

CONSOLIDATED NON-FINANCIAL STATEMENT 2022

pursuant to Italian Legislative Decree 254/16



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Letter from the Chairman

The Immsi Group has prepared the Consolidated Non-Financial Statement (NFS) again for the financial year 2022, in continuity with the last five financial years (starting from 2017, after the introduction of Legislative Decree 254/16), giving stakeholders an overview of the Corporate Social Responsibility logics in each of the Group's three sectors: industrial, marine and property.

In the industrial sector, 2022 was a record year for the Piaggio Group, with sales exceeding €2 billion for the first time, an increase of 25%, continuing its development path with the launch of new models that are increasingly advanced in terms of efficiency, performance and safety, the strengthening of the e-mobility excellence department and the opening of the new plant in the Indonesian capital of Jakarta, the Group's eighth industrial hub.

The conflict between Russia and Ukraine has led to a surge in energy and commodity prices, prompting governments, institutions and companies to accelerate the transition to a more sustainable economy that reduces dependence on fossil fuels. A pioneer in the study of electric motors since the mid-1970s, the Piaggio Group now offers several models of scooters and electric utility vehicles, including the Vespa Elettrica, awarded the Compasso d'Oro for design quality, the Piaggio 1, dedicated to the younger generation and featuring removable batteries, and the Ape E-City, the zero-emission version of the iconic Piaggio three-wheeler, present on the Asian markets. The Aprilia ELECTRICA project was also unveiled at Eicma 2022, a light, zero-emission motorcycle designed for young motorcyclists.

The Piaggio Group's commitment to ESG issues is demonstrated by the fact that, for the seventh consecutive year, it has been awarded an "AA" rating by Morgan Stanley Capital International (MSCI) Research, one of the most important ESG rating agencies, which assesses the environmental, social and governance (ESG) performance of the world's leading companies. The MSCI rating, together with the CDP (Carbon Disclosure Project) "B" (Climate Change and Water Security) rating, is a mark of the journey taken by the Group worldwide to make a tangible contribution to the achievement of the UN Sustainable Development Goals (SDGs).

In addition to the search for environmentally friendly engines, not only electric but also low-emission thermal engines, 2022 also marks an important step forward in the study of new solutions to ensure ever greater driving safety. The innovative range of ARAS systems, developed by Piaggio Fast Forward in Boston, debuts on the new Piaggio MP3 range, offering a level of technology and safety unparalleled in the sector.

In the marine sector, Intermarine has reaffirmed its commitment to supplying naval units that meet customer needs by ensuring increasingly safe and environmentally friendly production processes, limiting the impact on the environment and the safety of workers.

In the property sector, the subsidiary Is Molas SpA continues to implement measures aimed at reducing the environmental impact of its tourist-hotel services and property development projects on the surrounding natural environment.

The current scenario undoubtedly poses many challenges, but at the same time I believe it offers great opportunities for those who are able to recognise and anticipate change, as the Group has always been able to do since its foundation, thanks to the strength and appeal of its brands, its capacity for continuous innovation and a team of exceptional people.

The Chairman
Roberto Colaninno

Methodology

Immsi Group has been committed since 2017 to preparing consolidated non-financial statements (hereinafter "NFS" or "Statements"), as required by the European Directive 2014/95/EU, adopted in Italian law with Legislative Decree No. 254/16.

Reporting period	2022 Financial year (from 1 January to 31 December 2022). The data relating to 2021 are present for comparative purposes only.
Annual reporting	Cycle.
Approval date	This document was approved by the BoD held on 23 March 2023.
Date of publication	This document was published on 7 April 2023. The 2021 Non-Financial Statement was published on 8 April 2022
Document formats	The NFS is available in PDF format in Italian at the web address www.immsi.it (section "Investors/dichiarazione-consolidata-carattere-finanziario/2023")
Reporting perimeter	<p>The perimeter of the information and economic data contained within the NFS is the same as that of the Consolidated Financial Statements of the IMMSI Group. The perimeter of social and environmental data and information is made up of the companies consolidated using the line-by-line method within the consolidated financial statements. It should be noted that the environmental data (consumption, emissions, water, waste) include only those relating to the production plants and to IS Molas S.p.A., since the data of the commercial companies are not significant for understanding the business, its trends, its results and the impact it generates, and in some cases are impossible to determine, since they sometimes operate in buildings shared with third parties. It is also specified that the health and safety data, limited to the companies included in the Piaggio Group's corporate perimeter, refer only to the production plants, as the data of the commercial companies are not relevant for understanding the business, its performance, its results and the impact it generates.</p> <p>For further details on the scope of consolidation for various topics addressed, see the table in the section "Materiality analysis".</p> <p>The report duly indicates when aggregate data derive from estimates. Any restatement of data relating to previous years with respect to that published, due to the refinement of the collection and reporting process, are clearly indicated as such. In some cases, data could be affected by rounding off defects due to the fact that figures are represented in thousands/millions of Euros; changes and percentages are calculated based on specific data</p>

Reporting standards	This Statement, published annually, is prepared pursuant to Legislative Decree 254/2016 and in compliance with the GRI Sustainability Reporting Standards published by the Global Reporting Initiative - GRI (with application level "In Accordance").
Disclosure pursuant to EU Regulation 2020/852 and related Delegated Regulations (so-called "EU Taxonomy")	<p>Immsi has the obligation to include in the NFS, starting from the publications after 1 January 2022, the information required by the legislation on the so-called "EU Taxonomy" in relation to the eco-sustainable activities carried out by the Group, in relation to which please refer to the section "The European Taxonomy".</p> <p>this disclosure for the 2022 financial year relates to the proportion of the Group's total turnover, investments and operating costs (as defined in the EU Delegated Regulation 2021/2178 of 6 July 2021) that relate to eligible activities aligned to the taxonomy with reference to climate change mitigation and adaptation objectives, as provided for in the Annexes to the EU Delegated Regulation 2021/2139 of 4 June 2021, as well as some qualitative information.</p> <p>In this regard, it is emphasised that the limited examination of this Consolidated Non-Financial Statement carried out by the Independent Auditors Deloitte & Touche S.p.A. does not extend to this information.</p>
Statement	The 2022 Non-Financial Statement was subject to limited auditing by the independent auditors Deloitte & Touche S.p.A., that carried out its work according to the criteria indicated in 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 to verify the conformity of the Non-Financial Statement to requirements of GRI standards defined by the GRI - Global Reporting Initiative.
Contacts	<p>INVESTOR RELATIONS</p> <p>Stefano Tenucci – Investor Relator of Immsi S.p.A.</p> <p>Email: stefano.tenucci@immsi.it</p>

Materiality analysis

From the perspective of the GRI Standards, a sustainability topic is material if it gives rise to significant impacts (impact materiality) – negative or positive, actual or potential – on the economy, the environment and/or people, including their human rights, caused by the organisation's activities and investments, its products and/or services or its value chain, in the short, medium and long term. The relevance of the impacts inherent to sustainability is measured by considering their severity as well as the probability of their occurrence.

