



PIAGGIO
GROUP

CORPORATE SOCIAL RESPONSIBILITY REPORT 2020



"In order to be able to talk about genuine development, we need an overall improvement in the quality of human life, and this implies analyzing the space in which people's lives take place. These settings influence the way we think, feel and act. In our rooms, our homes, our workplaces and neighbourhoods, we use our environment as a way of expressing our identity. We make every effort to adapt to our environment, but when it is disorderly, chaotic or saturated with noise and ugliness, such over-stimulation makes it difficult to find ourselves integrated and happy."

"Laudato si" - J.Bergoglio 2015

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CORPORATE SOCIAL RESPONSIBILITY REPORT

REPORTING PERIOD	- 2020 Financial year (from 1 January to 31 December 2020).
ANNUAL REPORTING CYCLE	- Cycle.
DATE OF PUBLICATION	- This document was published on 23 March 2021. - The 2019 CSR Report was published on 25 March 2020.
DOCUMENT FORMATS	- This issue is available in PDF format in Italian and English on the Internet at: www.piaggiogroup.com
SCOPE OF THE REPORT	- The information and figures in the CSR Report refer to subsidiaries (Italian and foreign) and the Fondazione Piaggio and the activities they engaged in over the course of the year. For further details on the scope of consolidation for various topics addressed, see the table in the section "Contents of the Report". Information on the Fondazione Piaggio (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 of quantitative information of the NFS. - The financial data reflect the data in the 2020 Consolidated Financial Statements of the Piaggio Group.
REPORT CONTENT	- The contents of the 2020 CSR Report are based on the requirements of the Global Reporting Initiative - Sustainability Reporting Standards 2016 with the exception of those relating to Standards 303 (Water and Effluents) and 403 (Occupational Health and Safety), for which the 2018 version is used and for those relating to Standard 207 (Tax), for which the 2019 version - Core Option is used instead.
STATEMENT	- The 2020 CSR Report has been subject to a limited audit by PricewaterhouseCoopers SpA, 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 in 2016 by GRI-Global Reporting Initiative, with the exception of Standards 303 (Water and Effluents) and 403 (Occupational Health and Safety), for which the 2018 version is used instead, and Standard 207 (Tax), for which the 2019 version is used instead.
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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



The year that we have just left behind us brought about profound changes in society and in individual behaviour, forcing companies to redesign themselves on both an organisational and business level. Our speed in adapting our business model to the changing external scenario – which has always been a hallmark of the Group – meant we could achieve positive results despite the fact that 2020 has been more challenging than expected.

We reacted with our usual rapidity to the unpredictable Covid-19 emergency, which had such a dramatic impact on the last year, to protect our employees and the community. Accordingly, we have rethought the company's organisational and behavioural models, providing concrete responses to the health and safety needs of our employees and their families.

But change didn't just happen within the company. Mobility as a whole has begun a perhaps irreversible transformation. As active players in global mobility – not just vehicle manufacturers – we have focused on technological innovation, unique design and attention to quality, and we have committed ourselves to developing products and services that improve the way people and goods move, while respecting our host communities and the environment.

Our focus on environmental sustainability entails a commitment to developing products with low consumption and emissions, including hybrid and, of course, electric, which is a central theme of our new product development strategy now and in the coming years. But it also applies to production processes, through tangible actions to improve efficiency, with a particular focus on emissions reduction and the conservation of water resources.

Our main assets are the dedication, expertise, genius, courage and tenacity of the women and men who work to make the Piaggio Group more competitive every day. And this is something that must be preserved by promoting respect for our core values, namely integrity, consistency, transparency and equality. The future of the Piaggio Group, which has been an undisputed symbol of Italian industrial excellence for 135 years, depends on our commitment and passion.

We are confident that we have the right tools to handle this particularly difficult time and the major global transformation under way. We have innovative technology, unique brands that have made us leaders in many markets, capable people and brilliant ideas.

The Piaggio Group has therefore affirmed – and can reaffirm in this difficult year – its commitment to the creation of a new, more responsible and sustainable mobility, as we continue to pursue the goal of improving our quality of life and that of future generations.

Chairman and Chief Executive Officer of the Piaggio Group
Roberto Colaninno



METHODOLOGICAL NOTE



→ METHODOLOGICAL NOTE

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"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 2020 Corporate Social Responsibility Report is prepared in accordance with the guidelines "Sustainability Reporting Standards" - Core Option, published in 2016 by the GRI - Global Reporting Initiative, with the exception of those relating to Standards 303 (Water and Effluents) and 403 (Occupational Health and Safety), for which the 2018 version is used, and those relating to Standard 207 (Tax), for which the 2019 version is used instead. The contents of the Report are based on principles of materiality, the inclusion of stakeholders and the context of sustainability and completeness. The quality of information and adequacy of its presentation is guaranteed by the principles of fairness, clarity, accuracy, timeliness, comparability and reliability.

PROCESS OF REPORTING AND ASSURANCE

The process of reporting and monitoring Key Performance Indicators (KPI) relevant to sustainability involves the Holding as regards all-round topics and all Group Divisions and Companies as regards the topics and specific indicators of the different 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 Sustainability Report and the Non-Financial Statement of the Group, is responsible for consolidating results. The Sustainability Report is analysed and assessed by the Ethics Committee. The document is then approved by the Board of Directors and finally presented at the General Shareholders' Meeting at the same time as the Group's Consolidated Financial Statements.

The ESG data are taken from the Non-Financial Statement, while financial data are from the Consolidated Financial Statements of the Piaggio Group, already subject to limited assurance and auditing respectively.

To improve the effectiveness of the reporting process and assure all stakeholders the reliability of reported information, the 2020 Sustainability Report was subjected to a limited audit by PricewaterhouseCoopers SpA; 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 2019 and 2018, 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.

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 of Euros; changes and percentages are calculated based on specific data.

MATERIALITY ANALYSIS

The analysis process was conducted by the Group Consolidated Financial Statements and Sustainability Unit. This process was divided into 4 phases:

1. Identification of sustainability issues;
2. Identification and engagement of relevant stakeholders;
3. Assessment of the significance of topics;
4. Approval by the Board of Directors.

The stage to identify sustainability topics that are relevant for the sector and Piaggio was based on a number of sources, including company policies and principles of conduct, the 2019 Sustainability Report and stakeholder engagement initiatives.

The Piaggio Group has always paid considerable attention to engaging with stakeholders, i.e. all entities inside and outside the organisation whose activities have an impact on company operations. 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, described in full in the section "Stakeholder engagement".

The Group's top managers and a small but representative sample of categories of external stakeholders were requested to compile a materiality form, combined and used to construct the materiality matrix. The 15 topics previously selected were positioned along the two axes:

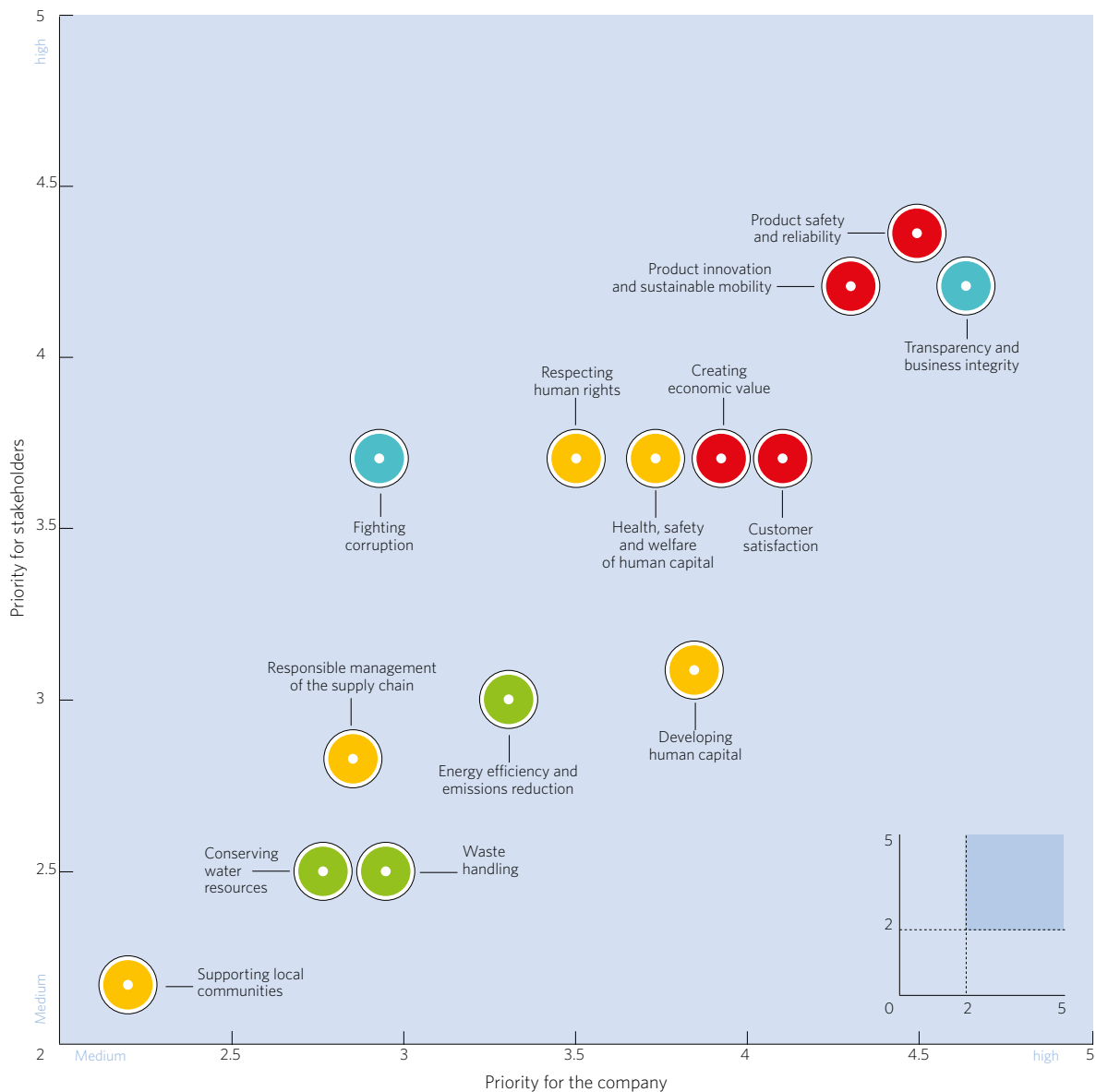
- the x-axis shows the significance for Piaggio;
- the y-axis shows the significance for external stakeholders.

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 2020 matrix was examined and approved by the Board of Directors of Piaggio & C. S.p.A. in the meeting of 25 February 2021.



**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 2020 Sustainability 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 (2020 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 2020 Sustainability Report and other Group Reporting tools.



The following table shows:

- the material topics for the company, represented by dimension,
- the impact on stakeholders,
- reference chapter,
- the reporting boundary.

SIZE	TOPIC	INTERNAL IMPACT	EXTERNAL IMPACT	REFERENCE CHAPTER	REPORTING PERIMETER ¹
GOVERNANCE OF SUSTAINABILITY	Fighting corruption	All Group companies - Human resources	Public Administration - Suppliers - Customers - Lenders	Governance of sustainability	All Group companies
	Compliance with laws and regulations	All Group companies - Human resources	Public Administration - Suppliers - Customers - Lenders - Local communities	Governance of sustainability	All Group companies
	Respecting human rights	All Group companies - Human resources	Suppliers	Governance of sustainability	All Group companies
RISK MANAGEMENT	Risk Management	All Group companies - Human resources	Customers - Local communities and the external environment	Risk Management	All Group companies
ECONOMIC	Transparency, Creating Economic Value	All Group companies - Human resources	Shareholders - Lenders - Suppliers	The Economic Dimension	All Group companies
PRODUCT	Product innovation and sustainable mobility, Reliability and safety	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited - Piaggio Advanced Design Center - Piaggio Fast Forward - Foshan Piaggio Vehicles Technologies	Customers	The Product Dimension	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited - Piaggio Advanced Design Center - Piaggio Fast Forward - Foshan Piaggio Vehicles Technologies
	Meeting customer requirements	All Group companies	Customers and dealers	Meeting customer requirements	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited
ENVIRONMENTAL	Improving energy efficiency, waste management, conserving water resources	All Group companies	Local Communities - Suppliers	The Environmental Dimension	All Group companies
SOCIAL	Developing human capital	All Group companies - Human resources	Suppliers	Developing human resources	All Group companies
	Health and safety	All Group companies - Human resources	Suppliers	Developing human resources	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited
	Responsible management of the supply chain	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited - Piaggio Advanced Design Center - Piaggio Fast Forward - Foshan Piaggio Vehicles Technologies	Suppliers	Responsible management of the supply chain	Piaggio & C - Piaggio Vietnam - Piaggio Vehicles Private Limited - Piaggio Advanced Design Center - Piaggio Fast Forward - Foshan Piaggio Vehicles Technologies
	Supporting local communities	All Group companies	Local Communities	Supporting local communities	Fondazione Piaggio - All Group companies

¹ Any exceptions are reported in a note at the time of reporting.



THE COMMITMENT OF THE PIAGGIO GROUP



→ THE COMMITMENT OF THE PIAGGIO GROUP

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"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 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 contained within the Group's Code of Ethics are consistent with the 17 Sustainable Development Goals (SDGs).

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).

SUSTAINABLE DEVELOPMENT GOALS

● TRANSPARENCY AND BUSINESS INTEGRITY	
● FIGHTING CORRUPTION	
● CREATING ECONOMIC VALUE	 
● PRODUCT INNOVATION AND SUSTAINABLE MOBILITY	 
● PRODUCT SAFETY AND RELIABILITY	  
● CUSTOMER SATISFACTION	 
● ENERGY EFFICIENCY AND EMISSIONS REDUCTION	  
● CONSERVING WATER RESOURCES	 
● WASTE HANDLING	 
● DEVELOPING HUMAN CAPITAL	
● HEALTH, SAFETY AND WELFARE OF HUMAN CAPITAL	 
● RESPECTING HUMAN RIGHTS	  
● RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN	  
● SUPPORTING LOCAL COMMUNITIES	    

Among the SDGs identified above, Piaggio believes that its activities can contribute to achieving the following:

- 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

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.

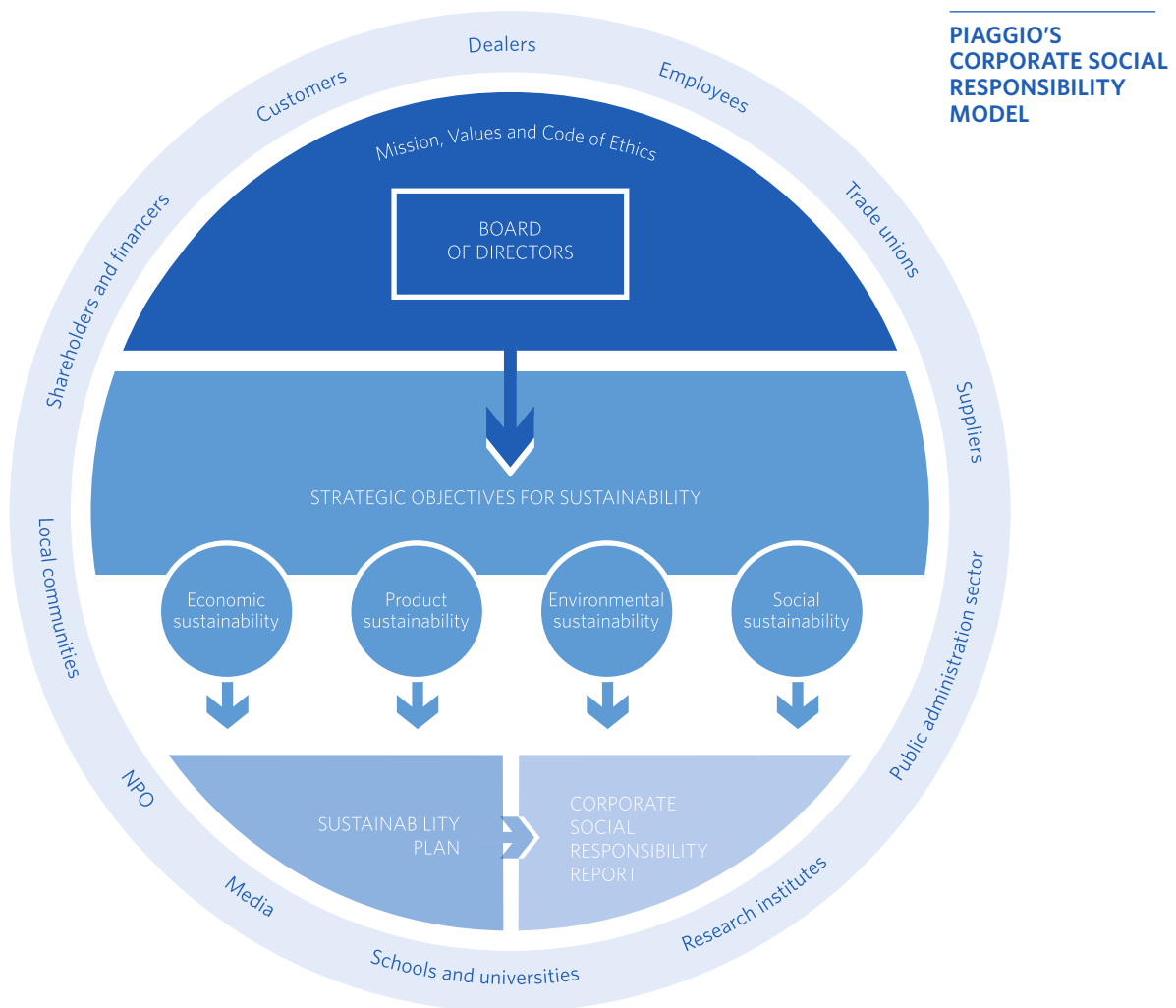


For these reasons, we are not just vehicle manufacturers. Through technological and social progress, we champion global mobility, in a responsible and sustainable way. Our aim is to make the quality of our life and that of future generations better.

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. - Selling 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 Ethics 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.

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.

In 2020, Piaggio maintained or improved its positioning in the ESG indices of which it is aware.

In particular:

- it maintained its AA rating from MSCI ES Research, a rating agency that measures the performance of companies based on ESG factors;
- it achieved an A-rating for CO₂ emissions and has maintained a B rating for water use from the international Carbon Disclosure Project.

	CDP SCORE CLIMATE CHANGE	CDP SCORE WATER SECURITY	MSCI ESG RESEARCH
2020	A-	B	AA
2019	B	B	AA
2018	C	B-	AA

AS OF 2020,
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 organises rallies and races for its customers, such as the Aprilia All Star, Vespa World Day and Moto Guzzi Open House events.
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 shares purchasing 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.	- Piaggio promotes 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.





MOTO GUZZI

GROUP PROFILE



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"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 1,400cc;
- 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.

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**, the main technical headquarters of the Group, which manufactures Piaggio, Vespa and Gilera 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 two-wheeler vehicles for the brands Aprilia, Scarabeo and Derbi;
- **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- and four-wheeler commercial vehicles, Vespa and Aprilia brand scooters and engines;
- **Vinh Phuc (Vietnam)** where Vespa and Piaggio scooters and engines are produced.

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).

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 sells two-wheeler vehicles under the brands **Piaggio**, **Vespa**, **Aprilia**, **Moto Guzzi**, **Gilera**, **Derbi** and **Scarabeo** and commercial vehicles under the brands **Ape** and **Porter**. Some of the Piaggio Group brands are the most prestigious and historic in the world of motorcycle racing: from **Gilera** (established in 1909), to **Moto Guzzi** (established in 1921), **Derbi** (1922) and **Aprilia** (1945), which has made a name for itself as one of the most successful manufacturers taking part in the world speed and superbike championships. In the scooter sector, the legendary **Vespa** brand has been synonymous with two-wheel mobility since 1946, and with over 18 million units produced to date, it represents a commercial success story of incredible longevity, as well as being one of the most recognisable icons of Italian style and technology in the world.

