency scenarios. These Committees were attended by the company trade union representatives and workers' safety representatives (RLS).

With reference to collective bargaining, the National Collective Bargaining Agreement (CCNL) for workers in the private metalworking and plant installation sectors was confirmed as valid throughout Italy. In February 2021, an agreement was reached to renew the CCNL, which had expired at the end of 2019.

In December 2019, an agreement with local trade unions and trade union representatives was signed at the Ministry of Labour and Social Policies, to continue the Special Redundancy Fund for reorganisation only at the Scorzè site from 9 January 2020 to 8 January 2021; this Fund, temporarily suspended, after the Ordinary Redundancy Fund had been used, was initially restarted for the period from 1 July 2021 to 9 April 2022. Finally, following a company agreement signed on 17 December 2021, the Parties agreed to the early termination of the company reorganisation programme on 31 December 2021.

The number of hours lost due to strikes in 2021 increased overall, but this is attributable to causes linked to general/category strikes (the number of hours not worked in this respect went up from 1,596 in 2020 to 9,919 in 2021), while the number of hours lost due to causes linked to company micro-conflicts showed a significant decrease (-18%) compared to the previous year (15,816 in 2020 and 12,920 in 2021).

It should be noted, however, that the figures regarding micro-conflicts, in absolute terms, are negligible and are attributable solely to initiatives of a minority of trade union representatives.

All corporate micro-conflict events referred to the Pontedera site.

⁵⁰ Staff leasing means provision for an indefinite period.

The table below provides a summary of the hours lost due to strikes in the last three years at the company's sites in Italy:

		2021	2020	2019
No. of hours lost due to strikes	general/category	9,919	1,596	22,303
	company	12,920	15,816	8,292
	Total	22,839	17,412	30,595
% hours lost compared to hours worked ⁵¹	general/category	0.35%	0.06%	1.18%
	company	0.46%	0.75%	0.44%
	Total	0.81%	0.83%	1.61%
No. of days lost due to strikes	general/category	1,240	200	2,788
	company	1,615	1,977	1,036
	Total	2,855	2,177	3,824

A structured company welfare system has been established in Italy, with services that aim to increase the well-being of employees and their families, in economic and social terms.

In general, a supplementary health care fund (Métasalute) for the engineering sector has been in place since the end of 2011, based on a national trade union agreement. Membership of the plan has been automatic for all Group employees since October 2017.

The scheme also includes health benefits/services for employees:

- at Pontedera, the company medical centre for employees has specialists (an optician, an orthopaedic specialist, a lung specialist, a dermatologist and an ENT specialist) for consultations;
- in Noale/Scorzè and Mandello del Lario paid leave is provided for all employees for specialist visits outside the Company and for clinical analysis, as well medical test/examination monitoring.

All sites also offer employees flu vaccinations free of charge.

India

In India, trade unions have a two-tier structure: one at company level and the other at local/area level; this structure is also replicated at the Indian subsidiary, where the trade union system comprises a company trade union committee with Piaggio worker representatives, and a central trade union committee, which is the highest hierarchical level, with members selected by the trade union. The company union committee consists of 8 members elected annually by the workers.

At the Indian subsidiary, a collective company agreement is periodically discussed and signed, which was renewed in March 2018 valid for four years.

In 2021, the impact of the pandemic on the business and on regulations called for considerable effort to adapt production to the complex and changing scenario. This effort was facilitated by constructive dialogue with trade union representatives. In this regard, there were no strikes in 2021.

In 2021, the main industrial relations activities focused on:

- maintaining the productivity levels of workers defined by the company agreement. Based on these indicators, levels of manpower connected with varying levels of production were established;
- a further increase in flexibility also made necessary by the changing pandemic scenario and achieved, in addition to the already planned and regulated use of temporary flexible labour, through specific agreements with trade union representatives. These agreements governed attendance and the shift schedule also in order to adapt them to operating methods ensuring a necessary level of social distancing;
- maintaining and improving positive and cooperative relations with workers and trade unions;
- guaranteeing full compliance with labour legislation (for example in the field of health care following the spread of COVID-19, the use of new schemes for the administration and training of temporary workers, the prevention of sexual harassment in the workplace etc.);
- employee engagement to improve the business climate and, accordingly, employee motivation. In line with

⁵¹ For the calculation of the %, only the hours of production staff were considered.

this approach, Piaggio organised numerous activities to engage its employees, including health check-ups and prevention, initiatives to raise awareness of health and safety, the purchase of books and uniforms for the children of employees.

Vietnam

In Vietnam, trade union representatives at a company level (selected by a company trade union committee) are tasked with protecting employees, helping them to understand aspects concerning labour regulations and company policies, and providing economic support for some company initiatives benefiting employees.

In particular, the current Trade Union Committee, elected in February 2019 and comprising 15 members who will remain in office for 3 years, made an excellent contribution in 2021, having sponsored and assisted the company in a number of initiatives to bolster employee motivation.

In 2021, due to the COVID-19 pandemic, activities focused on preventing and limiting infection.

In particular, in addition to specific health-related initiatives (delivery of masks to all employees, availability of sanitiser, particular attention paid to periodic cleaning of the workplace), changes were introduced to regulate attendance and shift schedules, in order to guarantee changes to operating methods to ensure necessary social distancing (alternating shifts, smart working).

No strikes took place in 2021.



OCCUPATIONAL HEALTH AND SAFETY

For the Piaggio Group, workplace health and safety is a corporate value, and continuous improvement is an integral part of its activities, representing a clear strategic commitment to the Group's more general 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 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 context encompasses "Safety Culture" training and development initiative which shape and will shape current and future strategies. 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 than the Group's standards. 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). Audits are conducted annually and were successfully completed in 2021.

An organisational and procedural system aimed at protecting health and safety at work is adopted for all Piaggio Group employees worldwide. The ISO 45001 certified management system applies to 83% of all employees.

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.

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

In addition, a consolidated system of immediate reporting and analysis of accidents, dressings and near misses is in place, with standardised methods and defined working groups, in order to identify the root causes of these events and prevent the occurrence of accidents or recurrence.

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

In 2021, initiatives were further developed to mitigate occupational health and safety impacts within the commercial network. In particular, the manual with technical instructions for maintenance operations was supplemented with general rules on safe conduct, to be observed by service network personnel during maintenance activities.

Promoting health is another important aspect for Piaggio, and this is achieved based on two main areas of action: free testing and information campaigns on healthy lifestyles. Each Group site has a health unit for prevention, surveillance and first aid, manned by specialist medical and paramedical staff.

To respond to the COVID-19 emergency, Piaggio has adopted measures to ensure social distancing, the sanitisation of workstations and communal areas, taking people's temperature at the site entrance, the adoption of specific PPE (e.g. distribution of masks and sanitising gels).

Italy

The health emergency caused by the spread of the COVID-19 pandemic has led to the introduction of organisational, procedural and technical measures to prevent contagion in the workplace, as per the company protocol signed with the company trade union representatives for each site and in line with the "Shared regulation protocol for measures to combat and contain the spread of the COVID-19 virus in the workplace" between the Government and social partners. Corporate control committees have also been set up to monitor the adoption of rules to combat and contain the spread of the COVID-19 virus in the workplace, with the participation of company trade union representatives and workers' safety representatives (RLS) at each site.