The analysis involved the parent company Immsi S.p.A. and the operational subsidiaries Piaggio & C. S.p.A., Is Molas S.p.A. and Intermarine S.p.A., considered significant in terms of relations with *stakeholders*.

The materiality analysis process of the Group was coordinated by the Director of Administration, Finance and Control of Immsi S.p.A. and the relative function. This process, in line with the provisions of GRI 3 Material topics 2021, was carried out in the following stages:

1. Understanding and assessment of the context (business, environment, social/political) in which the Group operates, as well as identification of relevant stakeholders;
2. On the basis of this context, identification of the current and potential positive and negative impacts that the Group with its activities could generate on the economy, the environment and people, including those on their human rights, in the context of the activities and the business relationships of the organisation itself;
3. Assessment of impacts through the involvement of top management and two categories of stakeholders;
4. Prioritisation of impacts and aggregation in material topics.

The Group's top managers were asked to assess, by completing a questionnaire, the severity and probability of occurrence of the previously identified positive and negative impacts that the Group's business could generate.

The result of this analysis was compared with the opinion given by some external stakeholders chosen among suppliers and financial institutions.

Following the assessments collected, the impacts were prioritised and those found to be relevant were aggregated into material topics.

The topics that were found to be relevant following the materiality analysis are summarised in the following table:

Material Topic	Impacts	Group involvement	Boundary
Climate Change	CO2 emissions from suppliers' production activity	Related to the Group through its business relationships	Suppliers of production Group companies
	CO2 emissions from transport of components from suppliers	Related to the Group through its business relationships	Suppliers of production Group companies
	CO2 emissions from vehicle use by customers	To which the Group contributes indirectly and related to the Group through its business relationships	All Group companies and customers
	CO2 emissions from the transport of vehicles and spare parts to the sales network	To which the Group contributes indirectly and related to the Group through its business relationships	Manufacturing and trading companies, logistics service providers and sales network
	CO2 emissions from production activity at the group's plants/sites	Caused by the Group	Manufacturing Group companies and Is Molas
	Potential pollution in the case of uncontrolled emissions of Volatile Organic Compounds (i.e. spaint solvents)	Caused by the Group	Manufacturing Group companies
	Potential pollution in the event of higher vehicle emissions in actual use than declared	Caused by the Group	All Piaggio group companies
Creation of economic value	Wealth creation for shareholders, suppliers, lenders and employees		
	Possible inability to pay suppliers and lenders and/or unsatisfactory shareholder remuneration due to failure to achieve set growth targets	Caused by the Group	All Group companies
Innovation of product and sustainable mobility	Satisfying the need for sustainable mobility		
	Pollution due to low recyclability/recoverability of end-of-life vehicles	Caused by the Group	All Piaggio group companies and Intermarine
	CO2 emissions from the production of vehicles with obsolete engines	Caused by the Group	All Piaggio group companies and Intermarine

Material Topic	Impacts	Group involvement	Boundary
Customer Satisfaction	Possible customer dissatisfaction with of inefficiencies or problems in the sales / after-sales network (e.g. long diagnostic / delivery times, use of non-original spare parts, etc.)	Caused by the Group and related to the Group through its business relationships	All Piaggio group companies and sales network
	Possible customer dissatisfaction in the event of insufficient sales network coverage / after-sales service relations	Caused by the Group and related to the Group through its business relationships	All Piaggio group companies and sales network
	Possible customer dissatisfaction in the case of a product range offered that is not in line with market requirements or product characteristics communicated	Caused by the Group	Manufacturing companies and suppliers of the Piaggio group manufacturing companies and Intermarine
Product safety and reliability	Potential customer injuries or unavailability of the vehicle due to product / service defects attributable to errors / omissions by suppliers	To which the Group contributes indirectly and related to the Group through its business relations	Manufacturing Group companies
	Potential customer injuries or unavailability of the product / service due to product / service defects attributable to errors / omissions in quality control, product development, production	Caused by the Group	Manufacturing Group companies
Developing human resources	Potential employee dissatisfaction due to the company's inability to provide a motivating and satisfying work environment	Caused by the Group	All Group companies
	Potential tensions in the company's relations with trade union representatives	Caused by the Group	All Group companies
	Potential employee dissatisfaction due to lack of a training and professional development plan	Caused by the Group	All Group companies
Supporting local communities	Support charity initiatives and organising of cultural events		
Responsible management and respect for human rights in the supply chain	Possible non-compliance with human rights and ESG principles by suppliers	To which the Group contributes indirectly and related to the Group through its business relations	Manufacturing companies and suppliers of manufacturing companies
Health and Safety	Potential damage/injury when using materials/substances harmful to person	Caused by the Group	Manufacturing companies
	Potential injuries to workers, outbreaks of occupational diseases and risk of contagion if the company fails to provide a safe and healthy workplace	Caused by the Group	All Group companies and external workers ¹
Business integrity	Any conduct in violation of laws and regulations and unlawful acts of collusion / corruption by employees	Caused by the Group	All Group companies
Waste handling	Waste generation and potential pollution in the case of non-classification / characterisation of waste	Caused by the Group	Manufacturing Group companies
Conserving water resources	Possible reduction of available water resources in water-stressed areas	Caused by the Group	Manufacturing Group companies
Diversity and equal opportunity	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	Caused by the Group	All Group companies

1) As expected, the health and safety data for the industrial sector refer only to the production plants, as the data for the trading companies are not relevant for understanding the business activity, its performance, its results and the impact it generates. In addition, for the Industrial Sector, external workers include external companies working in Piaggio's production plants, while for the Marine and Real Estate Sector, external trainees and temporary workers are included, as well as external companies.

For the mitigation actions, please refer to the tables relating to the section "Corporate Social Responsibility Risks".

There are no significant changes compared to last year for the issues identified. As in previous years, only the issue of biodiversity has not exceeded the threshold of materiality. Piaggio's production sites are not located in protected areas or areas with high levels of biodiversity. The sole exception is the Scorzè site, which although located in an industrial zone, conveys its waste water into the drainage basin of the Venetian Lagoon. As such, the production site is subject to restrictions imposed by specific laws.