DISTRIBUTION AND SERVICE NETWORK

Piaggio, which distributes its products in more than 100 countries, has an extensive distribution and sales network 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, motorbikes and mopeds from 50cc to 1,400cc, three- and four-wheeler light commercial vehicles and, from the end of December 2020, an electric scooter distributed under the Aprilia brand. Moreover, the American affiliate Piaggio Fast Forward has been selling the GITA since November 2019, 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:** products that can cut the emissions of pollutant gases and CO₂ in urban and extra-urban areas; this is achieved by introducing electric engines and further developing traditional engine technologies (increasingly sophisticated internal combustion engines), as well as 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

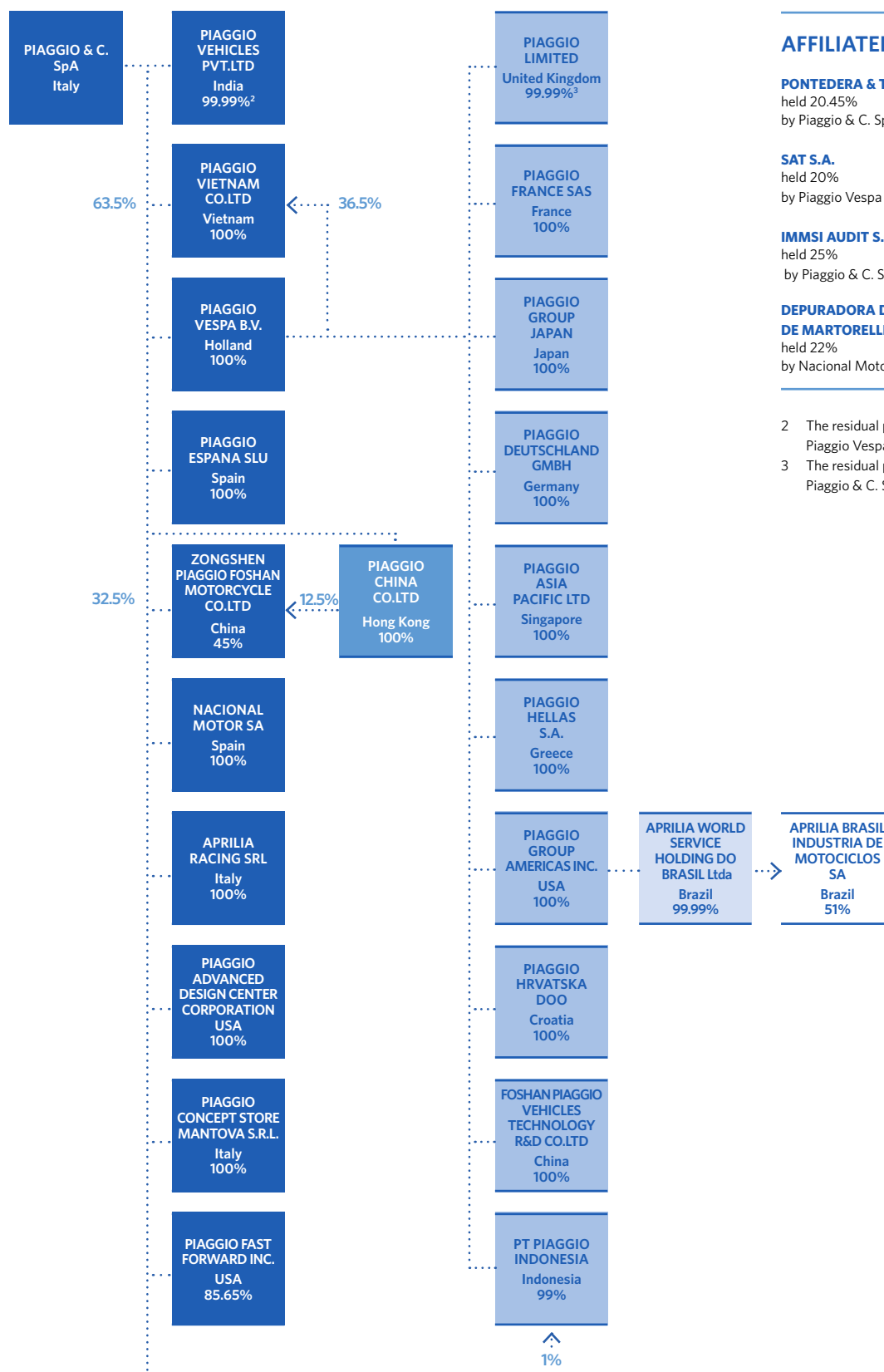
Some components are purchased externally in line with a global sourcing model that guarantees the quality and economy of the products supplied.

Piaggio ensures its suppliers sign its Code of Ethics; a procedure is currently being tested which will cover requirements to register with the Supplier List for Italy and a "Sustainability Statement", to ensure compliance with Piaggio's ethical values throughout the production cycle and sales of its products. Sustainability for Piaggio does not begin and end at the gates of its factories.

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 safeguard natural resources and the ability 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 DECEMBER 2020



AFFILIATED COMPANIES

PONTEREDA & TECNOLOGIA S.C.A.R.L.
held 20.45%
by Piaggio & C. SpA

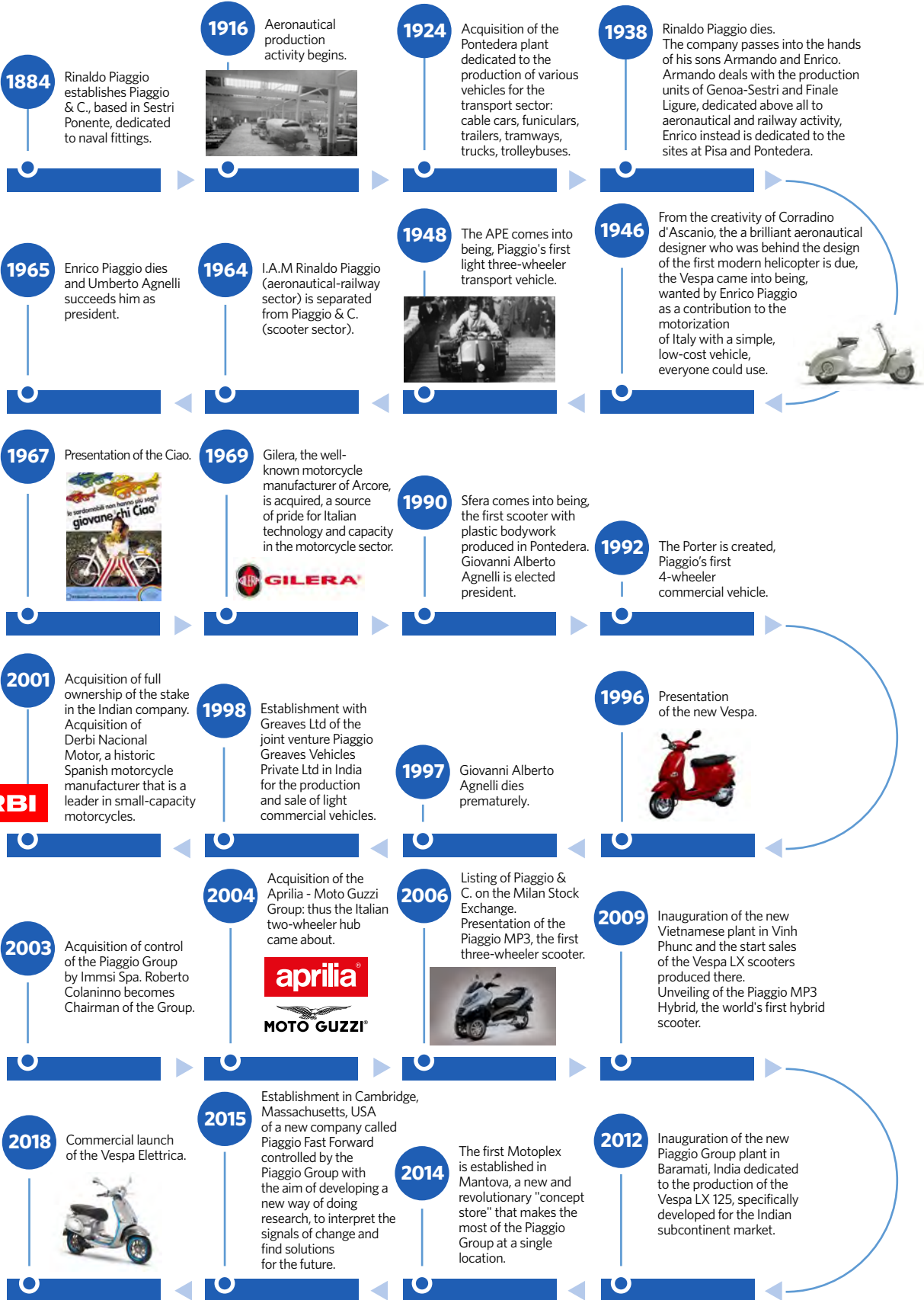
SAT S.A.
held 20%
by Piaggio Vespa B.V.

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.

- 2 The residual portion is held by Piaggio Vespa B.V.
- 3 The residual portion is held by Piaggio & C. SpA

HISTORY



MAIN EVENTS AND AWARDS OF 2020

Dream Companies to work for

February 2020 - The Indian affiliate PVPL was awarded as one of the best companies to work for (“Dream Companies to work for”) at the 28th World Human Resources Congress, held in Mumbai.

2020 Red Dot Awards Product Design

April 2020 - Gita, the robot designed, developed and manufactured by Piaggio Fast Forward, won in two categories of the 2020 Red Dot Awards Product Design: the “Red Dot quality seal” for its unique, disruptive design and the most prestigious accolade “Best of the best” for innovative products.

2020 Premio Industria Felix

June 2020 - Piaggio was awarded as the best large company in the Tuscany region for management performance and as Cerved best company for growth and financial reliability of the province of Pisa.

XXVI Compasso d'Oro ADI Award

September 2020 - The International Jury of the XXVI Compasso d'Oro (Golden Compass) Award nominated the Electric Vespa for an Honourable Mention, a prestigious acknowledgement celebrating excellence in design worldwide.

Innovation by Design 2020

September 2020 - Gita, the revolutionary robot, designed, developed and produced by Piaggio Fast Forward, was given an Honourable Mention in the Innovation by Design 2020 award of the Fast Company magazine, in the “mobility” category.

CIV-Italian Speed Championship 2020 Superbike category

October 2020 - Lorenzo Savadori and Aprilia RSV4 triumphed in the CIV-Italian Speed Championship 2020 Superbike category.

2020 Carbon Disclosure Project

December 2020 - The International Carbon Disclosure Project awarded Piaggio level A- for Climate Change and B for water.

2020 Financial Statements Oscars

December 2020 - The Piaggio Financial Statements were among the Financial Statements Oscars finalists for the fourth year running.

PIAGGIO AT A GLANCE

1,313.7 million Euros	Consolidated revenue
482.7 thousand units	Vehicles sold
461.9 thousand units	Vehicles Produced
186.1 million Euros	EBITDA
31.3 million Euros	Net profit
423.7 million Euros	Net debt
5,856	Employees at the end of the period
140.4 million Euros	Investments
51.9 million Euros	Research and Development expenditure
A-	CDP Climate Change Score
B	CDP Water Security Score
AA	MSCI ESG Research Ratings

All data refer to the year 2020.

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	since 2015	since 2013	since 2015	from 2013 to 2018
	ISO 45001 - Occupational health and safety management systems	since 2019	since 2019	since 2019				since 2019

The Italian plants of Pontedera, Noale and Scorzè and Mandello del Lario, the Indian and Vietnamese plants 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).

In November 2020, the Certification Company Det Norske Veritas (DNV)⁴ 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.

⁴ DNV: Det Norske Veritas is one of the world's leading certification bodies.





GOVERNANCE OF SUSTAINABILITY

→ GOVERNANCE OF SUSTAINABILITY

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"When future generations will judge those who came before them on environmental issues, they may reach the conclusion that they 'did not know': let us make sure that we will not be remembered in history as the generation that knew, but did not care."

Mikhail Sergeevich Gorbachev

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 2020, available online at www.piaggiogroup.com in the Governance section.

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 Sustainability Report and Non-Financial Statement pursuant to Legislative Decree 254/16 (NFS).
- The Ethics Committee, which is tasked, among others, with monitoring sustainability issues related to business operations, develops organisational regulations and rules of conduct in line with international best practices, in the context 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;
- supervising the CSR Report and NFS.

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 Internal Control and Risk Management Committee is required, among others, to review the contents of the Sustainability Report and NFS which are significant for the Internal Control and Risk Management System, as well as the main rules and company procedures related to this System and which are significant for stakeholders.
- The Executive in charge of financial reporting coordinates the preparation of the Non-Financial Statement and CSR Report, assisted by the CSR Manager. S/he presents both documents to the Ethics 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 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, and which was last updated and approved 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).

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 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 two communication channels: one via fax (0587.219027) and an IT channel via the dedicated Supervisory Body e-mail address (organismodivigilanza@piaggio.com).

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 e-mail to all Piaggio Group employees in Italy, as well as 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 2020, 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 2020, there were no sanctions in place concerning non-compliance with laws and regulations on environmental matters, marketing, advertising, promotions, sponsorships and the supply and use of products.

Finally, no cases regarding the breach of consumer privacy or loss of consumer data were reported in 2020.

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.



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 2020, the campaign to update the Group's risk profile, involving company managers across the Group, identified 160 risk scenarios, comprising 26 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 14001 environmental certification and investments are made each year to reduce the environmental impact of production sites.

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

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 safe 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 2020, the collaboration between the Piaggio Group and (RED) - an association founded in 2006 by Bono and Bobby Shriver - continued, with more than USD 650 million allocated to the fight against AIDS and Covid-19.

Interest in research and progress in the health sector led the Piaggio Group to donating €250,000 to the IEO CCM Foundation (European Institute of Oncology) and €100,000 to the Mantova Hospital (to help deal with the emergency due to the Covid-19 pandemic). Piaggio also supported some charities by giving away vehicles to be used as prizes in auctions.

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

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, 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. 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.

For a more detailed analysis of all the risks identified by the Piaggio Group, see the Report on Operations in the 2020 Consolidated Financial Statements.

TOPIC	RISK	CONTROLS
Energy efficiency and emissions reduction (climate change, energy consumption and logistics)	Air pollution attributable to: <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 - Increase 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	Soil / water pollution attributable to: <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 and welfare of human capital (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"> - BS OHSAS 18001 and ISO 45001 certification - Periodic occupational health and safety training - Personal protective equipment and operating instructions - Preparation of an anti-Covid protocol and establishment of a special committee to oversee the implementation of prevention measures

TOPIC	RISK	CONTROLS
Product innovation (sustainable mobility, CO ₂ emissions, alternative fuels)	<ul style="list-style-type: none"> - Reduced level of technological innovation in the product range - Regulatory measures aimed at limiting the transit of vehicles with internal combustion engines, in order to reduce emissions and offset climate change - Reduced recyclability / recoverability of vehicles at end of life - Use of materials / substances that are harmful for the environment 	<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
Product 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 - Geo-marketing system for optimal coverage of the area 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, 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"> - Inclusion in the register of suppliers complying with Regulation No 1907/2006 (REACH) - Obligation to sign the Group's Code of Ethics

TOPIC	RISK	CONTROLS
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 to hospitals for the provision of equipment during the Covid-19 health emergency period
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 	<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's Code of Ethics - Use of instruments, including organisational tools, to ensure respect for the principles in the Group Code of Ethics





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THE ECONOMIC DIMENSION



→ THE ECONOMIC DIMENSION

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“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 2020 Consolidated Financial Statements (see the chapter “Financial position and performance of the Group”) to which reference is made for further details.

2020 RESULTS AND FUTURE OBJECTIVES

COMMITMENT	2020 OBJECTIVES	2020 RESULTS	2021 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 Financial Statements among the Financial Statements Oscars finalists for the fourth year running. - Piaggio selected by Lunquist as one of the top 39 listed companies in Italy that have demonstrated a strong commitment to transparency and solid digital communication. 	<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.



ATTESTATO DI PARTECIPAZIONE



25 novembre 2020

PIAGGIO

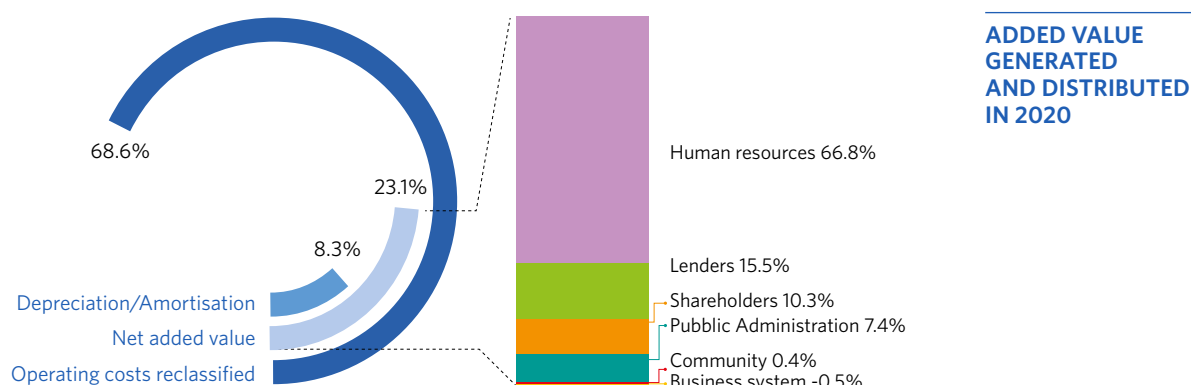
FINALISTA PREMIO CATEGORIA MEDIE E PICCOLE IMPRESE QUOTATE

Calculation and distribution of added value

Added value is an asset produced by the Piaggio Group, which is distributed, in different forms, to various stakeholders. Net Global Added Value is allocated among various stakeholders as follows: remuneration to human resources (direct remuneration comprising salaries, wages and termination benefits and indirect remuneration comprising social security contributions), remuneration to lenders (interest payable and exchange losses), remuneration to shareholders (dividends distributed), remuneration to the Public Administration sector (total taxes paid), external donations and donations to the community. The value held by the Group comprises retained earnings.

HOW ADDED VALUE IS DETERMINED AND DISTRIBUTED

	2020	2019	2018
IN THOUSANDS OF EUROS			
Net revenues	1,313,690	1,521,325	1,389,546
Income/(loss) from investments	529	1,030	482
Financial income	28,112	15,280	23,070
Other operating income reclassified	35,305	30,910	30,405
Economic value generated	1,377,636	1,568,545	1,443,503
Operating costs reclassified	-945,201	-1,094,915	-997,541
Amortisation/Depreciation	-114,058	-118,651	-105,934
Net added value	318,377	354,979	340,028
Remuneration to human resources	212,772	228,323	218,224
Remuneration to lenders	49,331	40,172	48,480
Shareholder remuneration	32,856	51,805	19,698
Remuneration to the Public Administration sector	23,596	38,361	36,068
External donations and donations to the community	1,356	1,374	1,181
Distributed added value	319,911	360,035	323,651
Business system	-1,534	-5,056	16,377
Added value retained by the Group	-1,534	-5,056	16,377



The Net added value generated by Piaggio in 2020 amounted to approximately €318,377 thousand, or 23.1% of the economic value generated. Most of this amount refers to remuneration paid to human resources (66.8%), followed by remuneration to lenders (15.5%), to shareholders (10.3%) and to the Public Administration sector (7.4%). Compared to 2019 figures, Net added value fell by 10.3%.

PUBLIC GRANTS AND TAX BENEFITS

In 2020 the Piaggio Group benefited from government aid amounting to a total of €1,601 thousand.

Piaggio & C. obtained research grants, totalling €517 thousand, for research projects. The contents and results of these are commented on in the chapter on the product dimension.

Piaggio Concept Store and Piaggio & C benefited from a government grant to offset Covid-19 expenses for a total of €65 thousand.

Piaggio Vehicles Private Limited (India) obtained a grant for exports, the amount of which (€1,054 thousand) was calculated as a percentage of the FOB value of the exports.

GRANTS RECEIVED

	2020	2019	2018
IN THOUSANDS OF EUROS			
Grants (collected)	582	633	728
Export grants	1,054	2,180	2,117
Total	1,636	2,813	2,845

Tax breaks of €1,421 thousand, on the other hand, were obtained by Piaggio & C. S.p.A., Piaggio Concept Store S.r.l., Aprilia Racing S.r.l. and by companies operating in France and Greece.

In particular:

- Piaggio & C. accrued during the 2020 financial year a tax credit for the sanitization and purchase of personal protective equipment referred to in Article 125 of Decree Law 34 of 19 May 2020, for a total of €28 thousand, and a tax credit for investments in capital goods referred to in Article 1 of Law 160 of 27 December 2019, for €196 thousand;
- Piaggio Concept Store accrued a tax credit relating to rents on instrumental buildings referred to in Article 28 of Decree Law 34 of 19 May 2020 and referred to in Article 65 of Decree Law 18 of 17 March 2020, for a total of €26 thousand;
- Aprilia Racing was given a tax credit for investments made in research and development activities during 2019, pursuant to Law 190 of 23 December 2014, as amended, for a total amount of €1,116 thousand;
- Piaggio France benefited from a tax credit of €9 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;
- Piaggio Hellas benefited from a reduction in VAT for March, of €46 thousand.

TAX RELIEF

	2020	2019	2018
IN THOUSANDS OF EUROS*			
Tax exemption			
Piaggio Hellas	46		
Tax credit			
Piaggio & C.	224		
Piaggio Concept Store Mantova S.r.l.	26		
Aprilia Racing	1,116	1,144	892
Piaggio France	9		41
Total	1,421	1,144	933

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

Lastly, it should be noted that in 2020 FidiToscana provided a subsidised loan of €226,609.58 to Piaggio & C as the balance of the subsidised loan relating to the CENTAURO project.

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 art. 1, para. 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 art. 110, para. 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 art. 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.

All this has helped to centralise tax affairs and enabled it to deal more effectively with all the main corporate bodies, improving the probability of identifying the greatest tax risks, and making it possible to assess the consequences and adopt the necessary solutions or corrective actions. 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 recognizes the social role of tax issues and the importance they play in promoting sustainable development. In order to guarantee absolute transparency, the Group has adhered to the new GRI 207-Tax standard, in force since this year. For the information required by the aforementioned standard, the breakdown by tax jurisdiction of consolidated data is presented below.