At the same time, specific strategies to contain the virus were defined in collaboration with competent doctors for people who tested positive or were suspected to be positive (nose/throat swabs, company contact tracing, etc.). Starting from 2021, a post-COVID medical evaluation and support service has been operating for employees who have contracted the virus, with specialist follow-up visits, in addition to clinics which are already running, that employees can access free of charge for specialist visits at the Pontedera Company Medical Centre.

A "COVID passport" monitoring system was set up all Italian offices in 2021, for access to all company areas.

OCCUPATIONAL ACCIDENTS AT ITALIAN PLANTS⁵²

	PONTERA	NOALE AND SCORZÈ	MANDELLO
2021			
Hours worked	4,206,574	767,712	255,760
No. of fatalities from occupational accidents	0	0	0
Fatality rate	0	0	0
No. of recordable occupational accidents	57	6	1
Rate of recordable occupational accidents	13.6	7.8	3.9
No. of occupational accidents with serious consequences	0	0	0
Rate of occupational accidents with serious consequences	0	0	0
2020			
Hours worked	3,458,896	607,436	189,009
No. of fatalities from occupational accidents	0	0	0
Fatality rate	0	0	0
No. of recordable occupational accidents	42	3	2
Rate of recordable occupational accidents	12.5	5.0	11.0
No. of occupational accidents with serious consequences	0	0	0
Rate of occupational accidents with serious consequences	0	0	0

Injuries that occurred at Italian sites in 2021 refer solely to Group employees and mainly involved bruising and injuries. No injury lasted longer than 6 months.

The injuries are mainly attributable to conduct, such as distractions, inadequate behaviour, failure to comply with procedures.

As for external companies operating at Piaggio's Italian production sites, no accidents were recorded in 2021, while 1 accident was recorded in 2020 referring only to the Pontedera site (6 accidents in 2019).

There were no fatal injuries in Italy in 2021, as was the case in 2020 and 2019.

India

In 2021, as in the previous year, health and safety was one of the main priorities for the company, especially with a view to the pandemic.

In order to guarantee the best occupational health and safety standards, the Indian subsidiary has an organisational structure that operatively involves the "Occupier" (employer), a single person across various production sites who has responsibility for the health, safety and well-being of all employees in the workplace, Factory Managers and a Safety Committee comprising 20 members that includes executives, managers and office workers.

The Safety Committee meets at regular intervals to plan, revise and discuss action plans necessary to establish and disseminate an awareness and safety culture among employees in the workplace. The presence of a Health & Safety team guarantees that the entire system may operate effectively.

⁵² Accident rates, for all geographic segments, are calculated taking into account the hours worked by employees during the reporting year and the multiplication factor of 1,000,000.

To deal with the pandemic and ensure the effective adoption of anti-COVID protocols and preventive measures, a Safety Committee was set up in which members of all company functions participate and audits were carried out on a daily/weekly basis to ensure that this Committee can promptly adopt specific corrective actions.

Numerous surveys and situation assessments were carried out with the effective implementation of health and safety protocols across the organisation.

A priority for the Company was the strict compliance with central and local government regulations relating to the prevention of the spread of COVID-19.

To this end, the Company began to work with a primary hospital in Pune, for the preparation and assessment of health protocols and a consultation service by a specialist doctor was made available to employees at the Pune office.

All employees participated in e-learning/information activities on the anti-COVID measures followed, which are binding for entry to the company, and frequent awareness sessions were held on the conduct to adopt.

Specific prevention measures were adopted for workers at higher risk of infection (e.g. frail workers and the over 60s). Employees were given the chance to take out additional medical insurance for any medical/hospital expenses incurred due to COVID-19.

To facilitate the management of potential symptoms of anxiety and depression related to the situation arising from the COVID-19 emergency, a virtual counselling service was also made available for employees and their families provided by a company specialised in compliance with privacy regulations.

Comprehensive risk assessments were carried out to help identify and mitigate occupational risks related to mental health.

In line with the Group's approach, a great deal has been invested in training over the last few years as a key driver to increase employee accountability in relation to safety and, consequently, to promote a proactive approach to and engagement with safety issues.

OCCUPATIONAL ACCIDENTS IN INDIA

	COMMERCIAL VEHICLES PLANT	TWO-WHEELER PLANT	ENGINE PLANT
2021			
Hours worked	1,986,376	771,123	723,510
No. of fatalities from occupational accidents	0	0	0
Fatality rate	0	0	0
No. of recordable occupational accidents	2	1	1
Rate of recordable occupational accidents	1.0	1.3	1.4
No. of occupational accidents with serious consequences	0	0	0
Rate of occupational accidents with serious consequences	0	0	0
2020			
Hours worked	2,051,302	596,872	530,808
No. of fatalities from occupational accidents	0	0	0
Fatality rate	0	0	0
No. of recordable occupational accidents	2	0	0
Rate of recordable occupational accidents	1.0	0	0
No. of occupational accidents with serious consequences	0	0	0
Rate of occupational accidents with serious consequences	0	0	0

Vietnam

The main priority of the Company this year was also the preventive management of the risk from COVID-19, in addition to maintaining the usual health and safety targets.

A series of risk containment measures were implemented at the Vietnamese plants (face mask, maintaining distances, hand-washing, spraying disinfectants, rotation of work shifts, etc.) which made it possible to avoid infection from COVID-19 in the workplace.

A Committee was set up to manage all issues relating to safety at work and the preventive measures adopted to minimize the risk of infection from COVID-19.

The protocols adopted were subject to periodic internal audits so that the Committee could promptly identify the necessary corrective actions. An external assessment was also conducted on the aforementioned H&S management model, with a positive outcome.

The planning of H&S activities was reviewed to ensure the achievement of established objectives. For example, to reduce the risk of gatherings, some internal events were postponed to avoid people gathering.

OCCUPATIONAL ACCIDENTS IN VIETNAM

	VIETNAM
2021	
Hours worked	2,160,537
No. of fatalities from occupational accidents	0
Fatality rate	0
No. of recordable occupational accidents	1
Rate of recordable occupational accidents	0.5
No. of occupational accidents with serious consequences	0
Rate of occupational accidents with serious consequences	0
2020	
Hours worked	1,810,609
No. of fatalities from occupational accidents	0
Fatality rate	0
No. of recordable occupational accidents	0
Rate of recordable occupational accidents	0
No. of occupational accidents with serious consequences	0
Rate of occupational accidents with serious consequences	0

RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

Piaggio Group produces vehicles that are sold under its brand on the various markets around the world. The only exception regards vehicles purchased by the Chinese subsidiary Zongshen Piaggio Foshan and scooters purchased by third parties (14,415 units in 2021, equivalent to 2.69% of vehicles sold).

Piaggio is a leader in engine technology and produces engines at its plants both for internal production and to meet the demand of other manufacturers.

All the other components that constitute a vehicle are purchased externally and assembled in-company.

Purchases of production sites related to goods and spare parts are indicated below. Purchases of commercial companies and research centres are not considered, as they are residual and not relevant.