As regards the other sectors of the Group, the Sarzana site, belonging to Intermarine S.p.A., is located within the Montemarcello Magra Park, while areas owned by Is Molas S.p.A. are subject to certain landscape and environmental constraints.

The 2022 materiality analysis was examined by the Risk and Sustainability Committee in the meeting of 10 March 2023 and approved by the Board of Directors of Immsi S.p.A. on 14 March 2023.

Please refer to the Consolidated Financial Statements of the Immsi Group at 31 December 2022 and to the Report on corporate governance and ownership for a better discussion of the economic-financial and corporate governance aspects.

Piaggio & C. S.p.A. prepares a Non-Financial Statement (NFS) for its own group. Where appropriate, specific reference is made to these documents, as they contain greater detail on certain information.

The Consolidated Non-Financial Statement for the year 2022 was subject to limited audit by Deloitte & Touche S.p.A.. This activity concluded with the issue of an "Independent report on the limited audit of the consolidated non-financial statements" based on indications provided by ASSIREVI, the Italian Association of Auditors (Research document No. 226). The report that describes the principles adopted for the activities carried out and the relative conclusions is in the Appendix.

Group profile

Immsi Group

Immsi S.p.A. is the holding of a Group with approximately 40 operational companies in different sectors of activity. Its registered office is in Mantua.

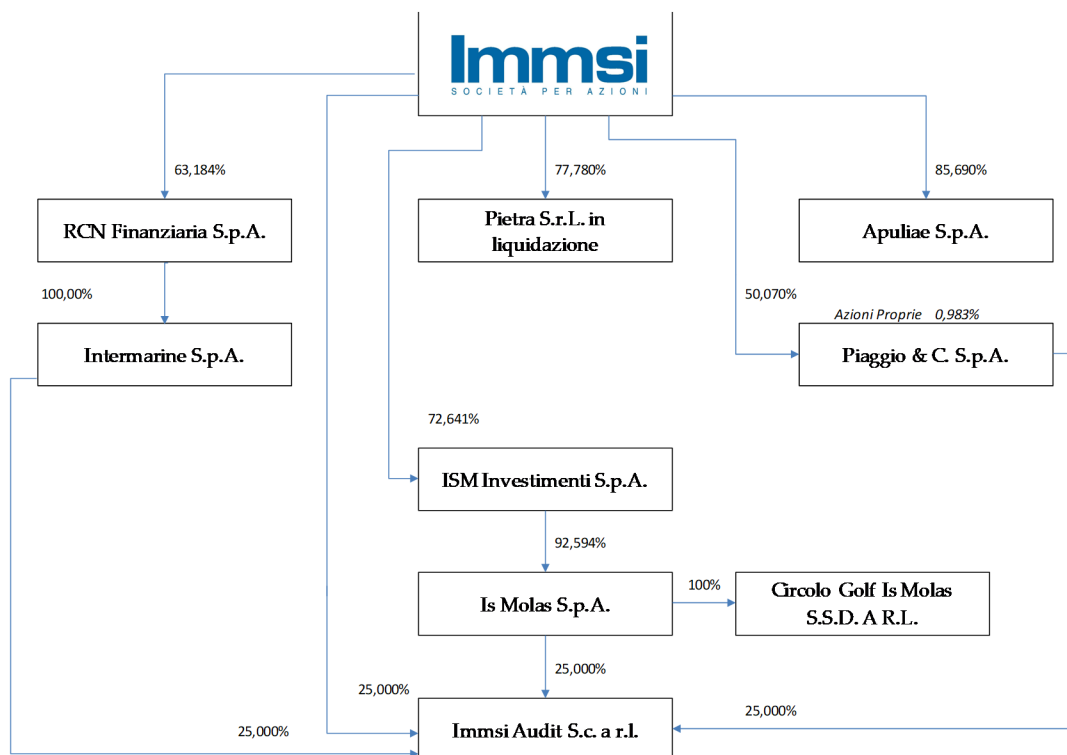
The Company's investment portfolio includes businesses related to:

- the property sector (tourism/hotel industry) and the holding sector, through the Parent Company Immsi S.p.A. and the subsidiary Is Molas S.p.A.;
- the industrial sector (the manufacture and marketing of motorcycles, scooters, mopeds and light commercial vehicles) through Piaggio group companies;
- the marine sector (the manufacture and marketing of vessels for the defence sector, pleasure craft, hydrofoils and ferries) through Intermarine S.p.A..

The Immsi S.p.A. Group includes Immsi Audit S.c. a r.l., a consortium that oversees internal auditing for Group companies.

During 2022, the Group did not experience significant changes in the size, structure, ownership of the organisation, or its supply chain. In any case, for the sake of completeness, we note the sale of the entire investment held in Pietra Ligure S.r.l., which took place in June 2022 (for further details on the transaction, please refer to the Directors' Report and Immsi Group Financial Statements 2022).

At 31 December 2022, the Immsi Group had the following corporate structure:



The Immsi Group has a considerable degree of diversification, both in geographic terms and as regards its core business. The Group's business sectors are briefly discussed below.



The property and holding sector: Immsi S.p.A. and Is Molas S.p.A.

In 2022, Immsi S.p.A. operated in the property sector through subsidiaries and related investment projects. Investment property includes the Is Molas tourist complex, in southern Sardinia. This complex was purchased in 2004 and includes:

- a 4-star hotel with 80 rooms, restaurant and pool;
- a 27-hole golf course with club house and other facilities.

Following the acquisition of the tourist complex, an important development project was established, for the expansion of tourist/hotel facilities and the development of property.

Industrial sector: Piaggio group

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. The group operates at international level at its sites located in Italy and abroad. It has four production sites in Italy, at:

- 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) with a technical centre for the development of motorcycles for the entire group and the headquarters of Aprilia Racing;
- Scorzè (Venice), factory for the production of two-wheelers with the Aprilia brand;
- Mandello del Lario (Lecco), a factory which produces Moto Guzzi vehicles and engines.



The Piaggio group also has three other production plants: Baramati (India, in the state of Maharashtra), for the manufacture of three-wheeler commercial vehicles, Vespa and Aprilia brand scooters and engines; in Vinh Phuc (Vietnam) where Vespa and Piaggio scooters are produced: in Jakarta (Indonesia) for the assembly of Vespa scooters (operational from November 2022).