As required by the GRI 207-4 Disclosure, since all the necessary information referring to the most recent consolidated financial statements is not available for the purposes of this report, the information reported in this section refers to the financial year ended 31 December 2019, as it is the reporting period immediately preceding with respect to the most recent consolidated financial statements.

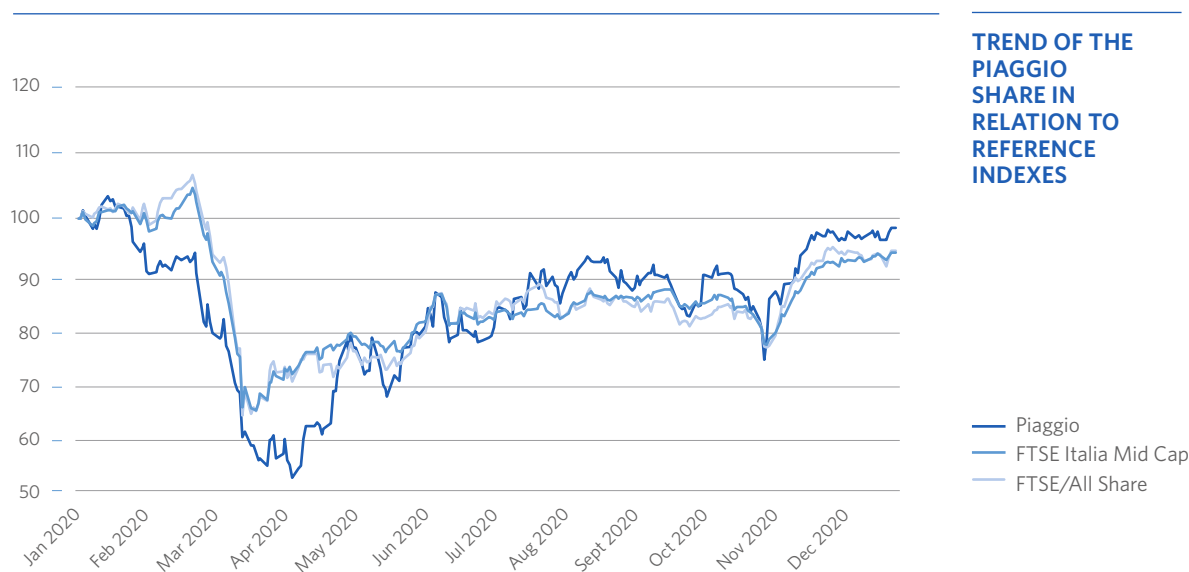
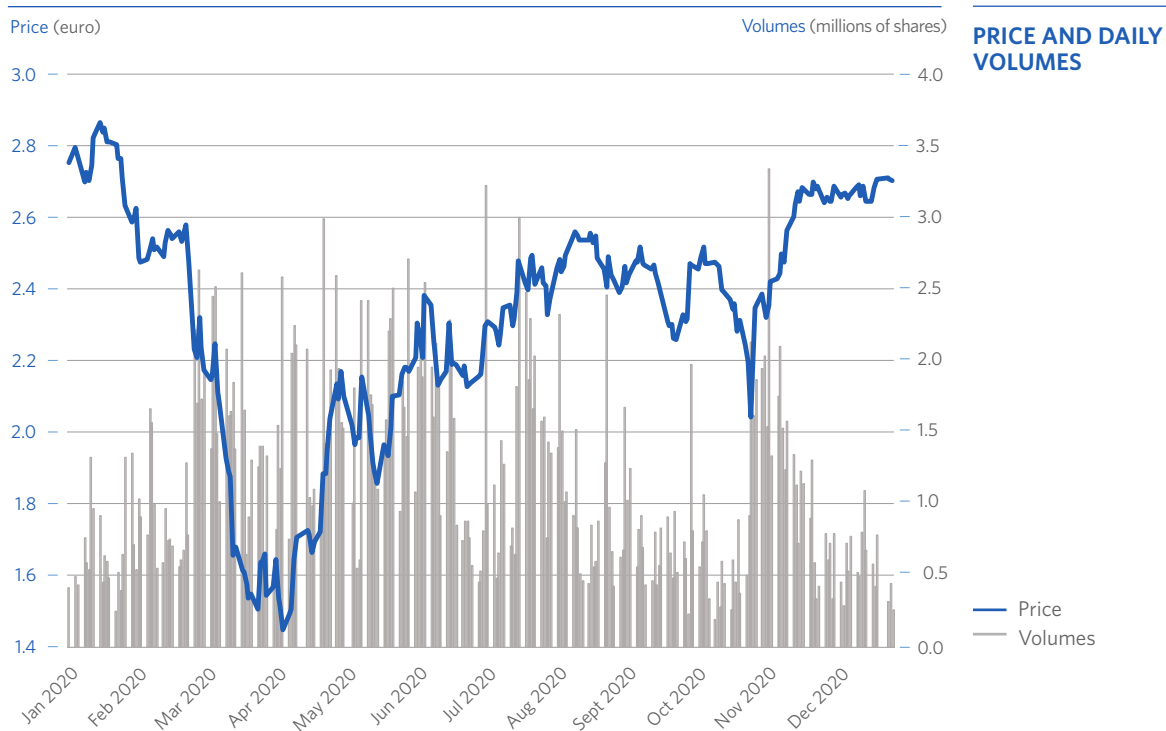
The following should be noted:

- the data presented refer to the 2019 financial year;
- the workforce is that indicated at 31 December 2019;
- revenues from third parties also include other revenues;
- revenues from the Group exclude those between companies operating in the same tax jurisdiction;
- Profit (Loss) before taxes and property, plant and equipment are represented on an aggregate basis, without considering the eliminations from consolidation;
- Profit (Loss) before taxes includes the amounts of dividends received from other entities of the Group;
- property, plant and equipment do not include investment property as the latter is not involved in the process to generate corporate value;
- with regard to any differences between the income tax accrued on profits and the tax payable (GRI 207-4-b-x), please refer to Note 14 of the Consolidated Financial Statements at 31 December 2020 of the Piaggio Group. It should also be noted that both the income taxes accrued and those paid on the basis of the cash criterion in various countries are affected by the significant presence of dividends received by Group entities, included in the item of Profit (Loss) before tax. In accordance with what happens in most countries, these jurisdictions also provide for tax exemption regimes for dividends, as they are the expression of a profit already subject to taxation by the investee company.

COUNTRY	DESIGNATION	ACTIVITIES	2019						
			NO. OF EMPLOYEES	REVENUES FROM THIRD PARTIES	REVENUES FROM THE GROUP	PROFIT (LOSS) BEFORE TAX	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		3,199	887	127	42	163	5	(1)
Croatia	Piaggio Hrvatska Doo	Commercial distributor	8	4					
France	Piaggio France SAS	Selling agency	42		7	1		1	1
Germany	Piaggio Deutschland GMBH	Selling agency	35		5	1			
Greece	Piaggio Hellas S.A.	Commercial distributor	19	28		1	1		
Holland	Piaggio Vespa B.V.	Holding company and selling agency	19		3	16			
Spain	Piaggio Espana S.L.	Selling agency							
	Nacional Motor S.A.	Inactive							
	Total Spain		32		4	(1)			
UK	Piaggio Limited	Selling agency	20		3	1			
USA	Piaggio Group Americas Inc.	Commercial distributor							
	Piaggio Advanced Design Center Corp.	Research and development							
	Piaggio Fast Forward Inc.	Research and development							
	Total USA		109	60	1	(17)	2		
India	Piaggio Vehicles Pvt Ltd	Production and sale of vehicles	1,749	440	35	62	74	22	25
Vietnam	Piaggio Vietnam Co. Ltd.	Production and sale of vehicles	878	154	108	33	28	6	5
Indonesia	Pt. Piaggio Indonesia	Selling agency	29	38		1		1	1
Singapore	Piaggio Asia Pacific Ltd	Selling agency	16		3	1			
Japan	Piaggio Group Japan	Selling agency	10	7					
China	Piaggio China Co Ltd.	Holding							
	Foshan Piaggio Vehicles Tech.Dev. Co.Ltd.	Research and development							
	Total China		57	27	3	2		1	1
Brazil	AWS do Brasil	Inactive							
	Aprilia Brasil	Inactive							
	Total Brazil								
Grand total						143	268		
Consolidation entries						(62)	(5)		
Total consolidated			6,222	1,645	299	81	263	36	32

VALUE FOR SHAREHOLDERS

Piaggio & C. SpA has been listed on the Milan Stock Exchange since 11 July 2006. Piaggio shares closed 2020 at 2.696 euro, slightly down on the beginning of the year (-1.9%), but still outperforming the main reference indices.



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		
	2020	2019	2018	2020	2019	2018
	€/000	€/000	€/000	€	€	€
Of the previous year's result	19,642	32,155	19,698	0.055	0.090	0.055
Interim dividend for current year's result	13,214	19,650		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 2020, despite difficulties arising from the spread of Covid-19, dialogue with the financial community was stepped up, combining traditional face-to-face meetings with online sessions, also including 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



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“We design safe, efficient, responsible and sustainable mobility.”



COMMITMENT	2020 OBJECTIVES	2020 RESULTS	2021 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			
	- Study of new electric vehicle formulas for urban mobility - new low-cost engines for light mopeds.	- Continuation of studies in different areas for both batteries and engines.	- Marketing of new electric scooters.	- Expansion of the range for new customer groups.
	Study of electronic/electromechanical devices to reduce pollutants in urban use (Start & Stop)			
	- Development of new types of hybrid powertrains.	- Improvement of strategies for the Medley, extension to the Vespa GTS 125.	- Continuation of studies aimed at hybrids and mild-hybrids.	- 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			
	- Continuation of the development and mass use of virtual models for powertrain optimisation, with a view to actual use.	- Continuous optimisation of CVT ⁵ performance and efficiency.	- Continuous optimisation of CVT performance and efficiency.	- 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 focussed on power batteries for hybrid applications.	- New types suitable for quick exchange.	- Continuation of development and research activities on different-sized power batteries.	- Study of modular battery applications for use in several vehicles and possible secondary or alternative use.	
Dissemination of the PMP⁶ system 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.	- Greater range diffusion. Expansion of features on the Aprilia RS 660.	- Ongoing research into new functions and improvement of the HW dedicated to the Man/Machine interface. Increased integration with navigation functions.	- Continuous improvement of the system and harmonisation with other electronic on-board devices in terms of safety, comfort, data exchange, improved reliability.	

5 Continuously variable transmission.

6 MIA multimedia platform.



COMMITMENT	2020 OBJECTIVES	2020 RESULTS	2021 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> Production start up of various versions as from September 2020.</p> <p>- <u>New Electric Porter:</u> 2020 Business plan presentation.</p>	<p>4W Europe - Porter</p> <p>- <u>New Porter:</u> Fuel optimisation to further reduce fleet CO₂ emissions. Revised planning of development and industrialization activities and rescheduled production start up of the various versions and variants starting from January 2021.</p> <p>- <u>New Electric Porter:</u> Preliminary technical/economic feasibility for the electric variant version updated and completed. Presentation to the Board in December 2020; pre-spending approved for preliminary activities kick off.</p>	<p>4W Europe - Porter</p> <p>- <u>New Porter:</u> Completion of development and industrialization activities to guarantee the production start up of various versions and variants from January 2021.</p> <p>- <u>New Electric Porter:</u> Final Business Plan presentation by 1Q-2021 and development/industrialization start up.</p> <p>- <u>New Porter (Thermal + Electric):</u> Technical/economic feasibility of implementing the new passive safety features in line with the R137 standard.</p> <p>Technical/economic feasibility of implementing the new active safety features in line with Regulatory Developments (GSR).</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>

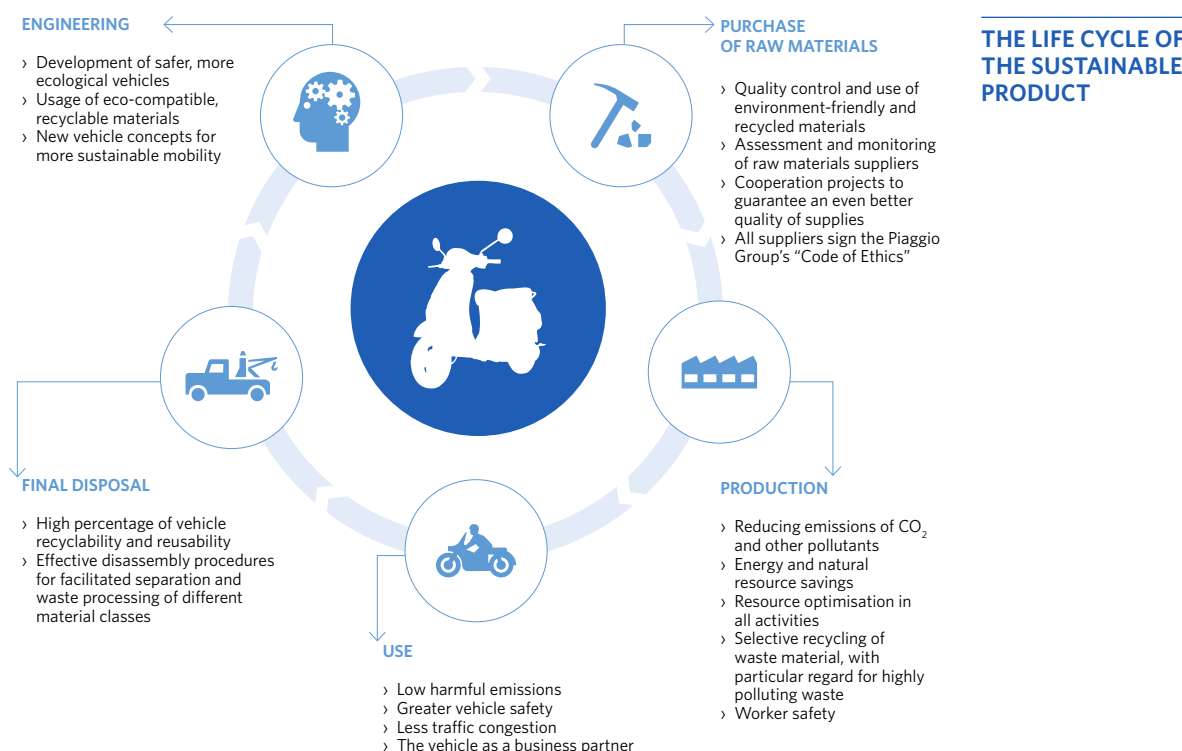
COMMITMENT	2020 OBJECTIVES	2020 RESULTS	2021 OBJECTIVES	MID-TERM OBJECTIVES
	<p>3W India - Ape</p> <ul style="list-style-type: none"> - <u>Ape City and 501:</u> Launch of latest model variants by 2Q 2020. - <u>Ape Medium Body:</u> Production start up as from February 2020. - <u>Ape 501 300cc AF:</u> Production start up of the Cargo and Passenger version with the CNG configuration, starting from June 2020, and subsequent launch of the LPG and Petrol versions, starting from July 2020 and August 2020 respectively. - <u>Ape City Electric:</u> Development of the Ape e-City version with a fixed battery configuration and production start up as from June 2020. - <u>Ape City+ Electric:</u> Development of the Ape e-City version with a fixed and swappable battery configuration and production start up as from August 2020. - <u>Ape Cargo Electric:</u> Development of the Ape e-Cargo version with a fixed battery configuration and production start up as from July 2020. 	<p>3W India - Ape</p> <ul style="list-style-type: none"> - <u>Ape City and 501:</u> Launch of the various versions to complete the range finalised. - <u>Ape Medium Body:</u> Production start up of the Ape Medium Body (City +) BSVI AF⁷ in February 2020 and of the DSL version in October 2020. - <u>Ape 501 230cc AF:</u> An addition was made to the new AF variant range on the Ape 501 Passenger and Cargo, with production starting up in September 2020. - <u>Ape 501 300cc AF:</u> Revised development planning and production start of the Cargo and Passenger version with PWT 300cc. 1Q 2021. Ape 501 300cc Petrol version went into production in December 2020. - <u>Ape City Electric:</u> Development of the Ape e-City version in fixed battery configuration and production start from December 2020. - <u>Ape City+ Electric:</u> Postponed development plan. - <u>Ape Cargo Electric:</u> Development of the Ape e-Cargo version in a fixed battery configuration completed. 	<ul style="list-style-type: none"> - <u>Ape 501 300cc AF:</u> Completion of the development and industrial production of the Ape 501 300cc AF in line with production start up by 1Q-2021. - <u>Ape Cargo Electric:</u> Completion of the development and industrial production of the version with fixed batteries in January '21 and swappable batteries by 2Q-2021. 	



COMMITMENT	2020 OBJECTIVES	2020 RESULTS	2021 OBJECTIVES	MID-TERM OBJECTIVES
	<p><u>3 / 4W Export - Ape/Porter</u></p> <p>- <u>Ape City:</u> Development of versions with 230cc Petrol and LPG engines. Availability with Phase In on export markets from January 2021.</p> <p>- <u>Ape 501:</u> Start of marketing of the vehicle equipped with a new cabin, from 1Q 2020.</p> <p>- <u>Ape City +:</u> Development of specific versions for the export market with Petrol and LPG configurations. Start of marketing on export markets from 2Q 2020.</p>	<p><u>3 / 4W Export - Ape/Porter</u></p> <p>- <u>Ape City:</u> Development of versions with 230cc Petrol and LPG engines rescheduled.</p> <p>- <u>Ape 501:</u> Revised product strategy for exports, not currently planned.</p> <p>- <u>Ape City +:</u> Development of specific versions for the export market with Petrol and LPG configurations completed, with Phase In on export markets starting from 2Q 2020.</p>	<p><u>3 / 4W Export - Ape/Porter</u></p> <p>- <u>Ape City:</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>Ape City Electric: Development of the Ape e-City version with a fixed battery configuration, for export from 2Q 2021</p> <p>Ape Cargo Electric Development and industrial production of the version with fixed batteries for export from 2Q 2021.</p> <p>- <u>Ape 501:</u> Production start up of the Ape 501 Cargo BSIII with 230cc engine, from 1Q 2021.</p> <p>- <u>Ape City +:</u> Development of the Petrol BSIII 2Q 2021 configuration.</p>	

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 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.



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 reduce the emission of pollutants and to increase the safety, reliability and recyclability of its products.

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

- **sustainability:** products that can avoid or at least reduce pollutant gas and CO₂ emissions in town and out-of-town use; this result is achieved both through the evolution of traditional engine technologies (increasingly advanced internal combustion engines) and through the development of innovative engine solutions such as electric propulsion and hybrids, in order to increase the use of renewable and 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 types

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, mainly scooters, in which the rational and functional component is predominant;
- Motorcycles, with various engine displacements and specialisations, in which the emotional appeal prevails;
- Commercial vehicles, in which the functional and economic aspect prevails;
- Fleet vehicles, agile like a scooter, but designed for the delivery of packages and goods. This is a new type invented by Piaggio in 2020. These vehicles are halfway between commercial and urban vehicles;
- Smart robots, for goods transport.

Urban vehicles

Rapid urbanisation, which is often chaotic and affecting the entire planet, has led to an increase in traffic congestion and pollutants in urban areas.

This awareness has encouraged the Piaggio Group to offer mobility solutions that reduce the level of traffic congestion, air and noise pollution.

In order to effectively reduce congestion and pollution, two-wheelers must be equipped with state-of-the-art engines to reduce emissions: this requires the continual development of internal combustion engines and the introduction of hybrid and electric engines.

But in order for this development to take place, the real safety of two-wheelers must be increased, achieved thanks to the study and introduction of active, passive and preventive safety systems.

Motorcycles

These vehicles are often used in non-urban areas, usually for emotional and recreational reasons. They call for specialist product solutions that give value to the intangible (e.g. brand value, evoking different worlds, performance in the stricter meaning of the word, etc.). In technical terms however, the only main difference compared to urban vehicles is the level of performance; though the key words are still safety and reducing emissions.

Commercial Vehicles

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).

Fleet vehicles

In 2020 the Piaggio Group designed and developed a new scooter, the Piaggio 3W- Delivery 125cc Euro 5, specifically designed for the delivery of parcels sent by post.

Smart robots

Since November 2019, Piaggio Fast Forward, (PFF), the Piaggio Group robot company that is revolutionising active light mobility, has been marketing the Gita robot (the personal mobility robot with motor). Gita is a unique product, transporting personal belongings and enabling users to interact with people and spend more time on the activities they love, with their head up and hands free.

During 2020, agreements were made for the use of Gita in different environments such as airports, shopping centres, ports and for the home delivery of food in residential areas.

The first pilot projects to be launched involve major partners including:

- Cincinnati International Airport (CVG) (7 million passengers per year), where Gita will be used to facilitate contactless and digital concierge services for travellers and to provide support in activities such as baggage and cargo handling;
- Delivery Co-op, a company specializing in the last mile delivery of food products in the city of Lexington, Kentucky. Gita will be used for safe and contactless deliveries, offering greater security;
- Doğan Trend Automotive, part of the Doğan Group, a holding company based in Istanbul. Gita will be tested in

a shopping centre and at the Istanbul marina waterfront and will be made available to customers and staff to facilitate transport and the handling of purchased goods or personal effects.