Italian plants

In 2021, Italian plants purchased merchandise and spare parts for an overall value of €614.5 million (excluding complete vehicles) from 637 suppliers.

The first ten suppliers made up 21.7% of the total purchases.

GEOGRAPHIC LOCALISATION OF THE SUPPLIERS OF ITALIAN PLANTS⁵³

GEOGRAPHIC SEGMENT	2021	2020	2019
Italy	49.3%	54.7%	55.8%
Europe	7.9%	10.8%	11.7%
China+Taiwan	28.8%	20.3%	19.4%
Vietnam	7.8%	7.5%	6.0%
India	4.9%	5.7%	6.2%
Japan	0.7%	0.5%	0.4%
Others	0.6%	0.5%	0.5%

Indian plants

In 2021, plants in India purchased raw materials, merchandise and spare parts for an overall value of €194 million from around 568 suppliers.

The first ten suppliers made up 35.8% of the total purchases.

GEOGRAPHIC LOCATION OF THE SUPPLIERS TO INDIAN PLANTS

GEOGRAPHIC SEGMENT	2021	2020	2019
India	95.9%	94.9%	96.0%
Other	4.1%	5.1%	4.0%

Vietnamese plants

In 2021, plants in Vietnam purchased merchandise and spare parts for an overall value of €279 million from around 273 suppliers.

The first ten suppliers made up 35% of the total purchases.

GEOGRAPHIC LOCALISATION OF THE SUPPLIERS OF VIETNAMESE PLANTS

GEOGRAPHIC SEGMENT	2021	2020	2019
Vietnam	57.2%	59.1%	59.0%
China+Taiwan	16.6%	18.0%	18.4%
EMEA	22.1%	18.2%	18.2%
India	0.9%	1.2%	1.8%
Others	3.2%	3.5%	2.6%

Group relations with suppliers are based on loyalty, impartiality and respect of equal opportunities of all parties concerned.

The Piaggio Group is convinced that responsibility is a commitment which goes beyond the boundaries of the Company and must positively involve everyone in the Company-supplier chain; this is why suppliers worldwide that wish to do business with Piaggio have to sign the general conditions of supply of the Piaggio Group which include the "Code of Ethics and Guidelines for doing business". A new procedure is being trialled in Italy, where Piaggio requires suppliers to sign a "Sustainability Statement" in order for them to be included on the Supplier List for Italy, and ensure compliance with its ethical values throughout the production cycle and sales of its products.

In line with the Group's guidelines, every 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 last few 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

⁵³ For the calculation of the percentages, the value of incoming goods - open orders was taken into consideration.

and monitor activities of possible risks areas involving financial and corporate issues, guaranteeing the complete independence between corporate areas involved in the procurement processes, as well as meeting the needs of all stakeholders.

Corporate Finance Area

Responsibility for activities relating to the monitoring of the financial and corporate reliability of Strategic Suppliers rests with the Finance Area.

In 2021, Piaggio & C. SpA Supplier analysis and monitoring continued, as did the mapping of controlling partners/ shareholders (identified as "Beneficial Owners") of strategic partners. Furthermore, on the subject of compliance, controls of any politically exposed persons and/or subjects included on anti-terrorist lists (or in any case on lists of possible offences that could harm the company's reputation) among Suppliers continued, in order to mitigate "reputation risk". All possible company variations that may affect perceived risk are presented to a Suppliers' Committee (comprising the Purchasing Manager, Managers of Production Development (3-4W), the Manager of 2W R&D, the Manager of Administration and Credit Management, as well as the Finance Manager and the Chief Financial Officer) during periodic meetings in order to identify corrective and performance improvement actions, whenever critical issues are identified. The supply chain was also monitored in terms of financial sustainability following COVID-19.

In 2020, a new company procedure was published to assess Suppliers, in terms of their being legal entities and members of groups, identifying possible risks in the control chain.

The Financial Assessment of Aprilia Racing Strategic Suppliers continued in 2021, along with an analysis of the financial and corporate reliability of the main Sponsor Companies of the Team, including the monitoring of possible reputation risk.

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 purchasing performance through Vendor Rating campaigns.

Supplier relations are defined by specific company processes comprising two fundamental stages: new supplier qualification and periodic supplier monitoring.

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 pre-qualification 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:

- Assignment of a Vendor Rating Index, which measures the performance of the vendor using a weighted average of the assessments made by corporate functions (for direct materials, the relevant functions 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 them new supply agreements.

Supplier Portal

To ensure the effective and efficient management of supplier relationships, the Supplier Portal, based on the SRM-SAP system, is available in Italy, India and Vietnam.

The “SRM - Suppliers Portal” system is a computer tool to exchange information and documents on purchasing materials, components, equipment and services in real time between all company functions and suppliers, so as to guarantee the proper and transparent management of all purchasing process stages: purchase requests to purchase orders, price lists and supply programmes, incoming goods, invoices and information on payments.

In particular, the Portal ensures the achievement of the following objectives:

- greater collaboration with suppliers, through self-service, connectivity, document and information sharing tools;
- greater efficiency of purchasing processes, through the implementation of automated tools, and greater compliance with purchasing procedures;
- minimisation of manual activities;
- quality and accuracy of information;
- reducing business processes and communication times;
- low use of paper (including through the use of the digital signature);
- Reducing billing anomalies;
- visibility of the entire authorisation process, from purchase requests to orders.

SUPPORTING LOCAL COMMUNITIES

COMMITMENT	2021 OBJECTIVES	2021 RESULTS	2022 OBJECTIVES	MID-TERM OBJECTIVES
Development of relations with local communities where the Group operates.	- Development of collaborations to promote and build the value of Piaggio and its local area.	- Improvements were made to the museum rooms and additions were made to the collections on display. - Organisation of exhibitions, concerts and cultural events.	- Development of collaborations to promote and build the value of Piaggio and its local area.	- Development of relations with local institutions to raise the competitiveness and attractiveness of the local areas in which the Piaggio Group operates. - Foundation and Museum: completion of cataloguing, conservation and restoration work on historical vehicles which belong to the various Group brands.

Piaggio Foundation⁵⁴

In 2021, the Piaggio Foundation's activities were also strongly affected by developments in the COVID-19 pandemic. Live events were slowed down and for caution's sake, the Vespa events, school visits and organized tours were not held; however the fervour of scientific, historical and cultural activities that have always characterised the Foundation certainly did not stop.

The Piaggio Museum remained closed to the public until the end of April when, with extreme caution, visits were resumed by appointment at set times and with limited numbers. The virtual tour of the Museum, launched in March, overcame the difficulties of live visits, and kept the interest in the collections alive.

⁵⁴ Information on the Piaggio Foundation, which is not included in the scope of consolidation of the Group, refers to qualitative aspects useful for understanding its focus on the social fabric, even though this information is not included in the scope of consolidation.

Since the health situation prevented us from celebrating Vespa's 75th anniversary with events open to fans, we decided to celebrate with Vespizzatevi! 75 years of success and starting over - a virtual tour enjoyed by many Vespa enthusiasts and visitors to the Museum.