In the USA, Piaggio Fast Forward Inc. operates in Boston (Massachusetts), which is a research centre for the development of new solutions for people mobility and goods and the production of robots for goods transport.

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.

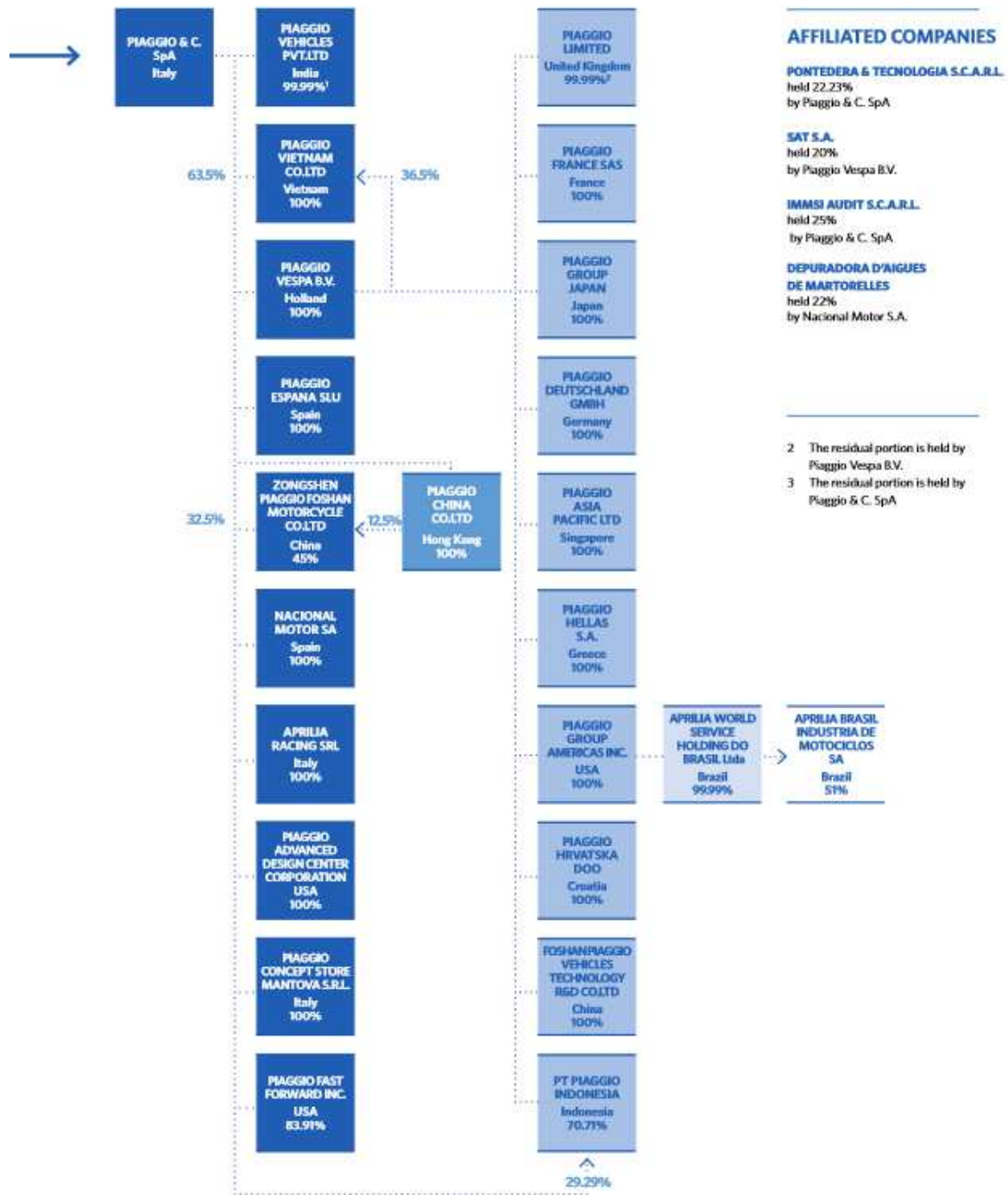
Thanks to the international dimension of Piaggio & C., the group's products are sold in over 100 countries.

The Piaggio Group product range includes scooters and motorcycles with internal combustion engines from 50 to 1,100cc and electric ones, three- and four-wheeler light commercial vehicles and 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 an electric motor and equipped with sensors and cameras, to follow people and avoid obstacles, and can transport up to 40 pounds. The Piaggio group brands are:



For further details of the Piaggio group business model, see the Piaggio 2022 NFS. The corporate structure of the Piaggio group at 31 December 2022 is shown below:

COMPANY STRUCTURE AT 31 DICEMBER 2022



The Marine sector: Intermarine



A Rodriguez Company

Intermarine S.p.A. is a shipyard specialised in designing and building ships in steel, aluminium and composites for both civil and defence applications.

In the defence sector, Intermarine is the largest and most important shipyard in Italy, and one of the biggest worldwide, for vessels in fibre reinforced plastic.

Specialised in mine counter-measure vessels, a sector in which it holds an unrivalled leadership position, today Intermarine produces all types of vessels for the defence sector. Intermarine's excellent technical and design choices, which have been further developed and improved over the years, are confirmed by the fact that the navies of 8 countries, including some of the most important (Italy, Australia and the United States) have all chosen Intermarine for their fleets of mine counter-measure vessels.

At 31 December 2022, Intermarine had two production sites, in Sarzana and Messina.

Stakeholder engagement

The 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.

Property and holding sector

- Customers: customers of the tourist-hotel facility, of the sports facilities and potential buyers of the villas (Is Molas); tenants of the property (Immsi)
- Dealer: travel agencies and tour operators operating in the tourism and hotel sector; real estate agencies and brokers for the property sector (Is Molas)
- Suppliers: consultants, specialists, lawyers, construction and HO.RE.CA companies (Is Molas); service and maintenance companies (Immsi)
- Institutions and Public Administration: Local Health Authority, Municipality of Pula, Sardinia Region, schools and training providers, Siae (Is Molas); Consob and Borsa Italiana (Immsi)
- Media
- Employees
- Human resources
- Lending and financial system: banks and rating agencies (Immsi, Is Molas)
- Local Communities: inhabitants of the Municipality of Pula and the Sardinia Region, local NPOs (Is Molas); Local NPOs and companies (Immsi)

Industrial sector

- Customers
- Dealer: authorised dealers and Motoplex stores
- Suppliers: raw materials, semi-finished products, consumables, mechanical components
- Institutions and Public Administration
- Media
- Shareholders
- Lending and financial system: banks and rating agencies
- Local Communities: where the Piaggio group has its production plants
- Universities and research centres
- Human resources