RESEARCH GUIDELINES

The main guidelines for the Group's research are therefore:

- improving internal combustion engines; reducing consumption and emissions, increasing performance;
- evolved hybrid, electric engines; alternative, non-fossil fuels;
- improving vehicles, new vehicle concepts for a more sustainable and safe mobility;
- devices for safety (active passive and preventive safety) and comfort; this sector includes connectivity, as regards both preventive safety and comfort;
- the environmental compatibility of the product and process (Life Cycle Management).

Continual improvement of combustion engines

Engine research focuses on five fundamental fields:

- optimisation of engine thermal fluid dynamics, with particular reference to the combustion process;
- optimisation of electronic engine and transmission management;
- reduction of organic leaks (friction, pumping);
- improvement in transmission system performance (step or continuously variable transmission);
- study of acoustics and engine timbre to have noise emissions that are lower and not unpleasant.

The aim is to reduce consumption and emissions and improve performance, also meaning handling and ease of use.

The following results were achieved in 2020:

- Scooter engines:

The Medley 125 and 150 2020 are an evolution of the Piaggio i-get family, developed between 2019 and 2020. The main objective of the project was to optimize thermodynamic efficiency, reduce friction and the operating noise of the engine while increasing performance and general handling, in compliance with the new Euro 5 regulations.

The new 125 single cylinder has a maximum power of 11 kW at 9,000 rpm, which is the maximum allowed by regulations (maximum torque of 12 Nm at 6500 rpm). The 150 cc delivers 12.1 kW at 8,750 rpm (15 Nm at 6500 rpm). The new head has larger diameter ducts and valves. Also new are the lightened barbell and the cam axis, the piston, the injector and throttle body increased by 2 mm; the filter box is now equipped with a Helmholtz resonator to improve volumetric efficiency. Lastly, a pre-catalyser on the silencer manifold and new main catalyser have been added. CVT transmission has been optimized to take advantage of the new engine power curve.

The Start & Stop system (patented, called RISS - Regulator Inverter Start & Stop System), has replaced the starter motor with significant advantages: a quiet start, lightness and reliability. Fuel consumption is also reduced, as the engine turns off when the vehicle is stationary; a minimum rotation of the gas control restarts the engine. Piaggio's Medley engines also respect the environment with maintenance scheduled at 10,000 km, thus saving on used oil and filters.

Optimization has also had an impact on emissions and fuel consumption: the WMTC C1 cycle journey is equal to 42.01 km/l for the Medley 125 E5 (it was 41.49 km/l for the E4 version); CO₂ is unchanged at 59 g/km, while the value of HCs (unburned hydrocarbons) is now 41 mg/km (it was 169 mg/km).

In addition to the new limits, the move to Euro5 required the introduction of a software application O.B.D. 2 - Step 1⁸ which more advanced than the previous version and now includes:

- Misfire Detection
- Lambda probe degradation monitoring

⁸ On-board diagnostics (OBD) for auto-diagnostics 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.

- Functional diagnostics:
 - Suction pressure sensor check
 - Engine temperature sensor check
 - T.P.S. Sensor check

- Motorcycle engines:

The most recent development, emblematic of the Piaggio Group's capabilities, is the engine making its début on the Aprilia RS 660. This 660 cc parallel front-facing twin engine has evolved from the 1100 cc V4 (Euro 5). The engine is part of the chassis and supports the swingarm in its rear area. All thermodynamics are from the V4, although all engine components have been designed and developed from scratch. 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. Gas control is electronic (ride-by-wire), so the rider can finely adjust delivery (see the next section "Safety and Comfort Devices") and reduce consumption and emissions. Performance is excellent for the category (100 hp at 10,500 rpm) despite compliance with Euro 5 regulations.

Evolved engines: plug-in and electric hybrids

Piaggio has been at the forefront of advanced ICE (Internal Combustion Engines) since 2009, with its MP3 Hybrid. The wealth of knowledge developed through the Hybrid Project has enabled the company to develop the Liberty eMail, which went on sale in 2011.

Ongoing research has led to the creation of the electric powertrain which is fitted on the new Vespa Primavera Elettrica.

- Vespa Elettrica 70 km/h

2020 saw the début 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.

- Micro Hybrid Engines

Another research and development area covers Start&Stop systems, which are a Micro Hybrid Engine for scooters.

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 Safety⁹. These new formulas, with the addition of other safety devices, can achieve safety levels close to car manufacturing standards, whilst retaining all the benefits of two-wheeler vehicles in terms of size, emissions and consumption.

The multi-wheel concept, depending on markets and formulas adopted, can offer huge advances in regulatory terms.

- The Piaggio MP3 300 hpe

This new version is leaner and lighter than the Piaggio MP3: a compact, sporty, dynamic, comfortable model, featuring a content typical of GT scooters.

The two wheel front suspension system (with articulated quadrilateral) was further developed and affords a greater stability on bends, shorter braking distances and excellent road holding in all conditions of poor adherence. The compact size and handling of the Piaggio MP3 300 hpe are ideal for manoeuvres from a stationary position. Plus the new Piaggio 300 hpe engine has a greater power and torque at the high-end of the category.

⁹ Vehicles with two front wheels offer a greater stability and shorter stopping distances compared to standard two-wheelers, even on wet or uneven terrain.

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:

- 3W - Delivery 125cc Euro 5

This innovative tilting three-wheeler was developed during 2020 specifically for parcel deliveries, in urban agglomerations. It features an exceptional load capacity (95 kg - 25 kg on the front rack and 70 kg in the large rear compartment). Thanks to the tilting system (twin¹⁰ wheeled rear trolley with differential/engine block), it guarantees high stability and safety in driving. Even before going into production, the Piaggio Group's latest creation won the Poste Italiane S.p.A. tender for the supply of 5,000 three-wheeler scooters. The delivery of the fleet will be completed by the first half of 2021.

New product formulas: Aprilia RS 660

With a completely new technical base, defined by the new 660 cc, 100 hp parallel twin cylinder engine, the first in a generation of light, high-performing, technologically advanced motorcycles has come into being. The RS 660 represents a new concept in sportsmanship, an excellent bike on every occasion, from day-to-day rides to the toughest challenges. The RS 660 boasts a technical content derived from Aprilia's experience in world racing competitions. The weight has been reduced to just 183 kg when running order, but the contents have been enhanced by APRC electronic controls, adapted and evolved compared to the V4.

Reduction in absorption and weight¹¹

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 engine¹².

The 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

The electronic control sector has expanded considerably in recent years:

- ABS for light, medium, tilting scooters and motorcycles;
- traction control (both with and without the Ride by Wire system), combined with ABS;
- semi-active electronic suspensions (ADD - Aprilia Dynamic Damping);
- Ride by wire adopted for most Group vehicles;
- CAN handlebar controls (digital protocol);
- cruise control (based on Ride by Wire) available on the Aprilia and Moto Guzzi models;
- APRC (Aprilia Performance Ride Control) system on the Aprilia RSV4, Thunder 1100 and RS 660 including:
 - ATC: Aprilia Traction Control;
 - AWC: Aprilia Wheelie Control;
 - ALC: Aprilia Launch Control;
 - AQS: Aprilia Quick Shift;
 - APL: Aprilia Pit Limiter;

¹⁰ 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.

¹¹ The same applies to the engine, of which the weight has a significant impact on overall weight.

¹² 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.

- ACC: Aprilia Cruise Control;
 - Multi-map ABS Cornering (RSV4 RR and RF, Tuono 1100 RR and Factory, RS 660) with RLM (Rear Liftup Mitigation);
 - AEB: Aprilia Engine Brake, the adjustable control system for the engine brake during the gas closure phase (on the RS 660 as from 2020);
 - AEM: Aprilia Engine Map, different mappings available to change the engine power delivery type and mode (on the RS 660 as from 2020);
- Riding Mode: the RS 660 now has five electronic configurations, so the rider can choose the mode that best suits their riding requirements; they determine the best traction, wheelie, brake, ABS control and other managed parameters. There are three Riding Modes for road use and two for the track:
 - Commute, for daily travel;
 - Dynamic, for sports riding on the road;
 - Individual, for total electronic controls customisation;
 - Challenge, (use on the track);
 - Time Attack, (use on the track) for full electronic customisation;
 - Development of LED lighting technology for both the headlight and rearlight, with the addition of the "bending lights" device, i.e. a pair of additional trajectory headlights that light up the inside of bends, increasing bend visibility (RS 660);
 - new panel instruments (Human Machine Interface) which are clearer and feature more 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.

Electronic suspensions and electronic steering shock absorber

The new Aprilia Tuono V4 1100 Factory features Smart EC 2.0 semi-active suspensions, developed by Öhlins for the Piaggio Group, as standard. This ensures highly versatile suspensions, which can adapt in terms of efficiency and safety to the various uses of the Tuono model (Touring, Sport or Track). The system offers two ways to calibrate the fork and damper: semi-active and manual mode, using the handlebar buttons. In semi-active mode, the suspensions are controlled by the Smart EC 2.0 system, which activates operation based on an algorithm that processes vehicle data sent to the control unit in real time. Accordingly, the suspensions of the Aprilia Tuono V4 1100 Factory adjust their hydraulic calibration, instant by instant, to the type of route and riding style. In manual mode, the 3 "Riding Modes" (Track, Sport and Road) offer 3 pre-defined types of calibration, without semi-active assistance. In both semi-active and manual mode, the user can highly customise suspension calibration. The Öhlins steering damper now has electronic control via the Smart EC 2.0 system and is fully customisable, to optimally adjust calibration based on fork and damper calibration. The OBTi (Objective Based Tuning Interface), displayed on the instrument panel offers user-friendly tuning. The system allows for customised calibration of the suspensions in any situation, such as acceleration and braking.

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, as well as power and engine torque delivered instantaneously, longitudinal acceleration, thanks to the 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 cutting-edge version developed for the Aprilia RSV4 and Tuono, transforms the smartphone into a semi-professional system for track use. With this version, there is active communication between the vehicle and the smartphone: the

rider can change the settings of their RSV4 and Tuono V4 through the smartphone.

Functions include:

- **Active Electronic Setup:** Using the GPS feature of your smartphone, the system recognises the position of the bike at any given time on the track and automatically changes the electronic adjustments (traction control and anti-wheelie), based on the settings the rider has selected, corner by corner. This allows you to increase safety and effectiveness on the track, adjusting the control parameters at every point on the circuit and without distractions.
- **Adaptive Race Assistant:** This feature provides tips in real time to safely make the most of your RSV4. The application compares rider performance to the best lap on the track in real time and assists by immediately indicating how to gradually improve performance.
- **Advanced Telemetry Dashboard:** This allows you to use your smartphone display to see, in addition to all the information normally on the standard instrument cluster, numerous other parameters acquired from the bike telemetry such as: instant power sent to the driveshaft; instant torque sent to the driveshaft; percentage of available power; drive to the rear wheel; rear wheel slippage; longitudinal and lateral acceleration (G-G diagram); lean angle, etc.

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.

- **Navigation:** In the latest versions of the multimedia platform, for the Vespa GTS Supertech, Aprilia Shiver/Dorsoduro 900/RS 660 and Moto Guzzi V85, a complete sat nav system is featured. Through a specific section, users can browse and select their destination and then all relative information will be transferred via Bluetooth to the vehicle control unit and displayed on the TFT instrument panel as pictograms. Navigation information includes indications about current and next manoeuvres, road names, time and distance from arrival, speed limits and traffic control system reports.

With active navigation, the instrument panel automatically configures in specific display mode, showing route instructions and critical information such as the speed and vehicle diagnostic alerts.

Navigation start and stop operations are managed directly from the handlebar controls, with no smartphone interaction necessary while riding, guaranteeing the utmost ease of use and safety.

The app-based navigation system ensures up-to-date maps and real time traffic and weather updates, using smartphone connectivity with clear benefits for the customer in terms of function and costs.

The flexibility of the architecture also means new functions are constantly released and the system has been configured to:

- automatically search for electric charging stations and optimise routes based on available autonomy;
- display route weather alerts on the dashboard;
- provide an "electronic horizon" system, for excess speed alerts based on road bends and road surface conditions;
- provide alerts on general hazard conditions along the route.

On all vehicles with TFT, the MIA platform operates basic telephone functions, via rapid, user-friendly controls on the handlebars:

- voice command activation;
- call management (accept / reject incoming calls, display caller's name);
- call back last name;
- music management (playlist selection, volume control, track change);
- passenger/rider interphone with two Bluetooth headsets as standard.

The new version of the interface on the Aprilia RS 660 and which will form the basis for all new versions with a view to platform development, introduces the concept of "pages" for the instrument panel and allows the rider to manage all functions in parallel, for example always having the address book available with the latest calls made or received, numbers which can easily be called via intuitive controls on the handlebars even during music playback or an intercom conversation.

In the same way riders can select the latest destinations directly from the instrument panel and start or stop the navigation process from the vehicle controls, further limiting necessary interactions with the app or phone.

A streamlined version of the telephone management system was adopted for the first time for the 2019 version of the Piaggio Medley featuring the new LCD instrument panel¹³: although the user interface has been designed with icons and a single handlebar button, most of the functions still feature, enabling the platform to be extended to models at the lower end of the range.

A new version of the connectivity control unit 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 will be on the Euro 5 version of the Medley, available on the market from January 2021, which will then be extended to the entire Scooter range of the Group.

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).

3 /4 wheelers 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 fuel engines (LPG, CNG) especially in urban and semi-urban areas.

To meet the challenges of this increasing trend, Piaggio:

- has been marketing the Ape City BSIV for passenger transport on the Indian Market since January 2019. The innovative LPG/CNG electronic injection technology (that will be adopted on all BSVI vehicles) chosen for the model has made it possible to reduce consumption and pollutant emissions, while also improving performance and reliability (the system also gives the rider optimal information to minimise consumption, thanks to the gear change alert system, and information on correct vehicle functioning);
- started production of the Ape City with BSVI engines in September 2019;
- launched the Ape e-City version with Full Electric engine on the Indian market in December 2019. This important technical innovation on the model has been developed to meet a growing need for eco-friendly vehicles;
- has implemented a new 230cc powertrain (petrol and bifuel) since 2020, to replace the 200cc engine, with the aim of improving performance, reliability, noise and consumption;

¹³ LCD Liquid Crystal Display.

- has implemented the 300cc powertrain 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;
- will introduce the Ape e-Cargo version, to flank the e-City model, from mid-2021 onwards, 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.

With regard to export markets, from 2021 the new versions with 230cc engines (replacing the 200cc) and the electric versions of Ape City and Ape Cargo will become available.

4 wheelers Europe

On the European 4-wheeler market, introduction in July 2019 of the Euro 6d engine, for the entire Porter and Maxxi range with petrol powertrain and alternative fuels (GPL and natural gas), delivered further improvements in terms of emission (compliance with the WLTP standard) and performance, boosting customer satisfaction even more.

With the aim of renewing the current Porter and Maxxi 4-wheeler range for the European market, Piaggio signed an important deal with China's biggest manufacturer of commercial vehicles, Foton, for the development of a new 4-wheeler commercial vehicle for goods transport (the New Porter).

Besides a considerable increase in specific capacity, comfort and performance, the new vehicle was developed to meet increasingly stringent type approval standards (crash tests, active and passive protection systems, assisted riding systems, etc.).




The new vehicle was conceived promoting versions focused on a 1,500cc petrol engine, with petrol/LPG and Petrol/natural gas, as well as mild gas for the single and twin wheel versions. This configuration means that pollutant and CO₂ emissions are lower than the current Euro 6d version.

Production start up has been scheduled for January 2021 for the single wheel petrol version, followed by the other versions/variants.

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).

	<p>COMPACT SIZE</p>	<ul style="list-style-type: none"> - Ideal solution for mobility in historical city - Easy to drive - Reduced dimensions
	<p>EFFICIENCY</p>	<ul style="list-style-type: none"> - Load capacity - Modularity - Cost-effectiveness
	<p>ENGINES AVAILABLE</p>	<ul style="list-style-type: none"> - Petrol - LPG - Methane - Electric

"Life Cycle Management" in two-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 (1989). 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.

"Life Cycle Management" in four-wheelers

In the four-wheel 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, always remaining above the thresholds determined for these indicators by Directive 2000/53/EC (at 85% and 95% respectively). The Porter MAXXI Multitech Euro 6 pick-up, for example, has a 91.5% recyclability rate and a 96.1% recoverability rate. 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.

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.

The recyclability and recovery values for the Porter model, with Euro 6 petrol, GPL and electric engines are given below.

	MULTITECH EURO6	MULTITECH GPL EURO6	EVO
Recyclability (Rcyc)	PORTER = 89.47% MAXXI = 91.5%	PORTER = 89.66% MAXXI = 91.45%	PORTER = 91%
Recoverability (RCOV)	PORTER = 95.39% MAXXI = 96.1%	PORTER = 95.38% MAXXI = 96.1%	PORTER = 95.8%

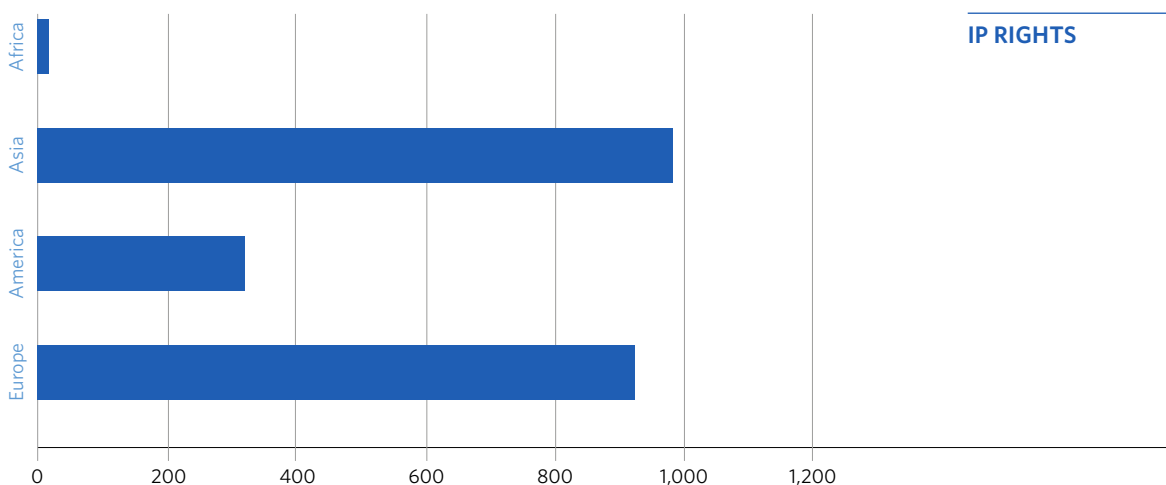
Use of recycled plastics

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.

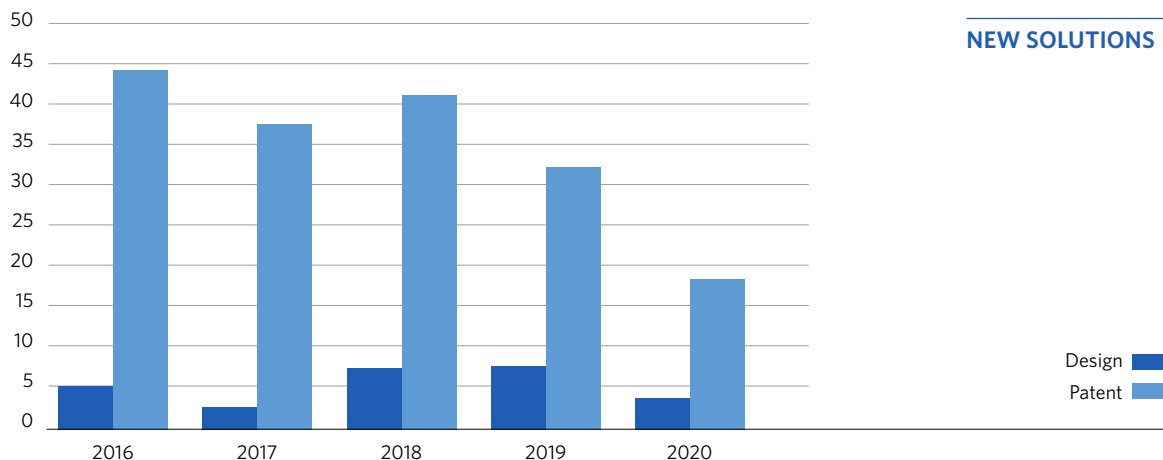
Industrial patent rights

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.



In 2020, the number of new patented solutions dropped to the global pandemic, confirming in any case the 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 and national projects;
- experimental research dissertations.

PROJECT	PARTNER	COUNTRY	TYPE	RELATIONSHIP
PIONEERS	IDIADA AUTOMOTIVE TECHNOLOGY SA	Spain	Research Centre	PIONEERS coordinator and crash test partner
PIONEERS	UNIVERSITY OF FLORENCE	Italy	University	Crash simulations, passive safety
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 ¹⁴	Development of side protection systems and test methodology
PIONEERS	ROBERT BOSCH GMBH	Germany	Supplier, automotive electronic systems	Pre-crash braking
SAFESTRIP	EUROPEAN ROAD TRANSPORT TELEMATICS IMPLEMENTATION COORDINATION ORGANISATION - INTELLIGENT TRANSPORT SYSTEMS & SERVICES EUROPE	Belgium	European Association of ITS Systems	SAFESTRIP Coordinator
SAFESTRIP	ETHNIKO KENTRO EREVNAS KAI TECHNOLOGIKIS ANAPTYXIS	Greece	Research Centre	SAFESTRIP Technical Coordinator
SAFESTRIP	UNIVERSITY OF TRENTO	Italy	University	Implementation of driving aid systems algorithms
SAFESTRIP	RE:LAB S.R.L.	Italy	SME ¹⁵	HMI development

¹⁴ OEM: Original equipment manufacturer.