Of particular importance in 2021 were the musical events organised and hosted (32 concerts), which have always been a highlight linking Piaggio to the world of youth culture.

All of the above events resulted in some 15,000 visitors to the museum, along with the 10,000 or so virtual visits of our collections and the exhibition Vespizzatevi! 75 years of success and starting over.

Some 3,000 people attended outdoor events.

In 2021, study activities and historical and documentary support for Piaggio activities and the projects of authorised third parties (Universities, scholars, Publishers etc.) continued. Further improvements were made to the Museum's exhibition rooms, and additions made to the collections on display.

Piaggio Museum

During the long closure of the Museum, we tried to maintain contact with the public, via the web, and worked on new features to boost the Museum's appeal. However, archiving work and activities connected with studies and historical analysis continued and the opportunity was taken to develop new projects and carry out important works to improve the museum rooms and remote use of the Piaggio Museum.

Piaggio Historical Archive

During 2021, the Piaggio Historical Archive made an important contribution to corporate communication activities, especially in the context of two important anniversaries: the 75th anniversary of the Vespa (1946-2021) and the 100th anniversary of the Moto Guzzi (1921-2021). As regards Vespa's anniversary, the Archive provided ideas, images and historical advice for both the social campaign and the creation of the communication linked to the anniversary on the Vespa.com website and in the newly created Vespa Magazine. The Archive also worked on the conception, iconographic research and drafting of texts for the exhibition *Vespizzatevi! 75 years of success and starting over*, and its 'virtual' version, with video insights. For Moto Guzzi, work continued on the digitalisation and indexing of the archive's material, taken from Mandello in October 2020: photographic collections on racing, factories, events and rallies, military supplies and products, communication material, press reviews and a selection of technical documentation, as well as brochures and magazines of a historical nature, were all digitised and described. This large-scale operation enabled the Archive to provide documented advice for the production of the book "Moto Guzzi" published by Piaggio and Rizzoli to mark Moto Guzzi's centenary: iconographic research was conducted, photographic rights were evaluated and acquired, and texts revised. The Archive also provided images and historical information for the anniversary communication campaign, and the volume on Moto Guzzi produced by Italy's daily sports-themed newspaper "Gazzetta dello Sport".

Traditional support for licensing involved iconographic research for the design of the animated Vespa of the Disney Pixar film "Luca", and for the project of the Vespa Lego Creator and other projects, which are being defined.

With the gradual resumption of services to the public, the Archive began to provide research support to students, scholars and journalists for the production of theses, dissertations and publications, including, in particular, the volume produced by the Vespa Club d'Italia dedicated to the Vespa Rally.

Finally, the work of uploading to and filing images in the Digital Historical Archive portal continued, extending the activity to the Moto Guzzi and Aprilia brands.

Cultural Project

The activities and events in which the Cultural Project of the Piaggio Foundation was involved are described below.

EXHIBITIONS

2021 heralded 75 years of Vespa and the Piaggio Foundation decided to pay homage to this important anniversary by creating an exhibition entitled "*Vespizzatevi! 75 years of success and starting over*". The exhibition celebrates 75 years of Vespa with a colourful explosion of more than 200 images retracing its history, through one of its most successful advertising slogans, "Vespizzatevi" ("Time go get a Vespa!"), which in the early '50s accompanied Italy and Europe in the post-war reconstruction and in the early stages of the economic boom, when Vespa was "a vehicle for everyone", for the recovery of mobility and, therefore, freedom. The slogan was an ingenious linguistic invention capable of encapsulating in one word the timeless spirit of Vespa and its ability to accompany the desire for freedom of generations of men and women on the move.

In seventy-five years of history and with 19 million units produced on the roads of five continents, Vespa has given a new lease of life to the entire world, reaching the roads of all nations and uniting young people from distant and different cultures in a single passion. The first truly global brand of mobility, it has bridged the gap between generations, interacting with social environments far from each other, generating different cultural phenomena, specific to contexts where it has been able to become a leading player, with its distinctive flair. It has been behind habits, and music and cultural movements. It has accompanied countries and continents in their growth. It has been a boon during their economic prosperity.

The guest of the exhibition, the brand new Vespa 75th, created to celebrate this important anniversary. The exhibition also showcases a superb work created by the artist Marco Lodola to mark Vespa's birthday: "Vespa75", a unique, perspex and neon piece.

A virtual tour of the exhibition was also created, a new way of enjoying the Piaggio Museum's exhibition, even from a distance, with access to additional multimedia content. The tour has been a great success, with over two thousand views since its inauguration.

To mark the centenary of Moto Guzzi, in the presence of many restrictions and while waiting to produce a more important programme of celebrations over the next year, the Museum welcomed a small exhibition organized by the *Club ACI Storico*. On display the Club's Moto Guzzi models alongside the permanent collection of the Piaggio Museum, valuable pieces that have made their mark in the history of world motorcycling.

CONCERTS

Exactly one year after the interruption of the last edition, the third edition of the *Pontedera Music Festival* began.

Spring concerts of the Pontedera Music Festival

The Piaggio Foundation and the Pontedera Music Academy, with the valuable contribution of the prestigious Fonè record label and the support of the Municipality of Pontedera, organized 16 important events, between 21 March and 26 June. Despite the difficulties of the moment, some important aspects of the Festival were notable: the quality of the artists at international level, the presence of musicians working and known in the Valdera area and involvement of citizens and young people.

Two events were held in association with *fonè*, with the Artistic Direction of *Giulio Cesare Ricci*. Both were great returning acts:

- the American saxophonist *Scott Hamilton*, one of the world's greatest 'mainstream artists' and a leading exponent of 'traditional' jazz, who played in a quartet with three top jazzmen: *Paolo Birro* piano, *Aldo Zonno* double bass and *Alfred Kramer* drums, his usual partners when performing in Italy.
- *Duettango*, this time in a quintet formation: *Filippo Arlia* piano, *Cesare Chiacchiaretta* bandoneon, *Giovanni Zonino* violin, *Enrico Corapi* double bass, *Salvatore Russo* electric guitar, in a very special programme, entirely dedicated to *Astor Piazzolla* to mark the centenary of his birth.

There were also other important events:

- Two concerns with the pianist *Maurizio Baglini*, who proposed Beethoven's Symphony no.6. (transcription by Liszt) and *Carnaval* op. 9 by Schumann for solo piano and a concert with the cellist *Silvia Chiesa*.

- The group of chamber musicians *I Cameristi del Maggio Musicale Fiorentino* performed music by Ravel, Strauss and Prokofiev.

Two important new collaborations marked the edition:

- The *Orchestra Filarmonica Pucciniana (Puccini Philharmonic Orchestra)* performed music by *L. Boccherini, G.B. Viotti and W.A. Mozart*, for strings and solo flute.
- The prestigious "*G. Gherardeschi*" *Academy of Pistoia*, dedicated a weekend to concerts by students of specialisation courses, culminating in the performance of *Il Rossignolo*, an ensemble of ancient music composed by *Martino Noferi, Marica Testi and Ottavio Tenerani*.

This first part of the festival ended with a guitar concert performed by *Enea Leone* in a tribute to *Ennio Morricone*.