Marine sector

- Suppliers: materials, products and technical and design services. Contracts with employment agencies and training companies
- Customers: Ministries of Defence; private groups (Italian and foreign)
- Dealer: agents and intermediaries
- Institutions and Public Administration: Environmental and safety inspection bodies; Government (UAMA - Armament Materials Authorisation Unit; Ministry of Defence; Ministry of Labour); Social Security institutions; Ente Parco del Magra
- Trade unions: provincial trade union organisations; Joint trade union representatives
- Media
- Human resources
- Shareholders
- Lending and financial system
- Local Communities: Municipalities of Sarzana, La Spezia and Messina; Liguria and Sicily Regions; Local NPOs

Customers and dealers			
Property	Engagement methods	Stakeholder expectations	Actions taken
Property and holding	<ul style="list-style-type: none"> ➤ Written notices when works are carried out and concerning site management. ➤ Frequent contact. ➤ Customer contact: direct; through tour operators and agencies; P.R. ➤ Dealer contacts: direct; trade fairs; P.R. ➤ Involvement with commercial actions via the website. 	<ul style="list-style-type: none"> • Providing tenants of buildings with an adequate service. • Transparency and fairness in dealings. • Compliance with contractual conditions. • Service quality. 	<ul style="list-style-type: none"> - Alignment with existing regulations. - Commitment to guarantee the safety and security of property. - Meetings/requests to participate in updates. - Internal organisational procedures in compliance with customer expectations. - Compliance with contractual conditions. - Guaranteeing the transparency and quality required by customers.
Industrial	<ul style="list-style-type: none"> ➤ Contact centre. ➤ Customer satisfaction surveys. ➤ Communication channels (websites, social media). ➤ Events (travelling tests, trade fairs). ➤ Dealer websites. ➤ Dealer support services/Help desk. ➤ Motoplex (new sales format). 	<ul style="list-style-type: none"> • Quality, safety and reliability of the products. • Low/zero consumption and emissions. • Rapid response and problem solving. • Sales support. 	<ul style="list-style-type: none"> - Investment in ever safer and more reliable products. - Obtaining quality certification. - Study of innovative engines with low/zero consumption and emissions. - Effort to improve professionalism, timeliness and courtesy of the contact centre personnel and dealers. - Development of a dedicated website and a new sales format.
Marine	<ul style="list-style-type: none"> ➤ Periodic meetings and scheduled technical tests. ➤ Company presentation (websites, trade fairs, events). ➤ Preparing and negotiating bids; exchanging correspondence; interviews and direct meetings. ➤ Support from deals for marketing and sales. 	<ul style="list-style-type: none"> • Reliability, expertise, service, quality, value. • Confidentiality. • Timeliness, precision. • Transparency, fairness and generating business. 	<ul style="list-style-type: none"> - Service and compliance with quality. - Organisation, R&D, reliability. - Timeliness and precision, fairness, transparency, attention to detail.

Suppliers			
Property	Engagement methods	Stakeholder expectations	Actions taken
Property and holding	<ul style="list-style-type: none"> ➤ Involvement in the formalisation of property maintenance contracts. ➤ Daily relations. 	<ul style="list-style-type: none"> • Regular payments of invoices. • Clarity in contractual relations. • Continual supplies. • Compliance with contractual conditions. • Cooperation, also based on long term supplier/Company relations. 	<ul style="list-style-type: none"> - Transparent management of relations. - Payments to suppliers according to terms and conditions established. - Selecting suppliers and monitoring results. - Internal procedures governing relations with suppliers (selecting suppliers, guarantees for supplies, compliance with payment terms, etc.).
Industrial	<ul style="list-style-type: none"> ➤ Daily relations. ➤ Suppliers Portal. ➤ Impact assessment questionnaire 	<ul style="list-style-type: none"> • Continuity of the supply. • Collaboration and sharing of best practices. 	<ul style="list-style-type: none"> - Implementation of the Supplier Portal, also used for the automated management of supply orders - Vendor rating campaigns. - Appropriate conduct guidelines to prevent incidents of corruption.
Marine	<ul style="list-style-type: none"> ➤ Contracts; meetings concerning technical specifications; technical/professional suitability. ➤ Framework agreements; seasonal work contracts; funded training agreements. ➤ Meetings, operational involvement. ➤ Management of financial/administrative relations.. ➤ Direct contacts through meetings, emails and websites. 	<ul style="list-style-type: none"> • Compliance with the contract, and with applicable laws and regulations. • Compliance with partnership agreements. • Reliability, expertise and punctuality. • Technical support, clarity concerning quality and times. • Transparency, planning, economic value. 	<ul style="list-style-type: none"> - Guaranteeing transparency and the proper coordination of activities. - Compliance with contractual terms. - Planning. - Cooperation targeting product improvement. - Reducing performance times and making technical/quality-related improvements.

Local Communities

Property	Engagement methods	Stakeholder expectations	Actions taken
Property and holding	<ul style="list-style-type: none"> ➤ Charity activities. ➤ Communication targeting the local community. ➤ Direct, occasional contact. ➤ Events, sponsorships, charity initiatives 	<ul style="list-style-type: none"> • <i>Charity.</i> • Local employment and training. • Cooperation and awareness of needs. • Respecting the environment. • Support for local communities/initiatives. 	<ul style="list-style-type: none"> - Local employment and training. - Contributions in favour of local initiatives/events and non-profit organisations. - Obtaining required authorisations.
Industrial	<ul style="list-style-type: none"> ➤ Meetings, exhibitions and events. ➤ Rallies. ➤ Charity activities. 	<ul style="list-style-type: none"> • Contributions to supporting charity initiatives. • Organisation of rallies and events for connoisseurs. • Development of local communities. • Respecting the environment. 	<ul style="list-style-type: none"> - Support for numerous charity initiatives. - The Group organises rallies and races for its customers, such as the Aprilia All Star, Vespa World Day and Moto Guzzi open house events. - The Piaggio Foundation and the Piaggio Museum are a meeting place and cultural reference for the territory. - Attainment of environmental certification for production sites.
Marine	<ul style="list-style-type: none"> ➤ Meetings and press releases. ➤ Meeting with local authorities (mayors, councillors, etc.). ➤ Meetings for redundancy procedures. ➤ Meetings for individual projects. 	<ul style="list-style-type: none"> • Direct company involvement. • Engagement with the community and its needs. • Respect for the role played by institutions. 	<ul style="list-style-type: none"> - Ongoing pursuit of a balance between community needs and company objectives. - Involvement of personnel in company decisions.