¹⁵ SME: Small Medium Enterprises.

PROJECT	PARTNER	COUNTRY	TYPE	RELATIONSHIP
SAFESTRIP	FIAT SCPA RESEARCH CENTRE	Italy	Research Centre	Vehicle-vehicle communication experimentation at the Trento site
SAFESTRIP	FUNDACION CIDAUT (CIDAUT)	Spain	Research Centre	Analysis of trial results
SAFESTRIP	SOCIETA PER AZIONI AUTOSTRADA DEL BRENNERO (BRENNER-AUTOBAHN)	Italy	Motorway companies	Vehicle-vehicle communication experimentation at the Trento site
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
FUTURE RADAR	AVL LIST GMBH	Austria	Supplier, automotive electronics	Coordinator
FUTURE RADAR	FIAT SCPA RESEARCH CENTRE	Italy	Research Centre	Prioritisation of mobility research
FUTURE RADAR	RICARDO UK LIMITED	UK	Supplier	Prioritisation of mobility research
FUTURE RADAR	ROBERT BOSCH GMBH	Germany	Supplier, automotive electronics	Prioritisation of mobility research
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

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 2020:

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 inter-operable 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. During 2020, Piaggio provided technical support for the experimentation of C-ITS for motorcycles at the Barcelona site, contributing to the development of the apps and user selection. The project started in 2017. Its completion has been extended to early 2021.

Safestrip (H2020): road safety based on cutting-edge connectivity and sensors

Development of a low-cost, low energy consumption system based on micro and nano sensors incorporated into the road surface in order to collect information (e.g. on road conditions, environmental parameters, traffic data etc.) and alert car and motorcycle users to potential hazards, through vehicle/infrastructure communication. The project started in March 2017 and ended in August 2020. In the first months of 2020, Piaggio participated in collaboration with CRF in the experimentation of the system on the Trento section of the A22 Autobrennero motorway.

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 March 2018 and will end in 2021. During 2020, Piaggio created the demo prototype for the safety leg cover on which to carry out experimental tests.

Future Radar (H2020): medium/long term research topics

The project is a Coordination and Support action, which aims to provide support to the European Commission in the definition of the guidelines and areas for research in the road transport sector, in view of the upcoming Horizon Europe Framework Programme. Piaggio was involved in the project as the main partner for the 2-wheeler sector. The project was completed at the end of 2020.

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.

SAFE (CEF): Emergency call regulations

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). The project will end in June 2021, extended by six months following the Covid-19 emergency.





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.

Finally, during 2020, following the Covid-19 health emergency, the Italian dealers of the Piaggio Group took measures to deal with the security needs of this period. Via the web, customers can book a new vehicle by choosing their preferred version, trade in an owned vehicle, select the purchase terms, take advantage of the many promotions and different types of financing offered, up to receiving their new bike or scooter directly at their home. However, sales locations, with related service centres, have stayed open, even in areas with tighter restrictions, in compliance with regulations in force; these guarantee all services to customers who, thanks to self-certification, can go to a dealer or centre in person, to have their vehicle serviced. This is a tangible sign of being close to customers, to continue to offer the safest mobility, at the most advantageous conditions. Today, scooters and motorcycles offer a certainty of easy, cost-effective mobility, that complies with all the rules on social distancing and safety and is the best guarantee of mobility and freedom.

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 232,000 consumers".

The survey, published in the Affari&Finanza supplement of the newspaper La Repubblica on October 26, 2020, 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 data were collected in September 2020 in a representative survey (Cawi method - Computer assisted web interviewing) of the Italian population. The methodology was not limited to individual aspects of the service received, but also included the relationship with customers.

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/complaints¹⁶, 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.

¹⁶ 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.

FORBES USA CROWNS THE VESPA PRIMAVERA AND PIAGGIO BEVERLY

The online version of the authoritative US magazine **Forbes** in a December 2020 article, published the ranking of the five most significant scooters of 2021 and two out of five are made by the Piaggio Group. An amazing endorsement, which is also a recognition of Italian industry.

The article refers to the new Beverly, just launched, in addition to the Vespa Primavera 50. Other scooters in the top five are the Honda X-ADV, BMW C 650 and another Italian two-wheeler, the Italjet Dragster.

PIAGGIO BEVERLY, EXUBERANT, AGILE, HANDY - Versatility is undoubtedly the trump card of the new Beverly, suitable for quickly getting about town, and for travel on stretches of the motorway, plus the recent restyling of the design and technology - are all winners according to Forbes. The two, 300 cc and 400 cc, liquid-cooled four-stroke engines are more powerful than the previous ones, offering a greater pickup.

VESPA 50, STYLE ON TWO WHEELS - Despite various attempts at imitation, the Vespa 50 remains an undisputed style icon, with a modern look, perfectly renewing the Vespa's design and technology, while maintaining all its standout heritage. The new instrumentation, LED lights and engine performance (low consumption and emissions) are superb, along with the chrome finishes and 12-inch wheels, also suitable for rough road surfaces.

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 have. Both investments and the number of Vespa Clubs in Italy and around the world are subject to constant growth.

In 2006, the Piaggio Group and the Piaggio Foundation established the Vespa World Club (VWC), a non-profit association, created to oversee the management of Vespa Clubs, to preserve the fleet of vintage Vespas still in circulation and help collectors find and restore vintage scooters and continue to organise rallies and great races in Europe and all over the world, guaranteeing Vespa owners outstanding-quality events.

The Vespa World Club:

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

The restrictions put in place by different governments to combat the Covid-19 pandemic have unfortunately prevented the regular holding of both the international gatherings planned in Portugal and Indonesia, as well as those at local, tourist and sports level.

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 co-ordinating its own activities and those of its members with the work of other national and international brand-related clubs.

Today, after 18 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 in 2020 for the Moto Guzzi World Club were stopped following the lockdown measures put in place by various nations to combat the Covid-19 pandemic.

Moto Guzzi Fast Endurance Trophy

From July to October 2020, the second edition of the Moto Guzzi Fast Endurance Trophy took place.

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

The races, with 5 events planned, took place, as follows:

- Vallenga 18-19 July, race 1 Saturday, race 2 Sunday;
- Magione 12-13 September, race 1 Saturday, race 2 Sunday;
- Misano 11 October, single race.

27 teams were involved, from Italy and France.





THE ENVIRONMENTAL DIMENSION



→ THE ENVIRONMENTAL DIMENSION



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"Ecological thinking, to be refined as a species, is indispensable to face challenges that are too complex for individuals. Because man is an animal with a particular ecological niche to safeguard: the Earth."

Daniel Goleman, "Ecological Intelligence"

COMMITMENT	2020 OBJECTIVES	2020 RESULTS	2021 OBJECTIVES	MID-TERM OBJECTIVES
<p>Protecting the environment:</p> <ul style="list-style-type: none"> - reducing pollutant emissions - conserving natural resources. 	<p>Pontedera Plant:</p> <ul style="list-style-type: none"> - Reduction of asbestos cement roofs: lot III building 47; - Decentralisation of furnaces for the production of the required heat 3RV (II lot); - Replacement of lighting fixtures with LEDs; - Definitive separation of the internal sewage system serving the Pontedera production site by building a new sewage system for industrial painting waste products; - Construction of roofing for waste storage areas. 	<p>Pontedera Plant:</p> <ul style="list-style-type: none"> Activity initiated and in progress. - Installation of LED on some assembly lines and in offices; - The definitive separation of the internal sewage system serving the Pontedera production site by building a new sewage system for industrial painting waste products was completed. Activity suspended. 	<p>Pontedera Plant:</p> <ul style="list-style-type: none"> - Work for the decentralisation of furnaces for the production of the required heat 3RV (lot II) continued. - Continuation of the process of replacing light 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. 	<p>All plants:</p> <ul style="list-style-type: none"> - Evaluation / application of new technologies with lower environmental impact. <p>Pontedera Plant:</p> <ul style="list-style-type: none"> - Reduction of asbestos cement roofs: preparations to be made for dismantling 100% of the non-encapsulated rooves. <p>Mandello Del Lario plant:</p> <ul style="list-style-type: none"> - 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.

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.

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
2020	112,303	26,658	8,857	66,866	147,245	361,929
2019	120,626	24,685	10,604	91,289	136,639	383,843
Delta 2020-2019	-6.9%	8.0%	-16.5%	-26.8%	7.8%	-5.7%
2018	125,198	31,049	6,906	96,369	117,033	376,555

COMMERCIAL VEHICLES

UNIT	PONTERERA	BARAMATI	TOTAL
2020	6,301	93,660	99,961
2019	6,231	205,185	211,416
Delta 2020-2019	1.1%	-54.4%	-52.7%
2018	5,799	204,802	210,601

ENGINES

UNIT	PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
2020	109,396	1,579	8,880	81,664	140,188	341,707
2019	116,377		10,480	129,051	127,421	383,329
Delta 2020-2019	-6.0%		-15.3%	-36.7%	10.0%	-10.9%
2018	119,024		7,025	136,850	110,417	373,316

For greater clarity, starting this year the engines produced in the Mandello del Lario factory that power Moto Guzzi bikes are clearly indicated. To make the data in the table comparable, Moto Guzzi engines have also been included for past years.

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.

FIGURE: 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 2020.

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. According to the latest Italian national statistics published by the GSE, 41.51% of the energy used in Italy comes from renewable sources. Among the companies operating abroad, only the one operating in the Netherlands uses energy supply solely 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. 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.

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.

In 2020, energy consumption decreased considerably, above all due to the production shutdowns caused by the pandemic.

PIAGGIO GROUP ENERGY CONSUMPTION¹⁷

		PONTEDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL SITES
Electricity (Thousand KWh)	2020	32,200	3,771	654	15,847	15,060	67,532
	2019	33,210	3,750	713	26,603	15,763	80,039
	Delta 2020-2019	-3.0%	0.6%	-8.3%	-40.4%	-4.5%	-15.6%
	2018	33,239	3,865	638	28,866	14,451	81,059
Methane/Natural Gas (Sm ³)	2020	5,085,839	328,737	143,121			5,557,697
	2019	5,281,812	329,017	147,399			5,758,228
	Delta 2020-2019	-3.7%	-0.1%	-2.9%			-3.5%
	2018	5,185,857	382,753	146,071			5,714,681
LPG (Ton.)	2020				926	27	953
	2019				1,740	26	1,766
	Delta 2020-2019				-46.8%	1.9%	-46.1%
	2018				1,898	20	1,918
Diesel fuel (Litres)	2020	2,743	62	10	14,122	740,295	757,232
	2019	2,470	120	20	6,745	730,902	740,257
	Delta 2020-2019	11.1%	-48.3%	-50.0%	109.4%	1.3%	2.3%
	2018	2,174			171,617	646,584	820,375

The Group also operates through commercial companies (distributors and selling agencies) and research centres located on various reference markets. The energy 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. For 2020, their consumption of electricity was estimated to be equal to 482 thousand KWh (883 thousand KWh in 2019). Of this amount, 31 thousand KWh is from certified renewable sources.

USE OF FUELS FOR COMPANY CARS AND TESTING VEHICLES IN 2020¹⁸

		PONTEDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL SITES
Petrol (litres)		136,168	108,541	31,598	97,010	98,985	472,302
Methane/Natural Gas (Sm ³)		4,571					4,571
LPG (Ton.)		3			6		9
Diesel fuel (Litres)		102,492	32,144	5,654	193,739		334,029
CGN (Ton.)					7		7

PIAGGIO GROUP ENERGY CONSUMPTION IN GJ¹⁹

		ELECTRICITY	METHANE / NATURAL GAS	LPG	DIESEL FUEL	TOTAL
Sites	2020	243,115	196,081	43,961	27,273	510,430
	2019	288,137	224,628	81,431	26,344	620,540
	Delta 2020-2019	-15.6%	-12.7%	-46.0%	3.5%	-17.7%
	2018	294,534	222,930	88,411	29,871	635,746

		PETROL	METHANE / NATURAL GAS	LPG	DIESEL FUEL	CNG	TOTAL
Testing and company cars	2020	15,167	161	415	12,031	304	28,077

¹⁷ Some values are based on estimates.

¹⁸ Some values are based on estimates.

¹⁹ 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 2020. For electricity, the standard coefficient set by ENEA was used (1 kWh = 0.0036 GJ).

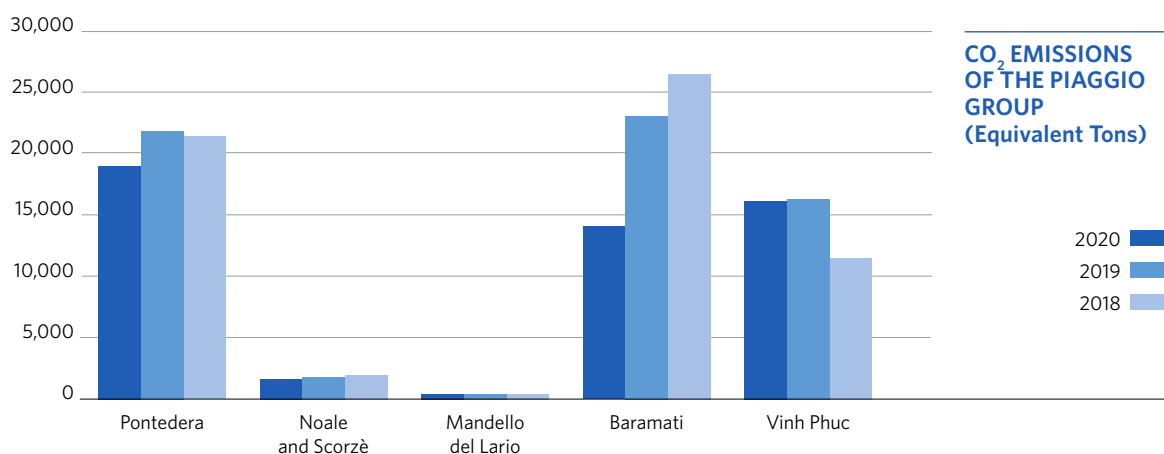
EMISSIONS OF CO₂ AND OTHER POLLUTANTS

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.

Structural works (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. However, it should be noted that the reduction in emissions from the Baramati plant is due to production shutdowns caused by the pandemic.

DIRECT AND INDIRECT²⁰ CO₂ EMISSIONS OF PIAGGIO GROUP PRODUCTION SITES

TON.		PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
2020	direct ²¹	10,262	652	284	1,022	2,054	14,275
	indirect	9,061	1,061	184	12,995	13,750	37,051
2019	direct ²¹	10,598	650	291	1,861	2,191	15,591
	indirect	10,979	1,240	236	21,814	13,633	47,902
Delta 2020-2019	direct ²¹	-3.2%	0.4%	-2.4%	-45.1%	-6.3%	-8.4%
	indirect	-17.5%	-14.4%	-22.0%	-40.4%	0.9%	-22.7%
2018	direct ²¹	10,335	752	287	2,522	1,890	15,786
	indirect	10,989	1,278	211	23,670	9,555	45,703



For sites located in Italy, the conversion criteria of the "Emission Trading" Directive (Directive 2003/87/EC) were used to determine gases with a greenhouse effect resulting from the use of diesel, fuel oil and methane.

Data relating to the Indian plants were calculated applying to energy and fuel consumption the coefficients set by The Central Electricity Authority "CO₂ Baseline Database for the Indian power sector", while those relating to the plants in Vietnam were calculated using the coefficients set by the "Department of Meteorology, Hydrology and Climate change - Ministry of Natural resource and Environment Vietnam".

With reference to CO₂ emissions, the industrial plant at Pontedera comes under the sensitivity area classification 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 companies 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.

²⁰ The "Location-based" method was used for the reporting of indirect emissions (Scope 2).

²¹ CO₂ emissions deriving from the combustion of methane, natural gas, diesel fuel and LPG used at plants.

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.

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

The CO₂ emissions from the use of company cars and from testing and development activities are reported below.

		PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
Ton.	2020	610	341	89	808	48	1,896

Overall, direct emissions of the Group in 2020 were equal to 16,171 tons.

OTHER SIGNIFICANT EMISSIONS AT THE PRODUCTION SITES OF THE PIAGGIO GROUP²²

		PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
COV (Ton.)	2020	19.1			214.4	2.8	236.2
	2019	33.8			425.4	2.7	461.9
	Delta 2020-2019	-43.5%			-49.6%	2.0%	-48.9%
	2018	30.8			601.0	3.3	635.1

In 2020 there was a drastic reduction in VOCs emitted by the Pontedera plant, caused by the work stoppages, the suspension in the last quarter of Porter production, and better use of the plants. The significant decrease in VOCs emitted by the Baramati plant is attributable to the period when activities stopped due to the lockdown.



²² Reported data are also based on processing using estimates.

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, as is shown by analysing the water consumption of Pontedera plant, which in a decade has more than halved its m³ consumption of well water. This reduction was mainly 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).

It should be noted that the parameters currently used to analyse water entering and leaving the group's plants for the classification of waters in fresh water and other types of water are different from those required by GRI 303-3 and 303-4. Therefore, the tables below show the breakdown by source only.

WATER WITHDRAWALS

MEGA-LITRES		PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL SITES	WATER STRESS AREAS
2020	Groundwater (from wells)	159	5				164	159
	Third-party water resources (mains)	72	30	1	215	95	413	383
	Total withdrawals	231	35	1	215	95	577	541
2019	Groundwater (from wells)	177	5	10			192	177
	Third-party water resources (mains)	63	13	1	278	114	469	455
	Total withdrawals	240	18	11	278	114	661	632
Delta 2020-2019	Total withdrawals	-3.8%	93.0%	-95.2%	-22.8%	-16.4%	-12.8%	-14.4%

Water withdrawal fell considerably on a global scale, due to efficiency measures adopted and to production shutdowns caused by the pandemic.

Piaggio will continue though with targeted activities and controls to further reduce water use, in the belief that minimising this resource is essential.

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

WATER CONSUMPTION

MEGALITRES		BARAMATI	VINH PHUC	TOTAL SITES	WATER STRESS AREAS
2020	Groundwater (from wells)				
	Third-party water resources (mains)	215	19	234	234
	Total consumption	215	19	234	234
2019	Groundwater (from wells)				
	Third-party water resources (mains)	278	23	301	301
	Total consumption	278	23	301	301
Delta 2020-2019	Total consumption	-22.8%	-16.4%	-22.3%	-22.3%

WATER DISCHARGES

MEGA-LITRES		PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL SITES	WATER STRESS AREAS
2020	Surface waters	0	5	0		0	5	0
	Water mains	231	30	1		76	337	307
	Total discharges	231	35	1		76	343	307
2019	Surface waters	0	5	10		0	15	0
	Water mains	240	13	1		91	345	331
	Total discharges	240	18	11		91	360	331
Delta 2020-2019	Total discharges	-3.8%	93.0%	-95.1%		-16.4%	-4.8%	-7.3%

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:** in the second half of 2020 a sewage system was completed and put into operation, which collects all the "industrial" discharges, conveying them directly to the chemical-physical purification plant outside the site. The "industrial" network is now completely separate from the civil waste water network. Both types of waste water undergo chemical-physical purification and are then sent for biological treatment, from which they are discharged into the open riverbed. A small part of the discharges, originating from the toilets of two areas of the plant, flows directly into the public sewage network which is directly connected to the biological system of the integrated water supply;
- **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 the public sewer system.
- **Commercial companies:** water withdrawal, 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.

Only the Baramati and Vinh Phuc sites reuse some of the water collected. Approximately 104,991 m³ of water were recycled and re-used by the Indian site in 2020, equal to just under 50% of the total amount drawn by the site. At the Vietnamese factory, waste water recovery amounted to 15,960 m³, equal to approximately 16.7%.

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.

2020 was a year of transition for Italian plants, despite the difficult period, where the percentages of waste sent for recovery were consolidated and slightly improved, reaching nearly 90% of the waste produced, or even exceeding this figure at some sites.

As Asian plants instead, the Vietnamese site recorded stable figures, while in India there was a considerable decrease in production, due to the lockdown which led to a considerable reduction in the amount of 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.

WASTE PRODUCED AT PIAGGIO GROUP PRODUCTION SITES

TON		PONTERERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	BARAMATI	VINH PHUC	TOTAL
2020	Total waste	7,166	598	287	1,905	1,335	11,290
	Hazardous	8.4%	3.0%	1.7%	17.6%	64.7%	16.1%
	For disposal	12.5%	5.9%	0.0%	37.6%	72.7%	23.2%
	For recycling	87.5%	94.1%	100.0%	62.4%	27.3%	76.8%
2019	Total waste	8,356	829	249	3,054	1,267	13,756
	Hazardous	9.7%	1.7%	1.5%	22.0%	65.2%	16.9%
	For disposal	21.4%	6.2%	1.5%	34.1%	74.4%	27.8%
	For recycling	78.6%	93.8%	98.5%	65.9%	25.6%	72.2%
Delta 2020-2019	Total	-14.2%	-27.9%	15.1%	-37.6%	5.3%	-17.9%
2018	Total waste	6,488	882	172	2,366	1,430	11,338
	Hazardous	11.1%	1.6%	2.7%	11.9%	75.6%	18.5%
	For disposal	5.5%	5.3%	2.7%	8.0%	66.4%	13.6%
	For recycling	94.5%	94.7%	97.3%	92.0%	33.6%	86.4%

Based on an analysis per type, most of the waste produced was metal waste (iron, aluminium, turning material, etc.) and packaging material (cardboard, wood, etc.). For example at the Pontedera site, approximately 3,400 tons of packaging and 2,000 tons of metal are produced, with these two categories comprising approximately 75% of waste generated.