Summer Concerts of the Pontedera Music Festival

The summer edition of the Pontedera Music Festival 2021, again with the public in attendance even if outdoors, featured 15 events, of which 13 on the stage in Piazzale Corradino d'Ascanio, overlooked by the Piaggio Museum, and 2 events at Villa Crastan, in the centre of Pontedera.

The collaboration with the record company *fonè*, under the artistic direction of Giulio Cesare Ricci, was also extremely important for this summer edition, with four events:

- *La Musica al tempo di Dante (Music in Dante's times)* with the vocal and instrumental group *Al Qantarrah*, featuring seven specialists in early music. Francesca Esposito, lead vocals, Fabio Tricomi, vielle, Jew's harp, tambourine, vocals, Igor Niego, tambourine, Donato Sansone, symphonia, bandora (long-necked lute), vocals, Fabio Accurso, citola (short-necked lute), vocals, Sebastiano Scollo, triangle, lute, vocals, Roberto Bolelli, scattagnetti (castanets), lead vocals. This concert premiered at the Quirinale on 25 March during the "Dantedi" event, broadcast on Rai1.
- *Gabriele Mirabassi in trio, concert*. Gabriele Mirabassi, clarinet, Nando Di Modugno, classical guitar, and Pierluigi Balducci, acoustic bass, performed an evocative and suggestive journey from the Mediterranean to South America, along a route where jazz, folklore and echoes of a classical tradition all intertwined.
- Raiz & Radicante performed in an entirely acoustic version accompanied by Giuseppe De Trizio, classical guitar, Adolfo La Volpe, oud, classical guitar, Portuguese guitar and Francesco De Palma, percussion.
- *Musica Nuda (Bare music)*, a concert that *Petra Magoni* and *Ferruccio Spinetti* dedicated to the poems set to music of *Fabrizio De Andrè*.

From a project with the *Music Institute Istituto Musicale Rodolfo del Corona* two evenings were held, under the artistic direction of *Laura Brioli*:

- *Musical dreams*, a Musical Theatre concert with selected pieces from: 'The phantom of the opera', 'Les Misérables', 'The Hunchback of Notre Dame', 'My fair lady', 'Grease' and 'West Side Story'.
- *Opera Forever, Immortal arias and duets from the most famous operas* by W. A. Mozart, G. Verdi, G. Puccini, P. Mascagni. Other events included:
 - *Vick Frida* in an acoustic trio.
 - The eagerly awaited return of *Don Backy* to the Piaggio Museum with famous melodies from his repertoire that everyone remembers and that made an entire generation dream.
 - The *Borrkia Big Band* concert with *Stefano Toncelli*, on guitar, bass, drums and keyboard: an evening dedicated to Rock'n Roll with the typical sounds of the 1950s.
 - *Florence Cello Ensemble*, conducted by *Lucio Labella Danzi*, with music by Boccherini, Vivaldi, Popper and Rossini.
 - *Barcelona - The Album Tribute*, a tribute evening to Freddy Mercury and Montserrat Caballé.
 - A concert by *Andrea Valeri*, in collaboration with *Valkos Production*: an evening in which the well-known acoustic guitarist presented some talented young musicians under his direction, thanks to the collaboration with *Valkos Production*.
 - *I Fiati dell'Orchestra Filarmonica Pucciniana (the wind section of the Puccini Philharmonic Orchestra)* performing octets by Mozart and Stravinsky.
 - The *Jazz Quartet of the Academy*, with *Marco Vanni* sax, *Fabrizio Balest*, double bass, *Fabio Salvi* piano and *Giacomo Macelloni* drums, in a jazz tribute to the great *Astor Piazzolla*, to mark the centenary of his birth.
 - A special literary/musical event also featured in the festival: the presentation of *Marco Rossi's* book *Del cuore delle donne. Tra eros, amore e medicina (The heart of women. Between eros, love and medicine)*, accompanied by the guitar performing several monologues by *Giorgio Gaber* directed by *Daniele Guerrazzi*.

OTHER EVENTS

- The Piaggio Foundation has joined the *Corri la Vita* initiative, an event promoted by the Tuscany Region that helps women affected by breast cancer through the same-name non-profit organisation and finances projects for the prevention, early diagnosis and treatment of this disease. To mark the event, the Museum opened up especially for participants in the race.
- A few days after the death of Ilo Lorenzetti, a friend of the Museum as well as a passionate and expert "Vespa rider", the Piaggio Museum hosted the presentation of his book "Uno. Nessuno. Dodicimila" (One. No-one. Twelve thousand), dedicated to the thousands of men and women who worked at the Pontedera plants in the 1960s and 1970s.
- In the year when Pontedera became the "capital of nativity scenes", the Piaggio Museum hosted the presentation of the *Festival Terre di Presepi* (Festival of Nativity Scene Lands), which includes a parade in the historic town centre dedicated to the nativity.
- The Piaggio Foundation took an active part in a web event organised by *Rinascimento industriale* on its Youtube and LinkedIn channels, entitled "Un racconto attraverso il patrimonio storico" (A tale through heritage).

EVENTS AND PROGRAMMES DEDICATED TO YOUNG PEOPLE AND STUDENTS

- The Piaggio Foundation participated in the webinar *I sentieri delle professioni - Area artistico musicale (Professions - Music and the arts)*, organised by Campus Orienta, for high school students from Tuscany and professionals or companies in the artis/music sector, aimed at career guidance.
- The Piaggio Museum hosted the final day of the educational project *Studiare oggi* (Studying today) dedicated to Professor Franco Mosca one year after his death. The event was organised by the AsteroidEA association and was sponsored by the Piaggio Foundation, the University of Pisa, the Scuola Normale Superiore and the Scuola Superiore Sant'Anna of Pisa.
- During the *Musei in Festa (A celebration of Museums)* event held at Villa Baciocchi in Capannoli, the Valdera Museums offered free educational workshops for children. The Piaggio Museum participated with the workshop *Piccolo spazio pubblicità (A small advertising space)*.
- The *San Luca Fair* (Pontedera). At the stand dedicated to the Valdera Museums, the Piaggio Museum hosted the workshop *La mia Vespa pezzo per pezzo (My Vespa piece by piece)* in association with the cooperative Cooperativa Formacultura.
- *Transection* was the theme of the sixteenth edition of Creativity, the most important training event organised and hosted by the Piaggio Foundation. Energy, technological and social transitions were the focus: from the world of motorcycle racing to deep space, sustainable fashion and applied biorobotics. On stage were experts, professionals and new designers. The event began with an Open Conference by Maurizio Goez, from the University of Milano-Bicocca and IULM, founder of *Imagination Design Coaching*, and continued with three parallel conferences on the three topics listed above, each of which featured industry experts and recent graduates.
 This year, the rules on COVID prevention restricted attendance to 250 students a day, who listened to lectures and were involved in planned activities, in three groups in the different rooms of the museum.
- The partnership with the company *Modartech* continued, to promote creativity in design among young people. In particular, the Piaggio Foundation sponsored and promoted the summer event held in piazzale D'Ascanio *Talent Lab | Creative Exhibition* and hosted lectures in its Auditorium, delivered by style and fashion experts such as *Stefano Dominella*, director of Maison Gattinoni and guest columnist on well-known RAI programmes.