Institutions and Public Administration

Property	Engagement methods	Stakeholder expectations	Actions taken
Property and holding	<ul style="list-style-type: none"> ➤ Official channels and website. ➤ SDIR-NIS. ➤ Ongoing dialogue on legal developments. ➤ Occasional direct contact or via the Hccp Manager - Personnel Department. ➤ Ongoing relations depending on the Company, as regards technical/administrative requests. ➤ Routine controls by Organisations. ➤ Contacts via the websites of Public Entities and in-company controls. 	<ul style="list-style-type: none"> • Transparency, fairness, punctuality, attention to details. • Involvement. • Cooperation and transparency. • Compliance with regulations and established procedures. • Compliance with conventions. 	<ul style="list-style-type: none"> - Transparency. - Employee training. - Compliance with regulations. - Appropriate conduct. - Cooperative relations. - Compliance with applicable regulations and agreements in place. - Internal procedures that govern relations with the Pa in order to prevent bribery or similar offences. - Compliance with procedures for legal obligations concerning personnel.
Industrial	<ul style="list-style-type: none"> ➤ Ongoing dialogue on legal developments. ➤ Periodic ad hoc meetings. ➤ Participation in parliamentary committees appointed to discuss and formulate new regulations. ➤ Meetings and presentations. 	<ul style="list-style-type: none"> • Compliance with laws and regulations; Being open and receptive to environmental and social themes. • Support on specific technical themes. • Pursuing common objectives. 	<ul style="list-style-type: none"> - Appropriate conduct guidelines to prevent incidents of corruption. - Investments in the R&D of innovative products that are abreast of any restrictions of current regulations. - Proactive participation in parliamentary committees appointed to discuss and formulate new regulations. - Participating in trade associations.
Marine	<ul style="list-style-type: none"> ➤ Requests for authorisations. ➤ Involvement in meetings. ➤ Involvement of institutions in contractual negotiations with other countries and associated practices. ➤ Statements and controls. ➤ Tax, insurance and welfare obligations. ➤ Inspections. 	<ul style="list-style-type: none"> • Clarity and transparency. • Compliance with regulations. • Cooperation. • Providing information that is accurate and comprehensive; a responsible, honest attitude. • Compliance with obligations and rules. • Tax, insurance and welfare. 	<ul style="list-style-type: none"> - Formalisation of authorisation requests with all information concerning military supplies. - Press releases. - Cooperation and transparency. - Providing information that is accurate and comprehensive. - Compliance with obligations and rules. - Proactive benchmarking.

Media			
Property	Engagement methods	Stakeholder expectations	Actions taken
Property and holding	<ul style="list-style-type: none"> ➤ Websites and press channels. ➤ SDIR-NIS. ➤ Frequent, direct contacts. 	<ul style="list-style-type: none"> • Timely, transparent, correct and exhaustive disclosure. • Ongoing cooperation. 	<ul style="list-style-type: none"> - Clarity and transparency. - Being open to engagement.
Industrial	<ul style="list-style-type: none"> ➤ Press releases. ➤ Events and company communication initiatives. ➤ Wide - Piaggio Magazine. ➤ Websites. ➤ Press product launches. ➤ Product test rides. 	<ul style="list-style-type: none"> • Availability, transparency and timeliness of information on the company and its products. 	<ul style="list-style-type: none"> - Abiding by the governance code of business communications. - Strengthening relations with the media in the different countries where the Group is active.
Marine	<ul style="list-style-type: none"> ➤ Press Office and websites. ➤ Involvement in exhibitions and conferences. ➤ Contacts with the specialist press. 	<ul style="list-style-type: none"> • Correct, timely and exhaustive information, in adequate times. 	<ul style="list-style-type: none"> - Institutional communication. - Information provided to safeguard customers.

Shareholders, lending and financial system			
Property	Engagement methods	Stakeholder expectations	Actions taken
Property and holding	<ul style="list-style-type: none"> ➤ Meetings, shareholders' meetings, Board of Directors' meetings, website, press, official documents. ➤ Ongoing communication with Management. 	<ul style="list-style-type: none"> • Information that is complete, timely and accurate. • Company growth. • Transparency. • Cooperation. • Results. • Focus on company values. 	<ul style="list-style-type: none"> - Clarity and transparency. - Sharing future programmes and results achieved. - Being open to engagement. - Compliance with regulations. - Cooperation. - Commitment to actions to achieve objectives. - Focus on company values.
Industrial	<ul style="list-style-type: none"> ➤ <i>Conference call/Road show.</i> ➤ Piaggio Analyst and Investor Meetings. ➤ Corporate website. 	<ul style="list-style-type: none"> • Clear and timely information. • Remuneration and safeguarding the asset value of the investment. 	<ul style="list-style-type: none"> - Promotion of ongoing dialogue with analysts and lenders. - Treasury shares purchasing policy. - Dividend policy
Marine	<ul style="list-style-type: none"> ➤ Meetings, shareholders' meetings, engagement. ➤ Financial Statements and reports; corporate obligations. 	<ul style="list-style-type: none"> • Ongoing disclosure. • Creation and integrity of company value. • Meeting commitments. 	<ul style="list-style-type: none"> - Transparency. - Company growth. - Definition of shared objectives.

Human Resources and Trade Unions			
Property	Engagement methods	Stakeholder expectations	Actions taken
Property and holding	<ul style="list-style-type: none"> ➤ Frequent communication. ➤ Collective choices. ➤ Involvement of trade union organisations if requested. ➤ Possibility to contact the Personnel Department, Function Managers. Periodic meetings for departments, and for specific needs are planned. ➤ Periodic meetings to coordinate technicians and property manufacturers. 	<ul style="list-style-type: none"> • Participation. • Involvement. • Meritocracy. • Respecting human rights. • Clear and transparent communication with superiors. • Opportunity for professional development and training. • Safe working environment. • Cooperation. 	<ul style="list-style-type: none"> - Involvement. - Promoting engagement. - Professional growth. - Compliance with regulations. - Personnel recruitment in compliance with the Code of Ethics adopted by the Company and without any discrimination. - Open and constructive dialogue. - Professional training courses based on company needs. - Guarantee a safe, healthy and productive environment, also through the dissemination of a culture of safety and awareness of risks. - Periodic coordination meetings.
Industrial	<ul style="list-style-type: none"> ➤ Company intranet. ➤ Piaggio InfoPoint. ➤ Piaggio Net International. ➤ Web mail. ➤ Evaluation Management System. ➤ Wide - Piaggio Magazine. ➤ Meetings with trade unions. 	<ul style="list-style-type: none"> • Clear and timely company communication. • Safe and healthy work environment. • Opportunity for professional development and training. • Transparent reward policies. • Respecting human rights and diversity. • Open and constructive dialogue. 	<ul style="list-style-type: none"> - Promoting ongoing, constructive dialogue with employees. - Attainment of health and safety certification for Group sites. - Preparation of professional and managerial career paths for young talents. - Remuneration policy characterised by meritocracy and equal opportunities. - Abiding by a code of ethics that explicitly prohibits any form of discrimination or forced labour. - Promoting ongoing, constructive dialogue with trade unions.