Avoiding soil contamination

In 2020, 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 of the sites. 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 2020, directed in the Pontedera Plant to the construction of new industrial drains and a new cataphoresis plant. Although this project, costing the Company around €4 million, is not directly aimed at protecting the environment, it will have positive and significant repercussions on the main environmental matrices.

ENVIRONMENTAL SPENDING AND INVESTMENTS IN ITALY

EUROS	2020	2019	2018
Waste disposal, emissions management and environmental clean-up costs	970,546	669,950	465,282
Costs for prevention and environmental management	1,120,228	980,718	738,422
Total	2,090,774	1,650,668	1,203,704

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 optimize 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 disciplines:

- 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 reduced;
- printing of shipping documents to be sent to end customers has been minimised, and electronic documents are used whenever possible.

In 2020, the new three-year vehicle distribution contract for 2R vehicles became operational. At the same time, the planning of transit to directly managed markets has been re-insourced, to ensure a maximum focus on the optimization of distribution operations. The difficult situation caused by the COVID-19 pandemic has unfortunately not allowed maximum efficiency to be achieved. However, the optimization actions led to a reduction in distribution operations per vehicle in 2020 equal to 0.07% for two-wheeler vehicles and 0.57% for commercial vehicles compared to the previous year.

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

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



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"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	2020 OBJECTIVES	2020 RESULTS	2021 OBJECTIVES	MID-TERM OBJECTIVES
Skills model	<ul style="list-style-type: none"> - Review of the technical and managerial skills model, from a "Digital" and Industry 4.0. viewpoint. 	<ul style="list-style-type: none"> - Job Profile/Skills in the marketing and communication area updated in line with the digital evolution of the company. 	<ul style="list-style-type: none"> - Periodic monitoring of Job Profile, competencies, gap analysis and the definition of a corrective action plan. 	<ul style="list-style-type: none"> - Verification and alignment of skills within the strategic plan requirements.
Talent management	<ul style="list-style-type: none"> - Go-live of the "development tool" with individual/group activities. - Start up of a "Top Talent" project to identify top performers. 	<ul style="list-style-type: none"> - Online training sessions held, dedicated to the Group's talents. - "Top Talent" project defined for the scouting & retention of top performer resources. 	<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"> - 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 critical 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"> - Create Managerial Training Corporate Programmes applicable worldwide. - Maintain the occupational health and safety training level, with a view to disseminating "Safe behaviour". 	<ul style="list-style-type: none"> - Training, which takes place mainly through e-learning, has been focussed on H&S issues to support the application of Covid risk management models and ensure compliance with regulations. 	<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"> - Consolidation of tools for sharing methods to manage and develop training at a global level.
Health and safety	<ul style="list-style-type: none"> - UAT²³ and go-live planned for the third stage of the SAP EHSM project. - Maintenance of health and safety management system certification to the new ISO 45001 standard. 	<ul style="list-style-type: none"> - SAP EHSM project completed. - Maintenance of health and safety management system certification to ISO 45001. 	<ul style="list-style-type: none"> - Continuation of the process of computerise Health & Safety activities. 	<ul style="list-style-type: none"> - Promotion of a "culture of safety".

23 User Acceptance Testing.

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 focussed on aligning its organisation with international best practices. During 2020, 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.

At 31 December 2020, Group employees totalled 5,856 units, with an overall decrease of 5.9% compared to 31 December 2019, and an average reduction of 3%.

COMPANY EMPLOYEES BY GEOGRAPHIC SEGMENT AS OF 31 DECEMBER

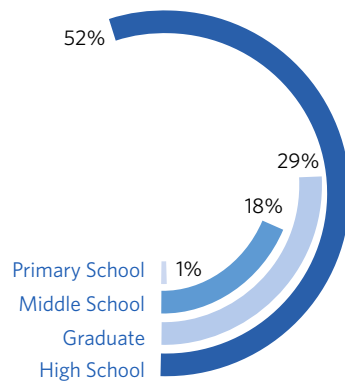
EMPLOYEE/STAFF NUMBERS	2020	2019	2018
EMEA and Americas	3,331	3,483	3,586
<i>of which Italy</i>	3,057	3,199	3,324
India	1,550	1,749	2,026
Asia Pacific 2W	975	990	903
Total	5,856	6,222	6,515

AVERAGE NUMBER OF COMPANY EMPLOYEES BY PROFESSIONAL CATEGORY

EMPLOYEE/STAFF NUMBERS	2020	2019	2018
Senior management	106	105	98
Middle management	664	671	631
White collars	1,673	1,728	1,708
Blue collars	3,791	3,920	4,261
Total	6,234	6,424	6,698

COMPANY EMPLOYEES BY EDUCATIONAL QUALIFICATIONS AS OF 31 DECEMBER 2020

EMPLOYEE/STAFF NUMBERS	GRADUATE	HIGH SCHOOL	MIDDLE SCHOOL	PRIMARY SCHOOL	TOTAL
EMEA and Americas	802	1,650	843	36	3,331
<i>of which Italy</i>	624	1,573	830	30	3,057
India	512	1,038	0	0	1,550
Asia Pacific 2W	398	333	244	0	975
Total	1,712	3,021	1,087	36	5,856



COMPANY EMPLOYEES BY EDUCATIONAL QUALIFICATIONS AS OF 31 DECEMBER 2020

An entry turnover rate of 2.3% and leaving turnover rate of 7.0% were recorded in Italy in 2020 in the Group (excluding staff on a fixed-term contract), in line with the expected generational turnover.

GROUP EMPLOYEE TURNOVER AS OF 31 DECEMBER 2020

STAFF AS OF 31 DECEMBER 2020	MEN	WOMEN	TOTAL	< 31	31 - 40	41 - 50	> 50	TOTAL	% TURNOVER	
INCOMING										
EMEA & Americas	3,316	53	21	74	29	25	9	11	74	2.2%
Senior/Middle Man./ White collars	1,415	44	20	64	25	22	7	10	64	4.5%
Blue collars	1,901	9	1	10	4	3	2	1	10	0.5%
India	1,218	36	0	36	12	16	7	1	36	3.0%
Senior/Middle Man./ White collars	617	35	0	35	11	16	7	1	35	5.7%
Blue collars	601	1	0	1	1	0	0	0	1	0.2%
Asia Pacific	587	4	3	7	4	2	1	0	7	1.2%
Senior/Middle Man./ White collars	256	4	3	7	4	2	1	0	7	2.7%
Blue collars	331	0	0	0	0	0	0	0	0	0.0%
TOTAL	5,121	93	24	117	45	43	17	12	117	2.3%
Senior/Middle Man./ White collars	2,288	83	23	106	40	40	15	11	106	4.6%
Blue collars	2,833	10	1	11	5	3	2	1	11	0.4%
LEAVERS										
EMEA & Americas	3,316	161	63	225	22	23	15	165	225	6.8%
Senior/Middle Man./ White collars	1,415	82	36	119	22	22	13	62	119	8.4%
Blue collars	1,901	79	27	106	0	1	2	103	106	5.6%
India	1,218	90	3	93	13	44	19	17	93	7.6%
Senior/Middle Man./ White collars	617	79	2	81	9	43	14	15	81	13.1%
Blue collars	601	11	1	12	4	1	5	2	12	2.0%
Asia Pacific	587	30	8	38	16	20	2	0	38	6.5%
Senior/Middle Man./ White collars	256	6	7	13	5	6	2	0	13	5.1%
Blue collars	331	24	1	25	11	14	0	0	25	7.6%
TOTAL	5,121	281	74	356	51	87	36	182	356	7.0%
Senior/Middle Man./ White collars	2,288	167	45	213	36	71	29	77	213	9.3%
Blue collars	2,833	114	29	143	15	16	7	105	143	5.0%

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 focussed 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 2020, resourcing mainly concerned high-level professional and specialist profiles. 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 2020, 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 focussed 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 2020, 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,
- 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 2020²⁴

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

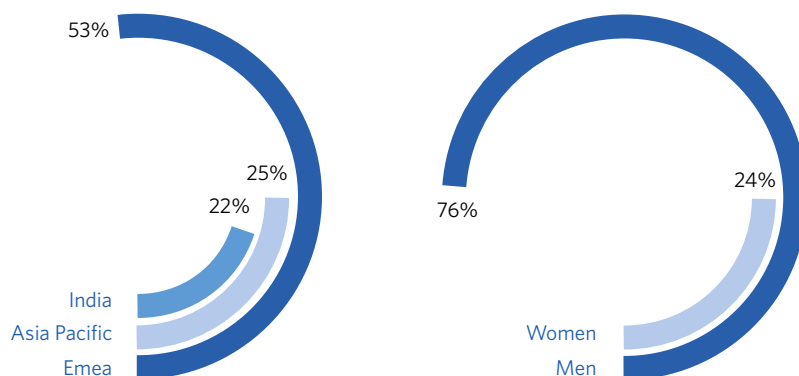
Programmes to manage young talent are one of the main tools used for development, attraction and retention. The programmes are aimed at employees around the world who show high potential, great enthusiasm for their work and the courage to undertake new directions, in order to identify and ensure a growth path for the most deserving resources. 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 of all geographic areas of the Group. At present 49 employees are involved, in addition to a community of 48 students who have completed their development plan and who still remain active in the programme.

The geographic breakdown of active participants is as follows: 53% EMEA, 22% India, 25% Asia Pacific.

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 2020

²⁴ The figures regard members of the company who have been employed for at least six months at the time of the review.

Training

Training was influenced by the drastic reduction in classroom courses due to the epidemiological situation in all areas where the Group operates. Where possible, managerial and above all technical training activities were organised in E-Learning sessions during lockdown.

Worker health and safety issues represented the area of greatest investment in training, aimed at guaranteeing worker training and information on anti-Covid measures adopted and compliance with regulatory requirements.

HOURS OF TRAINING²⁵ BY TRAINING AREA

THEME AREA	2020				2019			
	EMEA AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL	EMEA AMERICAS	INDIA	ASIA PACIFIC 2W	TOTAL
Managerial training	712	9,224	3,213	13,149	7,379	7,428	3,185	17,992
Technical - professional training	4,236	12,941	2,294	19,471	18,566	5,123	1,218	24,907
Language training	2,850	1,093	104	4,047	5,367	928	2,896	9,191
Health and safety training	11,287	9,849	4,578	25,714	22,902	10,262	4,688	37,852
TOTAL	19,085	33,107	10,189	62,381	54,214	23,741	11,987	89,942

TOTAL TRAINING HOURS BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2020	2019
Senior management	890	982
Middle management	12,227	12,007
White collars	22,680	29,464
Blue collars	19,691	37,712
Other workers ²⁶	6,893	9,777
Total	62,381	89,942
Total per capita ²⁷	9.5	12.9

TRAINING HOURS BY GENDER

THEMATIC AREA	2020			2019		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Managerial training	11,673	1,476	13,149	14,578	3,414	17,992
Technical - professional training	18,239	1,232	19,471	20,240	4,667	24,907
Language training	2,864	1,183	4,047	6,807	2,384	9,191
Health and safety training	22,342	3,372	25,714	30,719	7,133	37,852
Total	55,118	7,263	62,381	72,344	17,598	89,942

²⁵ The figure does not include hours of on-the-job training.

²⁶ This category includes agency workers and interns.

²⁷ The calculation of the average per-capita hours is performed using the hours provided by the Group as the numerator (excluding those for non-salaried workers) and the total number of employees as at 31/12 as the denominator.

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.

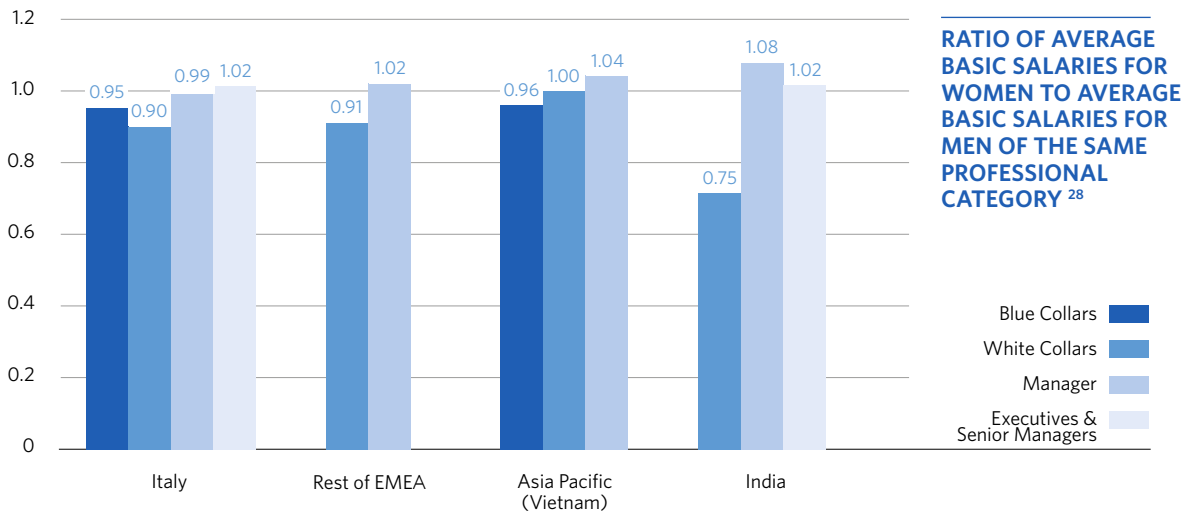
The Group reward system is differentiated for the various professional groups in the company, and consists of a fixed salary component and variable objective- and benefits-based incentive systems.

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;
- specific identification of fixed and variable salary components, in accordance with guidelines, with meritocracy logics and retention needs relative to strategic resources for the business.

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. This basic uniformity in salaries for male and female staff is also confirmed by an analysis of the minimum salary of new recruits and of guaranteed compliance with the limits established by local legislation.



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.

²⁸ 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 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.

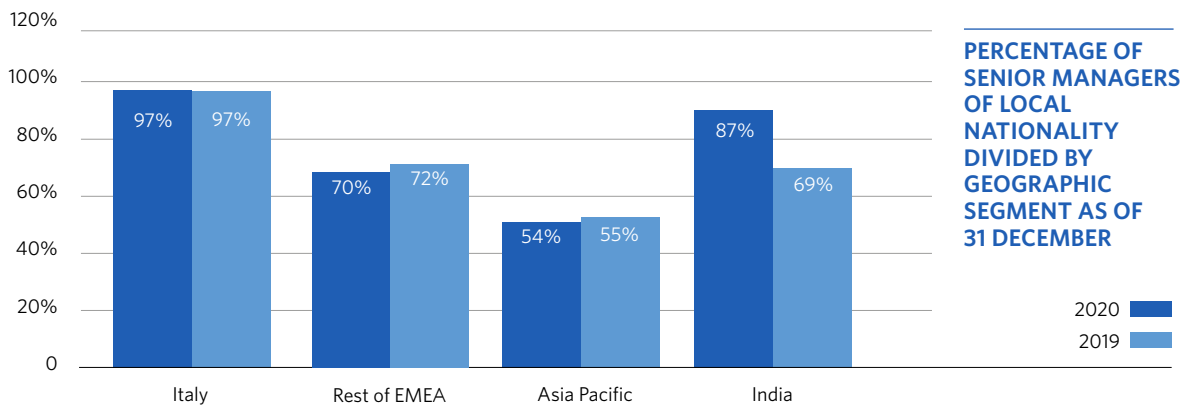
For Piaggio, managing diversity means acknowledging and respecting differences as part of the shared substratum of company culture. The Group therefore rejects any form of discrimination on the basis of gender, age, nationality, ethnic background, ideology or religion. It operates in strict compliance 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 below²⁹, 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.

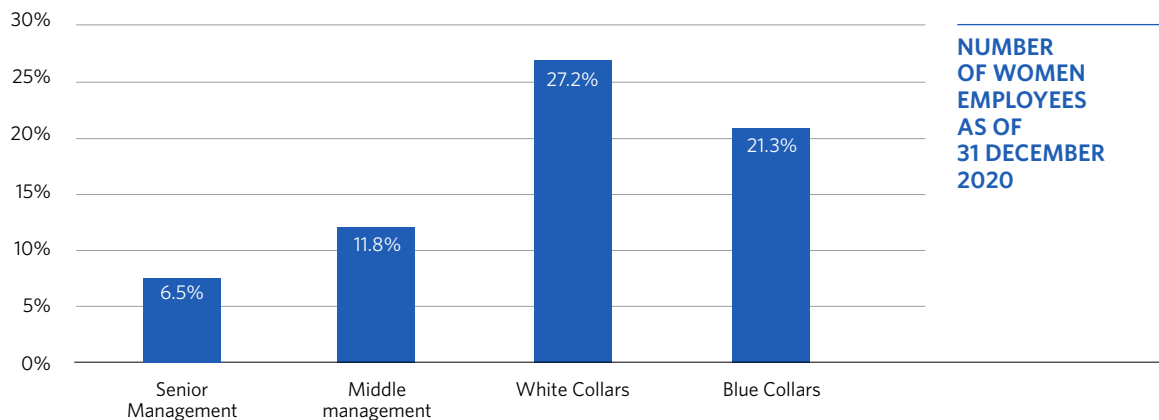
Female employment

Female employees at Piaggio play a fundamental role at all levels of the organisational structure. Women account for 22% of employees, slightly up on the previous year in all professional categories.

²⁹ 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.

COMPANY EMPLOYEES BY GENDER AND GEOGRAPHIC SEGMENT AS OF 31 DECEMBER

	2020		2019	
	MEN	WOMEN	MEN	WOMEN
EMEA and Americas	2,287	1,044	2,397	1,086
<i>of which Italy</i>	2,073	984	2,179	1,020
India	1,517	33	1,717	32
Asia Pacific	788	187	810	180
Total	4,592	1,264	4,924	1,298



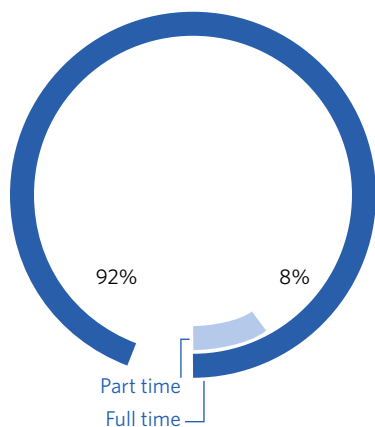
COMPANY EMPLOYEES BY CONTRACT TYPE, GENDER AND GEOGRAPHIC SEGMENT AS OF 31 DECEMBER 2020

EMPLOYEE/ STAFF NUMBERS	FIXED-TERM CONTRACT			OPEN-ENDED CONTRACT		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMEA and Americas	13	2	15	2,274	1,042	3,316
<i>of which Italy</i>	12	2	14	2,061	982	3,043
India	322	10	332	1,195	23	1,218
Asia Pacific	307	81	388	481	106	587
Total	642	93	735	3,950	1,171	5,121

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 2020

EMPLOYEE/ STAFF NUMBERS	FULL TIME			PART TIME		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMEA and Americas	2,245	852	3,097	42	192	234
<i>of which Italy</i>	2,031	795	2,826	42	189	231
India	1,517	33	1,550	0	0	0
Asia Pacific	788	187	975	0	0	0
Total	4,550	1,072	5,622	42	192	234



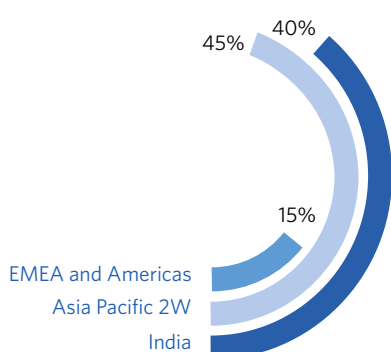
PART-TIME EMPLOYMENT IN ITALY AS OF 31 DECEMBER 2020

Young employees

Within the Group, the company's largest population is in the 41-50 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		UP TO 30	31-40	41-50	> 50	TOTAL
2020	Senior managers	0	8	35	64	107
	Middle managers	2	199	271	189	661
	White collars	256	555	464	350	1,625
	Blue collars	716	695	1,168	884	3,463
	Total	974	1,457	1,938	1,487	5,856
2019	Senior managers	0	9	35	62	106
	Middle managers	4	197	280	186	667
	White collars	287	584	471	366	1,708
	Blue collars	910	733	1,252	846	3,741
	Total	1,201	1,523	2,038	1,460	6,222



COMPANY EMPLOYEES UP TO 30 YEARS OF AGE BY GEOGRAPHIC SEGMENT AS OF 31 DECEMBER 2020

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 181 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 significant³⁰.