CLUBS

- Active participation in the national motoring tourism conference, a web event organised by Città dei Motori and ANCI, coordinated by the President of ANCI- Città dei Motori Luigi Zironi, Mayor of Maranello.
- Confcommercio press conference to present an initiative to promote the local area. An initiative promoted by the *Ciao in Art* association and the *Ciao Club Pontedera*, which included an exhibition of numerous Ciao models from the 1970s and 1980s.
- The Tuscany Vespa Raid Championship organised by the Vespa Club of Pisa and Pontedera with the departure and arrival of Vespa riders in the square of the Museum, a visit to the Museum and award ceremony in the Auditorium.
- A Stage of the Vintage Car Rally organised by ACI SPORT Auto Storiche, with gala dinner and award ceremony held at the Museum.

- A meeting of Ciao fans, with a ceremony to present the Ciao restored by the Pontedera Ciao Club to Corradino d'Ascanio's granddaughters.

PUBLICATIONS

Work continued, to gather and process contributions related to the conference *From Scientia Machinale to Robotics and Industry 4.0 in Leonardo's Tuscany*, which will be included in the Proceedings that will take place during 2022 for the Tommaso Fanfani Series of Studies. To overcome the difficulty of finding contributions from speakers, the lecturer Fiorella Battaglia, who works at the Scuola Superiore Sant'Anna in Pisa, was involved and launched a series of interviews that will be re-processed in order to develop the speeches made and include further ideas.

SOCIAL MEDIA

During 2021, a balanced communication programme was launched featuring news of events, news about the Museum and archive images and the collection. The programme was previously shared with Piaggio functions (brand and digital manager), in order to achieve shared communication consistent with the company's purposes. Activities included the uploading of stories to the website, which were shared in the corporate communication plan and resulted in an increase in Piaggio Museum site traffic.

As for communication more specifically aimed at the cultural events organised by the Piaggio Foundation, a video was made with the editing of images of concerts and interviews held at the Museum, and a 25-minute focus sessions was commissioned to Canale 50 with journalistic insights about the Raiz and Radicanto concert, held during the summer edition of the Pontedera Music Festival.

Both videos were uploaded to the Museum's website home page and were published in Wide, the Piaggio Group's official web magazine, and on the company's Intranet page.

CHARITY ACTIVITIES AND SPONSORSHIPS

The Piaggio Group consists of 23 companies, 19 of which are operational. The latter are located in 15 countries. In four of these countries, the Group launched charity projects worth €1.7 million in 2021.

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

The funded projects are analysed below.

In 2021, the partnership between the Piaggio Group and (RED) - an association founded in 2006 by Bono and Bobby Shriver - continued, which, thanks to the help of partners and supporters, has allocated more than USD 700 million to the fight against AIDS and COVID-19. (RED) aid to the Global Fund has impacted more than 220 million lives through prevention, treatment, counselling, HIV testing and support services.

This year the partnership has been extended with the introduction of the new model (VESPA ELETTRICA)^{RED} which will be marketed from Spring 2022.

The collaboration with (RED) also continued during the last round of the Moto GP world championship, held in Valencia (Spain) on 14 November, which saw the riders and the entire Aprilia Racing team become promoters to raise awareness among the large audience of MotoGP enthusiasts towards issues such as the fight against pandemics.

Interest in research and progress in the health sector led the Piaggio Group to donate €250,000 to the IEO CCM Foundation (European Institute of Oncology) and €50,000 to the Pontedera vaccination centre (to help with the emergency due to the COVID-19 pandemic).

In the field of international cooperation, €40,000 was also donated to ISPI (Institute for International Political Studies) and €10,000 to AIICP (Italy-India Association for Cooperation between the two countries).

Two Wi-Bikes were donated to the Istituto Oncologico Mantovano, and a Vespa Dior was donated in support of the

Community of San Patrignano through an auction organised by Charity Stars.

Lastly, for some years now, for the end of year festive season, the Piaggio Group, together with the entire Immsi Group, has been fostering educational and rehabilitative activities for disabled children affected by brain damage by making a donation to the "Casa del Sole Onlus" association, in the name of all the employees of the Immsi and Piaggio Groups. This year the Piaggio Group contributed €20,000. In forty years of activities, the non-profit-making organisation Casa del Sole Onlus has assisted over five thousand children affected by brain damage and been a valuable source of help for their families.

The Indian and Vietnamese subsidiaries have also been active in the social field, supporting and promoting charitable initiatives, despite the impossibility of organising events due to the pandemic.

In particular, Piaggio Vietnam donated 8 respirators to the Vinh Phuc health district, raised funds for 2 orphanages and gave gifts to the children of some disadvantaged families.

Particular mention should go to the Indian subsidiary.

The Company Act of 2013 enacted by the Government of India in 2013 stipulated that large companies operating in India must spend in each financial year, at least two percent of the average net profits of the last three years, in accordance with the company's Corporate Social Responsibility Policy and favouring local areas adjacent to the production site. Schedule VII of the Companies Act 2013 lists the CSR activities that can be undertaken by companies in compliance with the company's Corporate Social Responsibility Policy: (i) eradicating hunger and extreme poverty; (ii) promoting training; (iii) promoting gender equality and women's empowerment; (iv) reducing infant mortality and improving maternal health; (v) combating HIV, malaria and other diseases; (vi) ensuring environmental sustainability; (vii) promoting employment and the improvement of professional skills; (viii) social entrepreneurial projects; (ix) contribution to the Prime Minister's National Relief Fund or any other fund created by central government 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, 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 subsidiary during 2021 were as follows:

Development of a watershed

PVPL's aim is to make water available to communities residing in the area adjacent to the plant and to reduce dependence on the supply from tankers on which they were forced to rely for almost 5 months a year. Thanks to soil and water conservation measures combined with the development of biomass and vegetation on the basis of the river basin, efforts have been made to improve the natural resource base of the local economy (household needs, agriculture, livestock, livelihoods and income), thus mitigating climate-induced risks, such as disasters resulting from extreme weather events.

By December 2021, the total coverage of the watershed area through various treatments reached 11,978 hectares and covered 10 villages. Before the treatment of the catchment area, the upper fertile soil was washed away by the rainwater runoff. The soil erosion of this area is now controlled, and the improved retention of soil moisture contributes to increasing crop yield. The most important aspect of this project is the increase in groundwater resupply and increase in well water levels; farmers are switching to an increasingly appropriate farming model. The models are horticulture and dairy farming.

After ensuring a greater availability of water for domestic and agricultural use for the community, the focus shifted to the prevention of waterborne diseases and thus to the provision of safe drinking water. Water filters were installed in 3 villages with capacities ranging from 1000 LPH to 2000 LPH depending on the population.

Eye care

As a company operating in mobility, PVPL is committed to reducing road accidents. Given that 60% of road accidents in the world are attributable to vision problems and 28% of road accidents in India involve light commercial vehicles, the company took the opportunity to provide eye care facilities for the 3-wheeler driver community. More than 520 mobile eye care facilities were built across India, that examined more than 33,500 motorists. Free corrective glasses were provided to 18,600 drivers. In addition, 1,800 motorists with severe vision problems were referred to hospitals and some received free cataract surgery.