	EMEA & AMERICAS (INCLUDING ITALY)			ASIA PACIFIC		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Employees on maternity leave during 2020	20	20	40	110	24	134
Employees returning in 2020 after maternity leave	19	12	31	110	17	127
Employees returning in 2019 after maternity leave	25	18	43	87	32	119
Employees returning to work and on the payroll 12 months after returning from maternity leave	23	18	41	81	16	97
Retention rate (%)	92.00%	100.00%	95.35%	93.10%	50.00%	81.51%

In Italy, all employees who are parents of a child³¹ 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. online coupons, 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). Through specific Intranet stations ("Piaggio InfoPoint"), located in the Italian factories of the Piaggio Group, also blue collars have access to the news (company news, new products) and to many services using their corporate badge.

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, for example:

- A quarterly meeting at Piaggio Vietnam with management to share quarterly results and targets for the next quarter;
- INDIA E-Care: this is an online platform where external consultants deal with various personal problems of employees and their families, guaranteeing confidentiality, and consultants are also on hand, through digital channels, to provide assistance with physical and mental health issues;
- Piaggio Vietnam Annual Safety training/Monthly Safety coordinator meeting/Safety Driving contest: these are activities that increase safety awareness.

³⁰ The figures refer only to parental leave requested up to the child's first birthday.

³¹ Natural, adopted or in foster care.

INDUSTRIAL RELATIONS

The Piaggio Group acknowledges the role of trade union organisations and workers' representatives and is committed to establishing relations with them focussed 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.

Piaggio complies with the labour legislation of countries where it operates. The minimum notice to give in the case of major organisational changes depends on the country where the employee works and on local applicable legislation.

Italy

During 2020, dialogue and discussion continued with trade unions and workers' representatives, with the aim of seeking shared solutions, in order to respond to market situations, adopt measures to limit the effects of the pandemic caused by COVID-19 and to manage the impacts on employees. Continual engagement and collective negotiations have made it possible to identify shared management tools, that can tackle various scenarios safeguarding Company competencies.

In fact, corporate control committees have been set up at individual sites, 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).

During 2020, following the health emergency caused by the coronavirus, the COVID Ordinary Redundancy Fund was used, and at the Pontedera, Noale, Scorzè and Mandello del Lario sites, individual company trade union agreements were signed to encourage the termination of employment only for workers signing the agreement.

The National Collective Bargaining Agreement (CCNL) is valid throughout Italy. In the case of major organisational changes, provisions of law and of the relative collective bargaining agreement are complied with. In December 2019 negotiations for the renewal of the CCNL were started; talks were stopped at the beginning of March 2020 due to the Covid-19 emergency and resumed in September.

As regards 2nd level bargaining, the negotiations which began in late 2017, ended with a collective agreement signed on 23 January 2020 with national and provincial branches of trade unions and trade union representatives of Pontedera, Noale, Scorzè and Mandello del Lario, for production units in Italy, valid up until 31 December 2022. This agreement was approved in February 2020 by workers in a referendum.

As regards the Pontedera site, which is now fully established as a centre of excellence in innovation, research and design and in the production of vehicles and engines, a new trade union agreement was signed in October 2019 for the use of the Solidarity Contract from October 2019 to January 2020.

In the first part of 2020, workers with fixed-term contracts were hired in the plants to cope with the production peak.

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 at the Scorzè site from 9 January 2020 to 8 January 2021.

At the same time, a procedure was started for a collective decrease in staff, approved by workers, and concerning 100 people overall, in order to promote an easier management of structural excesses.

The use of the Ordinary Redundancy Fund has resulted in a temporary suspension of the intervention of the Extraordinary Redundancy Fund.

At the Mandello del Lario production unit, the increase in work related to the summer production peak was managed in 2020 by using contractual multi-week hours, as well as agency workers.

Membership of trade union organisations at Italian sites (2018 – 2020) is shown in the table below:

	2020			2019			2018		
	PONTEREDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	PONTEREDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO	PONTEREDERA	NOALE AND SCORZÈ	MANDELLO DEL LARIO
FIOM	85	110	37	211	119	35	248	125	41
UILM	251	1	2	239	1	2	285	1	2
FIM	262	148	28	283	142	23	326	141	21
UGL	106			97			5		
USB	51			45			36		
CGIL/CISL/UIL	1			1			1		
Total number of employees who are members of a trade union	756	259	67	876	262	60	901	267	64
	31.9%	51.0%	69.8%	35.05%	50.48%	64.51%	35.8%	51.3%	68.8%

Corporate conflict events are down on the previous year (-43%); in particular, the number of hours lost due to causes related to general/sector strikes has drastically decreased, while corporate micro-conflict events, albeit with negligible values and in line with previous years, increased compared to 2019, mainly due to initiatives of a single trade union organisation.

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

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:

		2020	2019	2018
No. of hours lost due to strikes	general/category	1,596	22,303	1,400
	company	15,816	8,292	14,526
	Total	17,412	30,595	15,926
% hours lost compared to hours worked	general/category	0.08%	1.18%	0.07%
	company	0.75%	0.44%	0.80%
	Total	0.83%	1.61%	0.83%
No. of days lost due to strikes	general/category	200	2,788	175
	company	1,977	1,036	1,816
	Total	2,177	3,824	1,991

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 particular, two childcare agreements are in place for employees at the Pontedera site.

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 during working hours;
- at Noale/Scorzè and Mandello del Lario, all employees are entitled to paid time off for specialist consultations outside the company and for clinical analyses.

All sites also offer employees 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 2020, 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 2020.

In 2020, 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 this approach, Piaggio organised numerous activities to engage its employees, including health checks-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 2014 and comprising 15 members who will remain in office for 6 years, made an excellent contribution in 2020, having sponsored and assisted the company in a number of initiatives to bolster employee motivation.

In 2020, 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).

In the second half of 2020, on the other hand, specific initiatives and events were organised, in line with previous years, to increase the spirit of cooperation also through sport (company-level football tournament).

No strikes took place in 2020.

OCCUPATIONAL HEALTH AND SAFETY

Safeguarding and improving the health and safety of workers has always been integral to the Group's operations and is a strategic commitment which is positioned among the Group's more general objectives. This principle is valid and adopted in all countries where the Group operates. In particular, the Group has taken concrete actions in order to enable:

- Continual developments designed to create a safer working environment, based on assessing all aspects of safety at work and the associated systems, to be launched when planning new activities or when reviewing existing ones;
- safer conduct through education, information and awareness of all workers, to enable them to perform their duties safely and to become accountable with respect to Health and Safety at Work.

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.

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 through an adequately structured organisation which specifically aims to foster a "culture" of safety within the company. Therefore, the belief that prevention must focus on behaviours and daily activities is today disseminated at all levels. This approach has led the Piaggio Group to adopt very similar safety management standards in all the countries in which it operates, regardless of the presence of less stringent regulatory constraints with respect to the Group's standards. From this perspective, the sites in Italy, Vietnam and India have an Occupational Health and Safety management system certified by an accredited body. Audits are conducted annually and were successfully completed in 2020.

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.

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 sanitization of workstations and communal areas, taking people's temperature at the site entrance, the adoption of specific PPE (e.g. distribution of masks and sanitizing gels), as well as the introduction of smart working.

This activity was supervised by local anti-Covid committees monitored at Group level.

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.).

The implementation of the SAP EHSM IT tool dedicated to the management of health and safety aspects was also completed during the year.

FREQUENCY INDEX³² - ITALY

	2020			2019			2018		
	M	W	TOT	M	W	TOT	M	W	TOT
Pontedera	1.2	1.3	1.2	1.2	1.7	1.4	1.0	1.6	1.2
Noale and Scorzè	0.4	0.8	0.5	0.8	0.0	0.7	0.4	0.7	0.5
Mandello Del Lario	1.1	0.0	1.1	0.5	0.0	0.5	0.7	0.0	0.7

³² The Frequency Index is: $I_f = (\text{No. of accidents} \times 100,000) / \text{Hours worked}$.
 The number of accidents is calculated considering only accidents in the workplace involving employees and temporary staff (or equivalent), excluding accidents reported pursuant to Article 53 of Presidential Decree 1124/65. As per Article 53, both commuting accidents and accidents not considered credible, or without satisfactory evidence (due to the lack of a violent cause or lack of a causal link or lack of work activity) are reported.

Injuries that occurred at Italian sites in 2020 are mainly attributable to behavioural causes such as distractions, inappropriate behaviour, failure to comply with procedures.

No injury lasted longer than 6 months.

As regards external companies operating at the Italian production sites of Piaggio, in 2020, 1 injury was recorded for the Pontedera site only (6 in 2019 and 7 in 2018).

SEVERITY INDEX³³ - ITALY

	2020			2019			2018		
	M	W	TOT	M	W	TOT	M	W	TOT
Pontedera	27.1	20.5	25.1	19.6	36.1	24.5	16.6	44.3	24.5
Noale and Scorzè	10.8	0.0	8.6	18.6	0.0	15.1	12.2	9.3	11.6
Mandello Del Lario	12.2	0.0	11.6	15.1	0.0	14.3	9.8	0.0	9.2

Accidents occurring in 2020 refer to employees of the Group with the exception of one accident involving a temporary worker.

There was no fatal injury in Italy in 2020, similarly to what happened in 2019 (1 fatal injury in itinere in 2018 in Pontedera).

OCCUPATIONAL DISEASES IN ITALY

	2020		2019		2018	
	REPORTED	ACKNOWLEDGED	REPORTED	ACKNOWLEDGED	REPORTED	ACKNOWLEDGED
Pontedera	61	(*)	75	(*)	70	(*)
Noale and Scorzè	0	0	0	0	0	0
Mandello Del Lario	0	0	0	0	1	0

(*) To date, the outcome from INAIL concerning occupational diseases reported in the year considered is not known.

Occupational disease claims received in 2020 mainly refer to presumed pathologies from bio-mechanical overload of the upper limbs and from the manual handling of loads.

India

In 2020, health and safety were one of the main priorities for the company, especially with a view to the pandemic.

In order to guarantee the highest 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 work place, 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.

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.

³³ The severity index is calculated as $Ig = (\text{working days lost} / \text{hours worked}) \times 100,000$.
 The index is obtained by considering only accidents at work of employees and temporary workers (or similar).

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 specialized in compliance with privacy regulations.

To raise a greater awareness among workers of safety in the workplace, initiatives have also been organised involving family members, such as: the "Safety Week", and the "Environment Celebration Day".

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.

FREQUENCY INDEX - INDIA

	2020			2019			2018		
	M	W	TOT	M	W	TOT	M	W	TOT
Engine & Commercial Vehicles	0.1	0.0	0.1	0.0	0.0	0.0	0.011	0.0	0.01
2W	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spare Parts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

SEVERITY INDEX IN INDIA

	2020			2019			2018		
	M	W	TOT	M	W	TOT	M	W	TOT
Engine & Commercial Vehicles	1.23	0.0	1.19	0.0	0.0	0.0	1.019	0.0	1.0
2W	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spare Parts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Accidents that occurred in 2020 refer to non-employees (temporary workers).

The number of occupational diseases reported at Indian sites was equal to zero and reflects the Piaggio Group's commitment to achieving the objective of guaranteeing healthy workplaces.

In line with previous years, there were no fatal injuries in India in 2020.

Vietnam

The main priority of the Company this year was 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.

FREQUENCY INDEX - VIETNAM

	2020			2019			2018		
	M	W	TOT	M	W	TOT	M	W	TOT
Vietnam	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0

SEVERITY INDEX IN VIETNAM

	2020			2019			2018		
	M	W	TOT	M	W	TOT	M	W	TOT
Vietnam	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0

In line with previous years, there were no injuries in Vietnam in 2020. Compared to the considerable national trend, the number of occupational diseases reported at the Vietnamese site was equal to zero and reflects the Piaggio Group’s commitment to achieving the objective of guaranteeing healthy workplaces.



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 (about 14,264 units in 2020, equivalent to 2.95% 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.

Italian plants

In 2020, Italian plants purchased merchandise and spare parts for an overall value of €384 million (excluding complete vehicles) from 680 suppliers.

The first ten suppliers made up 19% of the total purchases.

GEOGRAPHIC LOCALISATION OF THE SUPPLIERS OF ITALIAN PLANTS ³⁴

GEOGRAPHIC SEGMENT	2020	2019	2018
EMEA	65.5%	67.5%	65.7%
China+Taiwan	20.3%	19.4%	20.8%
Vietnam	7.5%	6.0%	5.8%
India	5.7%	6.2%	6.7%
Japan	0.5%	0.4%	0.3%
Others	0.5%	0.5%	0.7%

In 2020 payments were made to suppliers for about €618 million.

Indian plants

In 2020, plants in India purchased raw materials, merchandise and spare parts for an overall value of €197 million from around 568 suppliers.

The first ten suppliers made up 36% of the total purchases.

GEOGRAPHIC LOCATION OF THE SUPPLIERS TO INDIAN PLANTS

GEOGRAPHIC SEGMENT	2020	2019	2018
India	94.9%	96.0%	95.1%
Other	5.1%	4.0%	4.9%

In 2020 payments were made to suppliers for about €303 million.

³⁴ For the calculation of the percentages, the value of incoming goods for orders - open orders was taken into consideration.

Vietnamese plants

In 2020, plants in Vietnam purchased merchandise and spare parts for an overall value of €199 million from around 271 suppliers.

The first ten suppliers made up 38% of the total purchases.

GEOGRAPHIC LOCALISATION OF THE SUPPLIERS OF VIETNAMESE PLANTS

GEOGRAPHIC SEGMENT	2020	2019	2018
Vietnam	59.1%	59.0%	53.3%
China+Taiwan	18.0%	18.4%	21.3%
EMEA	18.2%	18.2%	20.1%
India	1.2%	1.8%	2.0%
Others	3.5%	2.6%	3.3%

In 2020 payments were made to suppliers for about €195 million.

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 tested 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 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 Corporate Finance Area.

In 2020, Group 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.

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 2020, 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

The purpose of the Vendor Assessment department within the Piaggio Group is to forge a long-lasting, mutually satisfying relationship with a network of highly qualified partners. In addition to managing the Supplier Qualification Process, the function has the task evaluating 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.

Suppliers are periodically monitored through six-monthly assessment sessions, called "Vendor Rating Campaigns", during which supplies for the period in question are reviewed based on the quality of the business relationship, the technical-scientific cooperation, compliance with delivery schedules and the quality of the product supplied. 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.

At present, Criticality Ratings have been assigned to most Group suppliers of European production sites only. In terms of "spending", the indicator for 2020 covered 99% of purchases of direct materials and 50% of services and works provided. The evaluation process was also carried out in Vietnam and India.

Suppliers 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 invoicing anomalies, in particular for e-invoicing, which has been in force in Italy since 1 January 2019;
- visibility of the entire authorisation process, from purchase requests to orders.

SUPPORTING LOCAL COMMUNITIES

COMMITMENT	2020 OBJECTIVES	2020 RESULTS	2021 OBJECTIVES	MID-TERM OBJECTIVES
Development of relations with local communities where the Group operates.	<ul style="list-style-type: none"> - Development of collaborations to promote and build the value of Piaggio and its local area. 	<ul style="list-style-type: none"> - New website of the Piaggio Museum and the Piaggio Foundation. - Virtual Tour of the Museum. - Improvements to the museum rooms. 	<ul style="list-style-type: none"> - Development of collaborations to promote and build the value of Piaggio and its local area. 	<ul style="list-style-type: none"> - 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 Foundation³⁵

The year 2020 started under the best auspices for the Piaggio Foundation. The excellent increase in the number of visitors to the Piaggio Museum recorded in 2019 was also confirmed after the Christmas holidays; the launch of an annual programme with a whole host of scientific, cultural and educational events and some great celebrations planned for the twentieth anniversary of the Piaggio Museum were a nod to a positive year from all points of view. Unfortunately, following the health emergency due to the Covid-19 pandemic, the Piaggio Museum was closed to the public from 24 February to the end of the year, and all the events of the Piaggio Foundation involving contact with the public were suspended.

For the record, in the two-month period from January to February, there were over 9,000 visitors to the museum, a high number given the low season and substantially in line with that of the corresponding period of 2019.

Over the years, the Piaggio Foundation and its Museum have become a place of cultural, scientific, educational and social gathering, where young and old, scholars and enthusiasts of the Vespa and two wheelers in general can meet, not only to admire the collections but also to listen to music, see an exhibition, attend a conference, take part in lessons, etc. The Piaggio Foundation is aware that it is from the synergy between all these activities that the positive values of creativity, culture and social awareness, typical of the Piaggio Group, are conveyed.

Piaggio Museum

During the long closure of the Museum, we tried to maintain contact with the public via the Internet, and worked on the preparation of new exhibits to discover when the display areas can be visited again and all activities can be resumed. 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. Main activities included:

- the creation of a new website of the Piaggio Museum and Piaggio Foundation, with information and images, functional and optimized for browsing on any type of device;
- the creation of a very realistic Virtual Tour of the Museum, with a wealth of informative multimedia contents: texts, videos, images, curiosities;

³⁵ 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.

- an update of the Museum App which has become technologically improved and now features new contents;
- improvements to the museum rooms, in particular the Vespa room where, taking inspiration from the creation of new platforms for all vehicles, a new exhibition layout was designed based on thematic areas and new graphics were installed;
- the reorganisation of the corner of the Vespa Room dedicated to Corradino d'Ascanio, with the creation of a hologram of the inventor of the Vespa that addresses visitors with the voice and likeness of the actor Roberto Ciufoli who recently played the part of the genius in the Rai 1 TV series *Enrico Piaggio - An Italian dream*;
- additions to the exhibition collections with the acquisition of various historic Vespas and the display of important vehicles from private Italian and foreign collections;
- the establishment of the Digital Portal of the Piaggio Historical Archive and the start of the cataloguing and digitization project of the Moto Guzzi historical archive, which is discussed in more detail below;
- the adoption of a particularly extensive and incisive social communication plan, especially in the summer, designed to be and stay close to fans and "friends of the Museum". The publication on our social networks of numerous videos of "guided mini tours" produced by the staff of the Museum was particularly important.

Piaggio Historical Archive

During 2020, despite being forced to close to external visitors due to the Covid-19 epidemic, the Piaggio Historical Archive continued its activities, focusing not only on consultancy and research support for Piaggio internal offices, but also seeking to provide its services to students, scholars and journalists where possible. An ongoing commitment to support company licensing was represented by the iconographic research and consultancy service relating to the drafting of texts for the series *Ciao. The unforgettable Italian moped*, 50 instalments, edited by Centauria. The Archive also provided images and support both for the realization of the *Vespizzatevi* campaign (spring 2020) and for the preparation of communication material relating to Vespa's 75 years, which will take place in 2021. Iconographic material was also provided for new company sites and support for checks on historical information, also involving the company's foreign offices, for example for the launch of the Vespa Sei Giorni in Thailand or for Vespa communication campaigns in Vietnam. Efforts focused on the creation of the digital Historical Archive: this portal will be gradually expanded, through the digitization and cataloguing of the most interesting documentary and iconographic contents of the Historical Archive, which are currently hard copies. These are mostly brochures, photographs, advertising posters and postcards and corporate publications. Some 2,000 catalogued digital images were entered by the end of 2020, and this number is expected to reach over 15,000 by 2021. The portal will initially be for internal use, but is also designed to be consulted by the public in protected mode, with optimized routes and searchable by tags.

The Archive also contributed to the creation of new graphic material for the exhibition rooms of the Museum, and to the creation of the virtual tour and the new website of the Foundation.

Lastly, near the end of the year, the Archive was commissioned to oversee research for, digitalisation and provision of the Moto Guzzi Historical Archive of Mandello, an activity that will first support iconographic research for the production of the monograph celebrating the 100th anniversary of the brand (2021) and, secondly, the creation of a Moto Guzzi digital archive. Documentary material, taken from the Mandello del Lario site, is currently being studied and digitalised at the Pontedera site.

Cultural Project

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

EXHIBITIONS

Exhibitions are an important vehicle for the Piaggio Foundation and its Museum to communicate with and attract the public. The programming of exhibitions in the year was unfortunately interrupted by the closure of the Museum. The following exhibitions were organised during the first 2 months of 2020:

- The exhibition *From Leonardo's machines to industry 4.0* closed on February 24, still attracting a large audience also thanks to the many spin-off events organised.

The exhibition, inaugurated on 1 December in conjunction with the opening of the conference **From Scientia Machinale to Robotics and Industry 4.0 in Leonardo's Tuscany**, came about from the collaboration with the Museo Leonardiano di Vinci Museum and the Institute of BioRobotics of the Sant'Anna University School, Pisa.