Kits for the food supply of 3-wheeler taxi drivers during lockdown

Dealers were encouraged to contribute together with the company to the supply of food supply kits for a family of 4 people lasting 2 months. 11,000 families of 3-wheeler taxi drivers were assisted in 14 states through the dealer network.

Scholarships for children of 3-wheeler taxi drivers

A scholarship programme was launched to support the children of 3-wheeler taxi drivers who are studying for a diploma, bachelor's degree or at upper secondary school. The market demands more technically qualified workers and through this scholarship programme, PVPL is offering young people the chance to acquire the skills to find a job and support their families.

Thanks to the project, 549 students received a scholarship to continue their higher education after school.

Only 25% of students opt for higher education. Studies have shown that 57% of students drop out of education because they cannot afford it.







**TABLE OF GRI INDICATORS
(GRI CONTENT INDEX)**

GRI INDICATOR	DISCLOSURE TITLE	REFERENCE	OMISSIONS
GRI 101 FOUNDATION			
GRI 102 GENERAL DISCLOSURES			
1. STRATEGY AND ANALYSIS			
102-14 (2016)	Statement from senior decision-maker	Letter from the Chairman	
2. ORGANIZATIONAL PROFILE			
102-1 (2016)	Name of the organization	The commitment of the Piaggio Group	
102-2 (2016)	Activities, brands, products, and services	Group profile	
102-3 (2016)	Location of headquarters	Group profile	
102-4 (2016)	Location of operations	Group profile	
102-5 (2016)	Ownership and legal form	Group Profile - Corporate Structure	
102-6 (2016)	Markets served	Group profile	
102-7 (2016)	Scale of the organization	Group profile	
102-8 (2016)	Information on employees and other workers	The Social Dimension - Staff	
102-9 (2016)	Supply chain	The Social Dimension - Responsible management of the supply chain	
102-10 (2016)	Significant changes to the organization and its supply chain	Group profile	
102-11 (2016)	Precautionary Principle or approach	Risk management	
102-12 (2016)	External initiatives	The commitment of the Piaggio Group	
102-13 (2016)	Membership of associations	The Product Dimension - Funded European projects The Social Dimension - Supporting local communities	
3. IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
102-45 (2016)	Entities included in the consolidated financial statements	Corporate Social Responsibility Report	
102-46 (2016)	Defining report content and topic boundaries	Guidance - Materiality analysis Guidance - The contents of the Report	
102-47 (2016)	List of material topics	The commitment of the Piaggio Group - Sustainability strategy Guidance - Materiality analysis Guidance - The contents of the Report	
102-48 (2016)	Restatements of information	Corporate Social Responsibility Report Guidance The Environmental Dimension - Emissions of CO ₂ and other pollutants	
102-49 (2016)	Changes in reporting	Corporate Social Responsibility Report Guidance - Materiality analysis	
4. STAKEHOLDER ENGAGEMENT			
102-40 (2016)	List of stakeholder groups	The commitment of the Piaggio Group - Stakeholders' involvement	
102-41 (2016)	Collective bargaining agreements	The Social Dimension - Industrial Relations	
102-42 (2016)	Identifying and selecting stakeholders	The commitment of the Piaggio Group - Stakeholders' involvement Materiality analysis	
102-43 (2016)	Approach to stakeholder engagement	The commitment of the Piaggio Group - Stakeholders' involvement Materiality analysis	
102-44 (2016)	Key topics and concerns raised	The commitment of the Piaggio Group - Stakeholders' involvement Materiality analysis	
5. REPORT PROFILE			
102-50 (2016)	Reporting period	Corporate Social Responsibility Report Guidance	
102-51 (2016)	Date of most recent report	Corporate Social Responsibility Report Guidance	

GRI INDICATOR	DISCLOSURE TITLE	REFERENCE	OMISSIONS
GRI 101 FOUNDATION			
GRI 102 GENERAL DISCLOSURES			
5. REPORT PROFILE			
102-52 (2016)	Reporting cycle	Corporate Social Responsibility Report	Guidance
102-53 (2016)	Contact point for questions regarding the report	Corporate Social Responsibility Report	
102-54 (2016)	Claims of reporting in accordance with the GRI Standards	Corporate Social Responsibility Report	Guidance
102-55 (2016)	GRI content index	Table of indicators Global Reporting Initiative - Sustainability Reporting Standards 2020 (GRI Content Index)	
102-56 (2016)	External assurance	Report on the limited auditing of the Corporate Social Responsibility Report	Guidance
6. GOVERNANCE			
102-18 (2016)	Governance structure	Sustainability governance Corporate Governance Report 2021	
7. ETHICS AND INTEGRITY			
102-16 (2016)	Values, principles, standards, and norms of behavior	Governance of sustainability - The system for responsible business management - Code of Ethics The Commitment of the Piaggio Group	
SPECIFIC DISCLOSURE			
SIGNIFICANT TOPICS: CREATION OF ECONOMIC VALUE			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Economic Dimension - Determination and distribution of the economic value generated	
201-1 (2016)	Direct economic value generated and distributed	The Economic Dimension - Determination and distribution of the economic value generated	
201-4 (2016)	Financial assistance received from government	The Economic Dimension - Public grants and tax benefits	
202-2 (2016)	Proportion of senior management hired from the local community	The Social Dimension - Developing human resources - Diversity and equal opportunity	
207-1 (2019)	Approach to tax	The Economic Dimension - Taxes	
207-2 (2019)	Tax governance, control, and risk management	The Economic Dimension - Taxes	
207-3 (2019)	Stakeholder engagement and management of concerns related to tax	The Economic Dimension - Taxes	
207-4 (2019)	Country-by-country reporting	The Economic Dimension - Taxes	
SIGNIFICANT TOPICS: RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Economic Dimension - Determination and distribution of the economic value generated The Social Dimension - Responsible management of the supply chain	
204-1 (2016)	Proportion of spending on local suppliers	The Social Dimension - Responsible management of the supply chain	

GRI INDICATOR	DISCLOSURE TITLE	REFERENCE	OMISSIONS
SPECIFIC DISCLOSURE			
SIGNIFICANT TOPICS: CLIMATE CHANGE			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Environmental Dimension - Energy consumption The Environmental Dimension - Environmental certification The Environmental Dimension - Emissions of CO ₂ and other pollutants	
302-1 (2016)	Energy consumption within the organization	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	
305-4 (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	
SIGNIFICANT TOPICS: CONSERVING WATER RESOURCES			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Environmental Dimension - Conserving water resources	
303-1 (2018)	Interactions with water as a shared resource	The Environmental Dimension - Conserving water resources	
303-2 (2018)	Management of water discharge-related impacts	The Environmental Dimension - Conserving water resources	
303-3 (2018)	Water withdrawal	The Environmental Dimension - Conserving water resources	
303-4 (2018)	Water discharge	The Environmental Dimension - Conserving water resources	
303-5 (2018)	Water consumption	The Environmental Dimension - Conserving water resources	
SIGNIFICANT TOPICS: WASTE HANDLING			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Environmental Dimension - Waste handling and recovery	
306-1 (2020)	Waste generation and significant waste-related impacts	The Environmental Dimension - Environmental certification The Environmental Dimension - Waste handling and recovery	
306-2 (2020)	Management of significant waste related impacts	The Environmental Dimension - Waste handling and recovery	
306-3 (2020)	Waste generated	The Environmental Dimension - Waste handling and recovery	