- The **Street Generation exhibition - art takes to the streets** dedicated to Street Art Culture, through which it was intended to retrace the evolution of "street cultures" in their close union with Piaggio home vehicles, designed to celebrate the 20th anniversary of the birth of the Museum has unfortunately been cancelled despite having reached a very advanced stage of the project and will be proposed again in the near future.
- SIDE EVENTS AT THE EXHIBITION From Leonardo's machines to industry 4.0
 - Presentation-event of the book *L'ombra di Caterina. L'amore, il tradimento, il genio. La madre di Leonardo da Vinci si racconta* (Catherine's shadow. Love, betrayal, genius. Tales from Leonard da Vinci's mother), by Marina Marazza (Solferino libri, 2019) with a theatrical "reading" curated by the author and a Renaissance-themed aperitif.
 - Tour *Leonardo e il taglio dell'Arno*. Visit to the Rocca della Verruca fortification, starting from the Piaggio Museum preceded by a visit to the exhibition.
 - For the series "Al Cinema con Leonardo" (On screen with Leonardo), screening of the animated film *Leo da Vinci - missione Monna Lisa (Leo da Vinci - the Monna Lisa mission)* and double screening of the film *Io, Leonardo (I Leonardo)* (Sky, 2019), a matinee for schools and evening showing for the public.
 - *CON UN BATTITO D'ALI - Rincorrendo il più grande sogno di Leonardo (WITH A FLUTTERING OF WINGS - In pursuit of Leonardo's greatest dream)* a workshop for children aged between 4 and 7, organised with the PromoCultura cooperative in collaboration with the Museo Leonardiano di Vinci. The experience begins by looking at Leonardo's drawings on the flight of birds. The itinerary ends with a visit to the exhibition, and in particular the displays of some of the extraordinary machines that Leonardo designed to try to realize his greatest dream... To fly!
 - *PROVA A FARLO MUOVERE! (TRY TO MOVE IT!)* an educational robotics laboratory for children aged between 9 and 13, organised with GREAT ROBOTICS, a spin-off of the Sant'Anna University School, Pisa. The movement of bodies, machines and fluids received considerable attention from Leonardo. The purpose of the laboratory was to experiment and understand the movement of some objects.
 - *A Renaissance-themed Leonardo evening*, with the atmosphere, music and costumes of the Renaissance, and dinner made on the basis of original recipes by Leonardo da Vinci in collaboration with Chaîne des Rôtisseurs Toscana Francigena and a talk given by the naturopath Marco Pardini on the use of herbs handed down by Leonardo.

CONCERTS

The Pontedera Music Festival, a collaboration between the **Pontedera Music Academy** and the Piaggio Foundation, reached its second edition. After a highly successful 2019, characterized by events which were always greatly appreciated and attracted many visitors, 2020 was expected to receive just as much or even more attention thanks to the **Beethoven 250 Festival**, along with a number of concerts planned to celebrate the anniversary of the birth of the great composer, held from 15 February to 23 February, and numerous cultural events for schools and the city of Pontedera.

Below are all the events of the Festival held until the closure due to the Covid emergency.

Pontedera Music Festival Winter Concerts

- Marina Mulopulos and Dome la Muerte in concert. The duo is formed by Marina Mulopulos, voice and percussion and Dome la Muerte on guitar, harpsichord and harmonica.
- Piano recital *Fra tradizione e modernità (Between tradition and modernity)* with Kenichiro Kojima, winner of the Livorno Piano Competition.
- *La guerra è finita? (Is the war over?) Remembrance Day Concert*. Filippo Rogai - flute, Gloria Merani - violin, Filippo Burchietti - cello, Fabrizio Datteri, piano. Works by: W. Kempf, A. Portera, D. Kattemburg.

"Beethoven 250" concerts of the Pontedera Music Festival

- Quartetto d'archi del Maggio Musicale Fiorentino L. V. Beethoven, Quartets from the first to the great fugue Op.18, Op.95, Op.133, at the Teatro Era (Era Theatre) (Cieslak Room).
- Emilio Aversano, Piano Recital, at the Piaggio Museum Auditorium.
- Maurizio Baglini, piano, Symphony no. 9 Op. 125 L. V. Beethoven - F. Liszt solo piano version, at the Piaggio Museum Auditorium.
- Maurizio Baglini, piano, Silvia Chiesa, cello, Sonatas and Variations for cello and piano, L. V. Beethoven (selection), at the Piaggio Museum Auditorium.

- Beethoven Marathon by Teachers from the Pontedera Music Academy. Chamber music for duos, trios and quartets; L. V. Beethoven, Septet in E-flat major for strings and wind instruments, Op. 20 - J. Hummel, Sept. 114, no. 2, at the Tuscan Music Academy Auditorium.

Pontedera Music Festival Summer Concerts at Villa Crastan

- Pontormo Sax Quartet "In Latin mood" Sandro Tani, soprano sax, Marco Vanni, alto sax, Giovanni Baglioni, tenor sax, Omar Daini, baritone sax. Music by: Romero, Piazzolla, Velasquez, Galliano, Girotto.
- Andrea Valeri in the Concert "Historia Tour". Fingerstyle acoustic guitar.
- De Andre + PFM in Concert, selection of 14 pieces from the historic double LP, Academy Chamber Ensemble. Voices: Valentina Bagni and Natascia Naldini. Musicians: Luigi Nannetti, flute - Giuseppe Cataldi, clarinet - Marco Vanni, sax - Raffaele Della Croce, trumpet - Andrea Barsali, guitars - Glenda Poggianti, piano - Roberto Cecchetti, violin - Eleonora Bandecchi, violin - Martina Benifei, cello - Fabrizio Balest, double bass - Giacomo Macelloni, drums and percussion. Director and narrator: Giovanni Sbolci.
- Chamber Concert for flute, clarinet and piano. Luigi Nannetti, flute, Giuseppe Cataldi, clarinet, Glenda Poggianti, piano. Music by: F. Chopin, G. Bizet, R. Schumann, C. Saint-Saëns.

OTHER EVENTS

- Roberto Ciufoli in Tipi, a comic-anthropological recital. Monologues, poems, sketches and dances. A real multi-one-man show.
- Meeting/conference organised by Association Non più sola (No longer alone) dedicated to women's health. At the end of Gina Giani's Concert with her Jazz Band.

EVENTS AND PROGRAMMES DEDICATED TO YOUNG PEOPLE AND STUDENTS

- Inauguration of the academic year of the Modartech Institute with a meeting for teachers, testimonials and students entitled I distretti toscani: la sfida tra sostenibilità e industria 4.0 (The Tuscan districts: the challenge between sustainability and industry 4.0) focused on the future of manufacturing at the crossroads between innovation and challenges dictated by a new environmental awareness.
- Digital School Award, promoted by the Ministry of Education as part of the National Plan for the Digital School and coordinated by the Montale High School in Pontedera, in collaboration with the Piaggio Foundation.
- Creativity 2020, promoted by the Piaggio Foundation in collaboration with the Municipality of Pontedera, ISIA Firenze, Institute of BioRobotics - Sant'Anna University School, Istituto Modartech, Pont-Tech and MBVision. This annual event champions innovation and training in the field of Product Design and Mobility, Fashion and Communication Design and Creative Engineering that brings together schools, companies, students and experts. The theme of this fifteenth edition was "Re-connection. Emerging teaching and emergency non-teaching". This year's format was entirely digital.

PUBLICATIONS

Work to gather and process contributions related to the conference From Scientia Machinale to Robotics and Industry 4.0 in Leonardo's Tuscany began, which will be included in the Proceedings that will take place during 2021 for the Tommaso Fanfani Series of Studies.

SOCIAL MEDIA

The unexpected and forced closure of the Museum in February of this year prompted reflection on innovative forms that would allow the public to visit the museum's spaces and collections in an alternative way. Through the museum's social networks, visitors can enjoy mini-guided tours and take an actual virtual tour.

More attention paid to its social strategy led to an increase of 1,956 likes for the [Facebook](#) page, from 24,219 to 26,175, and for the [Instagram](#) page from 2,961 to 3,663.

On the [Facebook](#) page, 59 posts were published in total during 2020, of which 21 on stock images, 22 on themes and 16 on events.

On the [Instagram](#) page, 38 posts were published during the year, under regular features and stock images. In particular, a regular summer feature was scheduled for Facebook and Instagram, from 31 July 2020 to 2 September 2020, with:

- 17 total posts, including 8 mini videos, 9 texts + stock images;
- 418,748 people reached;
- 114,000 3-second views of mini videos;
- 11,417 reactions, comments and total shares.

CHARITY ACTIVITIES AND SPONSORSHIPS

In 2020, the collaboration continued between the Piaggio Group and (RED) - an association founded in 2006 by Bono and Bobby Shriver - which, thanks to the help of partners and supporters, has allocated more than USD 650 million to the fight against AIDS and Covid-19. (RED) aid to the Global Fund has impacted more than 180 million lives through prevention, treatment, counselling, HIV testing and support services.

In addition to the Vespa 946 (RED), the partnership was expanded thanks to the new Vespa Primavera (RED), which has been marketed all over the world (EMEA, USA, Canada, Africa, Middle East, Africa, Latin America, Vietnam, Indonesia, Japan, China) since September 2020.

In America and Canada Vespa (RED) products were the protagonists of the charity marathon Shopathon held in the second half of November in which (RED) branded products were sold by Amazon. The sale of these products directly contributes to supporting the Global Fund.

Piaggio Fast Forward, a robotics company of the Piaggio Group, also entered into a partnership with RED by presenting the (gita)RED, the robot that follows and carries objects. Its versatile use helps fight pandemics by supporting healthcare workers and providing life-saving services to the world's most vulnerable communities. The (gita)RED limited edition went on sale exclusively during the sixth annual (RED) Shopathon and for each (gita)RED sold, \$50 was donated to the Global Fund.

The collaboration with (RED) also continued during the last round of the Moto GP world championship, held in Portimao (Portugal) on 22 November, which saw the riders and the whole Aprilia Racing team become promoters to raise awareness among the large audience of MotoGP enthusiasts towards issues such as AIDS and the very current issue of fighting the spread of Covid-19.

Interest in research and progress in the health sector led the Piaggio Group to donating €250,000 to the IEO CCM Foundation (European Institute of Oncology) and €100,000 to the Mantova Hospital (to help deal with the emergency due to the Covid-19 pandemic).

Two Wi-Bikes were also donated to the Mantova Oncological Institute, a Wi-Bike to Dynamo Camp through a lottery organised by Integer and an Electric Vespa in support of the San Patrignano Community through an auction organised by Charity Stars.

The Group took part in some events of great cultural importance such as the Mantova Literature Festival, which was held in September.

Lastly, for some years now, for the end of the year holidays, together with the entire Immsi Group, Piaggio 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 always been active in social work, supporting and promoting charitable initiatives.



→ **TABLE OF INDICATORS GLOBAL
REPORTING INITIATIVE -
SUSTAINABILITY REPORTING
STANDARDS 2020
(GRI CONTENT INDEX)**

GRI INDICATOR	DISCLOSURE TITLE	REFERENCE	OMISSIONS/NOTES
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 organisation	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	Corporate structure	
102-6 (2016)	Markets served	Group profile	
102-7 (2016)	Scale of the organisation	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 organisation and its supply chain	Group profile	
102-11 (2016)	Precautionary Principle or approach	The Social Dimension The Environmental Dimension The Product Dimension	
102-12 (2016)	External initiatives	The Product Dimension - Funded national and European projects	
102-13 (2016)	Membership of associations	The Product Dimension - Funded national and 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	Corporate Social Responsibility Report	
102-47 (2016)	List of material topics	The commitment of the Piaggio Group - Sustainability strategy Methodological note - Materiality analysis, Methodological note - Report contents	
102-48 (2016)	Restatements of information	Corporate Social Responsibility Report Methodological note	
102-49 (2016)	Changes in reporting	Corporate Social Responsibility Report Methodological note	
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	
102-43 (2016)	Approach to stakeholder engagement	The commitment of the Piaggio Group - Stakeholders' involvement	
102-44 (2016)	Key topics and concerns raised	The commitment of the Piaggio Group - Stakeholders' involvement	
5. REPORT PROFILE			
102-50 (2016)	Reporting period	Corporate Social Responsibility Report Methodological note	
102-51 (2016)	Date of most recent report	Corporate Social Responsibility Report Methodological note	

GRI INDICATOR	DISCLOSURE TITLE	REFERENCE	OMISSIONS/NOTES
GRI 101 FOUNDATION			
GRI 102 GENERAL DISCLOSURES			
5. REPORT PROFILE			
102-52 (2016)	Reporting cycle	Corporate Social Responsibility Report Methodological note	
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 Methodological note	
102-55 (2016)	GRI content index	Table of Indicators Global Reporting Initiative - Sustainability Reporting Standards 2020 (GRI Content Index)	
102-56 (2016)	External assurance	Methodological note Report on the limited auditing of the Corporate Social Responsibility Report	
6. GOVERNANCE			
102-18 (2016)	Governance structure	Governance of sustainability	
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	The Economic Dimension - Calculation and distribution of added value	
201-1 (2016)	Direct economic value generated and distributed	The Economic Dimension - Calculation and distribution of added value	
201-4 (2016)	Financial assistance received from government	The Economic Dimension - Public grants and tax benefits	
202-1 (2016)	Ratios of standard entry level wage by gender compared to local minimum wage	The Social Dimension - Developing human resources - Reward policies	The indicator is treated only from a qualitative point of view
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	The Economic Dimension - Calculation and distribution of added value The Social Dimension - Responsible management of the supply chain	
203-1 (2016)	Infrastructure investments and services supported	The Social Dimension - Responsible management of the supply chain - Support for local communities	
204-1 (2016)	Proportion of spending on local suppliers	The Social Dimension - Responsible management of the supply chain	The Group provides data on the purchases of its production sites relative to the purchase of goods and spare parts. Purchases of commercial companies and research centres are not considered, as they are residual and not relevant

GRI INDICATOR	DISCLOSURE TITLE	REFERENCE	OMISSIONS/NOTES
SPECIFIC DISCLOSURE			
SIGNIFICANT TOPICS: MITIGATION OF ENVIRONMENTAL IMPACT			
103-1-2-3 (2016)	Management approach	The Environmental Dimension - Energy consumption The Environmental Dimension - Emissions of CO ₂ and other pollutants	
302-1 (2016)	Energy consumption within the organization	The Environmental Dimension - Energy consumption	Data on the consumption by the Rome and Milan offices are not considered relevant
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	The emissions of commercial offices and research centres are not reported. Data on the emissions of the Rome and Milan offices are not considered relevant
305-7 (2016)	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	The Environmental Dimension - Emissions of CO ₂ and other pollutants	The indicator only considers VOC (volatile organic compounds) released by solvents used in painting
SIGNIFICANT TOPICS: CONSERVING WATER RESOURCES			
103-1-2-3 (2016)	Management approach	The Environmental Dimension - Environmental certification 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	Data on the commercial companies, the research centres and the Rome and Milan offices are not considered relevant.
303-4 (2018)	Water discharge	The Environmental Dimension - Conserving water resources	The parameters currently used to analyse water entering and leaving the group's plants for the classification of waters in fresh water and other types of water are different from those required by GRI 303-3 and 303-4
303-5 (2018)	Water consumption	The Environmental Dimension - Conserving water resources	
SIGNIFICANT TOPICS: WASTE HANDLING			
103-1-2-3 (2016)	Management approach	The Environmental Dimension - Environmental certification The Environmental Dimension - Waste handling and management	

GRI INDICATOR	DISCLOSURE TITLE	REFERENCE	OMISSIONS/NOTES
SPECIFIC DISCLOSURE			
SIGNIFICANT TOPICS: WASTE HANDLING			
306-2 (2016)	Waste by type and disposal method	The Environmental Dimension - Waste handling and recovery	Waste production of commercial offices, research centres and the Rome and Milan offices is considered as not relevant, as it is equivalent to municipal waste. Disposal method percentages are calculated on total waste
306-3 (2016)	Significant spills	The Environmental Dimension - Waste handling and recovery	
SIGNIFICANT TOPICS: DEVELOPING HUMAN RESOURCES			
103-1-2-3 (2016)	Management approach	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	The Group reports the turnover rate by professional category and geographic segment
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
402-1 (2016)	Minimum notice periods regarding operational changes	The Social Dimension - Industrial relations	The indicator is treated qualitatively
404-1 (2016)	Average hours of training per year per employee	The Social Dimension - Training	The average hours of training is calculated only out of the group total
404-2 (2016)	Programs for upgrading employee skills and transition assistance programs	The Social Dimension - Personnel management policies - Career development	
404-3 (2016)	Percentage of employees receiving regular performance and career development reviews	The Social Dimension - Personnel management policies - Evaluation	
SIGNIFICANT TOPICS: OCCUPATIONAL HEALTH AND SAFETY			
103-1-2-3 (2016)	Management approach	The Social Dimension - Occupational 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	

GRI INDICATOR	DISCLOSURE TITLE	REFERENCE	OMISSIONS/NOTES
SPECIFIC DISCLOSURE			
SIGNIFICANT TOPICS: 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	The Group reports on the attendance rate
403-10 (2018)	Work-related ill health	The Social Dimension - Occupational health and safety	
SIGNIFICANT TOPICS: HUMAN RIGHTS			
103-1-2-3 (2016)	Management approach	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	The Group reports employee data
405-2 (2016)	Ratio of basic salary and remuneration of women to men	The Social Dimension - Developing human resources - Diversity and equal opportunity	
406-1 (2016)	Incidents of discrimination and corrective actions taken	Governance of sustainability - The system for responsible business management	
SIGNIFICANT TOPICS: SUPPORTING LOCAL COMMUNITY			
103-1-2-3 (2016)	Management approach	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	The indicator is treated qualitatively. The Group provides information about charity activities promoted in the year, and initiatives taken by the Fondazione Piaggio and Museo Piaggio
SIGNIFICANT TOPICS: FIGHT AGAINST CORRUPTION			
103-1-2-3 (2016)	Management approach	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	
SIGNIFICANT TOPICS: TRANSPARENCY			
103-1-2-3 (2016)	Management approach	Governance of sustainability - The system for responsible business management	
415-1 (2016)	Political contributions	Governance of sustainability - The system for responsible business management	
206-1 (2016)	Legal actions for anti-competitive behaviour, 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	Governance of sustainability - The system for responsible business management	Tax sanctions are not included
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/NOTES
SPECIFIC DISCLOSURE			
SIGNIFICANT TOPICS: RELIABILITY AND SAFETY			
103-1-2-3 (2016)	Management approach	The Product Dimension - Research guidelines The Social 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	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: PRODUCT INNOVATION			
103-1-2-3 (2016)	Management approach	The Product Dimension - Research guidelines The Social Dimension - Meeting customer requirements	



→ **INDEPENDENT REPORT
ON THE LIMITED AUDITING
OF THE 2020 CORPORATE
SOCIAL RESPONSIBILITY
REPORT**



Independent auditor's report on the Corporate Social Responsibility Report 2020

To the board of directors of Piaggio & C. SpA

We have been engaged to perform a limited assurance engagement on the Corporate Social Responsibility Report of Piaggio Group (hereinafter the "Group" or "Piaggio Group") for the year ended 31 December 2020 (hereinafter the "Report").

Responsibility of the directors for the Report

The directors of Piaggio & C. SpA are responsible for the preparation of the Report in compliance with "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 by GRI - *Global Reporting Initiative* ("GRI Standards"), as indicated in the paragraph "Methodological note" of the Report.

The directors are also responsible for that part of internal control that they consider necessary to prepare a Report that is free from material misstatement due to fraud or unintentional behaviours or events.

Moreover, the directors are responsible for the definition of the sustainability performance targets of Piaggio Group, as well as for the identification of stakeholders and of the significant aspects to be reported.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the *Code of Ethics for Professional Accountants* published by the *International Ethics Standards Board for Accountants*, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour.

Our audit firm adopts *International Standard on Quality Control 1 (ISQC Italy 1)* and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibility

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the Report with the GRI Standards. We conducted our engagement in accordance with "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereafter also

PricewaterhouseCoopers SpA

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“ISAE 3000 Revised”), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the Report is free of material misstatement.

The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised (“*reasonable assurance engagement*”) and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Report were based on our professional judgement and consisted in interviews, primarily with company personnel responsible for the preparation of the information presented in the Report, analysis of documents, recalculations and other procedures designed to obtain evidence considered useful.

Specifically, we performed the following procedures:

- 1 analysis of the reasons for the coexistence of the NFS (consolidated Non-Financial Statement according to articles 3 and 4 of Legislative Decree 254/2016) and the Report and of the elements that differentiate the two documents;
- 2 analysis of the process aimed at defining the significant reporting areas to be disclosed in the Report, with regard to the methods for their identification, in terms of priority for the various stakeholders, as well as the internal validation of the process findings;
- 3 comparison of the financial information reported in chapter “The Economic Dimension” of the Report with the information included in the Group’s Consolidated Financial Statements;
- 4 Understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the Report. In particular, we held meetings and interviews with the management of Piaggio & C. SpA and we performed limited analysis of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the Report.

Moreover, for material information, considering the activities and characteristics of the Group:

- at parent company level,
 - a) with reference to the qualitative information included in the Report, we carried out interviews and acquired supporting documentation to verify their consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.
- for the plants of Pontedera and Mandello del Lario (Piaggio & C. SpA), which were selected on the basis of their activities and their contribution to the performance indicators at a consolidated level, we discussed with local management and we gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.



Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Corporate Social Responsibility Report of Piaggio Group as of 31 December 2020 has not been prepared, in all material respects, in compliance with the GRI Standards as disclosed in the paragraph "Methodological note" of the Report.

Florence, 22 March 2021

PricewaterhouseCoopers SpA

Signed by

Francesco Forzoni
(Partner)

This report has been translated from the original, which was issued in Italian, 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 Corporate Social Responsibility Report 2020 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.
Share capital €207,613,944.37, fully paid up
Registered office: Viale R. Piaggio 25, Pontedera (Pisa)
Pisa Register of Companies and Tax Code 04773200011
Pisa Economic and Administrative Index no. 134077