GRI INDICATOR	DISCLOSURE TITLE	REFERENCE	OMISSIONS
SPECIFIC DISCLOSURE			
SIGNIFICANT TOPICS: DEVELOPING HUMAN RESOURCES			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Social Dimension - Personnel management policies The Social Dimension - Industrial relations The Social Dimension - Developing human resources	
401-1 (2016)	New employee hires and employee turnover	The Social Dimension - Personnel management policies	
401-2 (2016)	Benefits provided to full-time employees that are not provided to temporary or part-time employees	The Social Dimension - Developing human resources - Reward policies	
401-3 (2016)	Parental leave	The Social Dimension - Diversity and equal opportunity	The Group reports on the retention rate
404-1 (2016)	Average hours of training per year per employee	The Social Dimension - Training	
404-2 (2016)	Programs for upgrading employee skills and transition assistance programs	The Social Dimension - Personnel management policies - Development and careers	
404-3 (2016)	Percentage of employees receiving regular performance and career development reviews	The Social Dimension - Personnel management policies - Appraisal	
SIGNIFICANT TOPICS: HEALTH AND SAFETY			
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	

GRI INDICATOR	DISCLOSURE TITLE	REFERENCE	OMISSIONS
SPECIFIC DISCLOSURE			
SIGNIFICANT TOPICS: GENDER EQUALITY			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Social Dimension - Personnel management policies Governance of sustainability - The system for responsible business management	
405-1 (2016)	Diversity of governance bodies and employees	The Social Dimension - Diversity and equal opportunity Sustainability governance	
SIGNIFICANT TOPICS: HUMAN RIGHTS			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Social Dimension - Personnel management policies Governance of sustainability - The system for responsible business management	
406-1 (2016)	Incidents of discrimination and corrective actions taken	Governance of sustainability - The system for responsible business management	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainability Governance - Policy and guidelines in the social and environmental field Risk management	
408-1 (2016)	Operations and suppliers at significant risk for incidents of child labor	Sustainability Governance - Policy and guidelines in the social and environmental field Risk management	
409-1 (2016)	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability Governance - Policy and guidelines in the social and environmental field Risk management	
SIGNIFICANT TOPICS: SUPPORTING LOCAL COMMUNITY			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Social Dimension - Supporting local communities	
413-1 (2016)	Operations with local community engagement, impact assessments, and development programs	The Social Dimension - Supporting local communities	
203-1 (2016)	Infrastructure investments and services supported	The Social Dimension - Supporting local communities	
SIGNIFICANT TOPICS: BUSINESS INTEGRITY			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report Governance of sustainability - The system for responsible business management	
415-1 (2016)	Political contributions	Governance of sustainability - The system for responsible business management	
205-3 (2016)	Confirmed incidents of corruption and actions taken	Governance of sustainability - The system for responsible business management	
206-1 (2016)	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Governance of sustainability - The system for responsible business management	
419-1 (2016)	Non-compliance with laws and regulations in the social and economic area	Sustainability Governance - Policy and guidelines in the social and environmental field	
307-1 (2016)	Non-compliance with environmental laws and regulations	Governance of sustainability - The system for responsible business management	

GRI INDICATOR	DISCLOSURE TITLE	REFERENCE	OMISSIONS
SPECIFIC DISCLOSURE			
SIGNIFICANT TOPICS: PRODUCT SAFETY AND RELIABILITY			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Product Dimension - Research guidelines The Product Dimension - Meeting customer requirements	
416-1 (2016)	Assessment of the health and safety impacts of product and service categories	The Product Dimension - Research guidelines The Product Dimension - Meeting customer requirements	A qualitative contribution is provided
SIGNIFICANT TOPICS: CUSTOMER SATISFACTION			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Product Dimension - Meeting customer requirements Governance of sustainability - The system for responsible business management	
417-3 (2016)	Incidents of non-compliance concerning marketing communications	Governance of sustainability - The system for responsible business management	
418-1 (2016)	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance of sustainability - The system for responsible business management	
SIGNIFICANT TOPICS: INNOVATION AND SUSTAINABLE MOBILITY			
103-1-2-3 (2016)	Management approach	Materiality analysis The contents of the Report The Product Dimension - Research guidelines The Product Dimension - Meeting customer requirements	



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**REPORT ON THE LIMITED
AUDITING OF THE 2021
CORPORATE SOCIAL
RESPONSIBILITY REPORT**



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INDEPENDENT AUDITOR'S REPORT ON THE CORPORATE SOCIAL RESPONSIBILITY REPORT

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

We have carried out a limited assurance engagement on the Corporate Social Responsibility Report of Piaggio Group (hereinafter also "Group") as of December 31, 2021 (hereinafter also "CSR Report").

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

Responsibility of the Directors for the Corporate Social Responsibility Report

The Directors of Piaggio & C. S.p.A. are responsible for the preparation of the CSR Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative ("GRI Standards"), as stated in the paragraph "Guidance" of the CSR Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the CSR Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of Piaggio Group objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* 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.

Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 030/9560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the CSR Report with 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 CSR Report 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 (*"reasonable assurance engagement"*), 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 the CSR Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the CSR Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

- analysis of the reasons for the coexistence of the Non-Financial Statements according to Art. 3 and 4 of Legislative Decree 254/2016, and of the CSR Report and of the profiles differentiating such two documents;
- analysis of the process relating to the definition of material aspects disclosed in the CSR Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- comparison between the economic and financial data and information included in the paragraph *"The Economic Dimension"* of the CSR Report with those included in the Group consolidated financial statements;
- understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the CSR Report.

In particular, we carried out interviews and discussions with the management of Piaggio & C. S.p.A. 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 CSR Report.



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

- at the parent company's and subsidiaries' level:
 - with regards to qualitative information included in the CSR Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - 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 and their location, we carried out site visits and remote meetings, during which we have met the management and have gathered supporting documentation on a sample basis 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 CSR Report of Piaggio Group as of December 31, 2021 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Guidance" of the CSR Report.

Our conclusion on the CSR Report does not extend to the information required by art. 8 of the European Regulation 2020/852 included by the Directors on a voluntary basis in the paragraph "European Taxonomy".

Other matters

The CSR Report for the year ended December 31, 2020, whose data are presented for comparative purposes, have been subject to a limited assurance engagement by another auditor that, on March 22, 2021 expressed an unmodified conclusion.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Amelio
Partner

Milan, Italy
March 17, 2022

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



We thank all our colleagues who, with their precious collaboration, made the drafting of this document possible.

This document is available on the Internet at: www.piaggiogroup.com

Disclaimer

This CSR Report as of 31 December 2021 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.



Management and Coordination
IMMSI S.p.A.
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