<p>Marine</p>	<ul style="list-style-type: none"> ➤ Company notices on the environment and safety. ➤ Requests via the Workers' Safety Representative. ➤ Periodic coordination/planning meetings. ➤ Periodic, individual meetings. ➤ Training courses. ➤ Trade union negotiations. 	<ul style="list-style-type: none"> • Cooperation and organisation. • Transparency and participation. • Understanding urgencies and needs. • Remuneration. • Opportunities for professional growth. 	<ul style="list-style-type: none"> - Dialogue and understanding. - Engagement with trade union organisations. - Response in accordance with laws and regulations. - Participation and involvement - Compliance with established objectives, meeting employees' needs if possible. - Correct adoption of laws and contracts. - Ensuring recognition where due. - Accountability for special projects.
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The European Taxonomy

Introduction to European Taxonomy

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

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

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

At present, the EU Commission has defined, through the Commission Delegated Regulation (EU) 2021/2139 (“Climate Regulation”), the list of eligible activities and the related technical screening criteria for the first two objectives only, and it is for these that financial and non-financial companies falling within the scope of the Regulation are required to align with.

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

Currently, the EU Commission, through the EU Delegated Regulation 2021/2139 (“Delegated Regulation on Climate”), has only defined the list of eligible activities and the related technical screening criteria for the first two targets, and it is to these that the financial and non-financial companies falling within the scope of the Regulation must adapt.

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

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

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

(EU) 2021/2178) related to eligible economic activities, within the meaning of the Taxonomy. Starting from 1 January 2023, in relation to data for the 2022 financial year, non-financial companies are required to report the above parameters relating not only to the share of “Eligible” activities, but also to environmentally sustainable activities (so-called “Aligned” activities). In order to understand whether own ‘Eligible’ activities can also be considered as “Aligned”, compliance with two types of criteria must be met:

- the technical screening criteria described in the Delegated Acts, that ascertain whether the activities considered make a substantial contribution to climate change adaptation and mitigation;
- the ‘DNSH’ - Do No Significant Harm criteria, which ascertain that the activities considered do not cause significant harm to any of the other environmental objectives.

In addition to these specific technical requirements related to environmental objectives, the Regulation also requires compliance with Minimum Social Safeguards. In this case, the organisation has to prove through its implemented procedures that it adheres to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions identified in the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

In order to meet the requirements of the regulations, in 2022 IMMSI continued to analyse its activities already identified as “Eligible” for the purposes of 2021 reporting, in order to assess their actual contribution to the aforementioned objectives and to understand if and which of them could also be considered as “Aligned”. To do this, it ensured compliance with the technical screening criteria, the “DNSH” criteria and the “Minimum Social Safeguards”, with reference to the climate change mitigation objective, as this was predominantly identified as the most suitable given the type of economic activities carried out by the Group.

In particular, it should be noted that, in carrying out the aforementioned analysis and preparation of the disclosures relating to the Taxonomy, the Company Management focused on the activities carried out by the Piaggio group, given the preponderant importance of the industrial sector on the business and on the overall economic dimension of the IMMSI Group, also adopting a prudential approach based on its own understanding and interpretation, in the state of current knowledge, of the applicable regulatory requirements.

Methodological approach

Technical Screening and DNSH Criteria

In the disclosure of the 2021 Non-Financial Statement, the following activities related to the Piaggio Group’s core business were identified as Taxonomy-Eligible:

- 3.3 “Manufacture of low carbon technologies for transport”, concerning the production and marketing of vehicles;
- 6.4 “Operation of personal mobility devices, cycle logistics”, in connection with the sale of Scooters and WiBikes;
- 9.1 “Close market research, development and innovation” with reference to capitalised R&D costs.

In this context, it should be noted that, following the clarifications and interpretations of

legislation provided by the EU Commission in the form of a Q&A in December 2022¹, the costs and investments in research and development activities, being an integral part of an economic activity covered by the annexes to the Climate Regulation, have been counted directly for the purposes of the relevant economic activity. Consequently, the Group has proceeded with the allocation of research and development costs, previously classified as inherent to activity 9.1, to the economic activity to which such research (as carried out for the purpose of product technological innovation) is directed, i.e. activity 3.3 inherent to the manufacture of vehicles. As a result, asset 9.1 was no longer included among the Group’s “eligible” assets, for the purposes of 2022 financial year reporting.

Therefore, in order to verify the alignment of the only two eligible activities carried out by the Group (3.3 and 6.4), the specific technical screening criteria related to the target of Climate Change Mitigation were analysed and only vehicles with zero tailpipe CO2 emissions were identified as potentially eligible for alignment.

In addition, in order to analyse the DNSH criteria, an analysis was conducted for the plants at Pontedera (Italy) and Baramati (India), which are the only sites where the production of the identified vehicle types takes place. For each eligible economic activity (3.3, 6.4) to reach the Climate Change Mitigation target, the DNSH criteria identified by the Commission Delegated Regulation were analysed and the activities carried out with the owners for the two sites were mapped, resulting in the following findings:

	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6
	Adaptation to climate change	Sustainable use and protection of water and marine resources	Transition to a circular economy	Prevention and reduction of pollution	Protection and restoration of biodiversity and ecosystems
Baramati	<ul style="list-style-type: none"> Climate Risk Self Assessment activities were carried out for the assessment of climaterelated physical risks 	<ul style="list-style-type: none"> Compliance with MPCB¹ environmental legislation No water discharges Water resource treatment for reuse and certification according to quality standards 	<ul style="list-style-type: none"> Adoption of circular economy practices where possible, prioritizing recycling and design to ensure durability standards Compliance with local and European hazardous waste regulations 	<ul style="list-style-type: none"> The activity does not involve the manufacture, placing on the market or use of certain substances (mercury) Pollution risk assessment of research projects 	<ul style="list-style-type: none"> The plant is not located in an area characterised by biodiversity
Pontedera	<ul style="list-style-type: none"> Climate Risk Self Assessment activities were carried out for the assessment of climaterelated physical risks 	<ul style="list-style-type: none"> Achievement of the AIA² for the certification of the environmental protection plan Construction of a new sewer network or industrial painting waste 	<ul style="list-style-type: none"> Management that prioritises recycling and design to ensure durability standards Compliance with REACH COBAT membership 90% recyclable products 	<ul style="list-style-type: none"> The activity does not involve the manufacture, placing on the market or use of certain substances (mercury) Research and use of BAT³ 	<ul style="list-style-type: none"> EIA⁴ carried out and compliance with environmental regulations Arpat analysis carried out

1) Maharashtra government Pollution control board
 2) Integrated environmental Authorisation
 3) Best Available Technologies
 4) Environmental Impact Assessment

¹ “Draft Commission Notice” dated 19 December 2022.

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

Minimum Social Safeguards

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

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

Methodological Approach to KPI Calculation
Identification of “eligible” (Taxonomy-Eligible) and “environmentally sustainable” (Taxonomy-Aligned) activities

The first stage of the process made it possible to identify, through an analysis of the activities included in the Taxonomy, those applicable to the Piaggio Group’s business, considering the description given in the annexes to the Regulation and the potentially applicable NACE codes.

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

	DESCRIPTION OF THE TAXONOMY-ELIGIBLE ACTIVITY	APPLICABLE KPI	REFERENCE CONSOLIDATED FINANCIAL STATEMENT ITEM
3.3	Manufacture of low carbon technologies for transport	Turnover	Net Sales Revenues – Sale of 2, 3 and 4 wheel motor vehicles and Gita robots
		CapEx	Property, plant and equipment - Assets, Intangible Assets and Rights of Use
		OpEx	External maintenance and cleaning costs
6.4	Operation of personal mobility devices, cycle logistics	Turnover	Net Sales Revenues - Sales of scooters

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

The analyses were carried out on the basis of the interpretations of the Taxonomy, available to date, and taking into account, where possible, the clarifications officially

provided by the EU Commission regarding the practical application of the regulation, as well as the preparation of relevant disclosures. In this context, consistent with change in interpretations and regulatory requirements, the information presented in this chapter may be subject to further updates and revisions.

Furthermore, in the coming years of reporting, in line with the evolution of the reference legislation, the analysis of eligibility and alignment with the requirements of the taxonomy of economic activities will also be extended to the other business sectors of the Immsi Group

Definition of the scope

On the basis of the requirements in the Regulation, the percentages of eligible and aligned activities were calculated for 2022 and include all Piaggio Group companies consolidated on a line-by-line basis.

Calculation of KPIs

On the basis of the Group's Consolidated Financial Statements as of 31.12.2022 (the "Financial Statements"), the percentage of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) in relation to respective total values was calculated for each eligible and aligned activity identified.

Calculation of the proportion of turnover

As established by the Regulation, the "aligned" proportion of turnover represents the portion of net revenues derived from services or products, including intangible ones, that originate from economic activities aligned with the taxonomy, divided by the total net revenues³⁸. In the 2022 financial year, the Piaggio Group carried out the following activities for the production of goods or services considered to be Taxonomy-aligned:

- activity "**3.3 Manufacturing of low carbon technologies for transport**" with specific reference to the sale of 2, 3 and 4 wheel motor vehicles and GITA robots;
- activity "**6.4 Operation of personal mobility devices, cycle logistics**" with specific reference to the sale of scooters and personal mobility devices.

Starting from the Net Sales Revenue, in order to identify the proportion considered Taxonomy-eligible, the proportion of revenue relating to "Spare Parts and Accessories" and "Other" was subtracted, with the exception of the proportion related to Piaggio Fast Forward, as this was evaluated as not being applicable for eligibility purposes. The Taxonomy-Aligned percentage of 3.31% was identified by relating the turnover achieved from the sale of zero-CO₂-emitting vehicles to the total turnover achieved.

Calculation of capital expenditure (CapEx)

The CapEx KPI was calculated by dividing the value that includes "aligned" capital expenditure by the value at the denominator that constitutes total capital expenditure. Specifically, the numerator for the calculation of CapEx is represented by additions to property, plant and equipment and intangible assets and "aligned" rights of use during the year, before amortisation and depreciation, any revaluations and excluding fair value changes. The denominator, on the other hand, comprises total capital expenditure and increases in rights of use, before amortisation and depreciation, any revaluations and excluding fair value changes.

For the 2022 financial year, the Piaggio Group incurred the following capitalised costs considered to be taxonomy-aligned:

- activity "**3.3 Manufacturing of low-carbon technologies for transport**" at all the Group's production sites, with specific reference to investments concerning the design and manufacture of zero-emission vehicles (with the sole exception of racing activities).

Furthermore, as stated in Annex I to Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, point 1.2.2.3. "Breakdown of KPIs", in cases where the detail by vehicle type was not available, in order to determine the Taxonomy-Aligned capital expenditure, the allocation of capital expenditure related to the production of electric vehicles, was based on the units of zero-emission vehicles sold in the 2022 financial year. Specifically, in order to identify Taxonomy-Aligned CapEx, a non-financial metric was identified, calculated by comparing the units of zero-emission vehicles sold compared to total units sold for all vehicles, with both internal combustion and electric engines, which yielded a percentage of 3.386%.

Calculation of the proportion of operating expenses (OpEx)

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

For the 2022 financial year, the Piaggio Group incurred the following operating expenditure considered to be taxonomy-eligible:

- activity "**3.3 Manufacturing of low-carbon technologies for transport**" with specific reference to maintenance and repair costs, both of buildings and of plants and equipment, related to production plants where zero-emission vehicles are manufactured.

In addition, as indicated in the section "Calculation of the proportion of capital expenditure (CapEx)", the same procedure was applied to determine taxonomy-aligned operating expenditure.

Table in accordance with Regulation (EU) 2020/852

Share of turnover deriving from products and services associated with economic activities aligned with the taxonomy – Disclosure relating to the year 2022

Economic activities (1)	Code(s) (2)	Absolute turnover (3) €m	Share of turnover expenses (4) %	Criteria for substantial contribution						Criteria for "do no significant harm"						Minimum safeguards (17) S/N	Turnover share aligned to taxonomy, Year N (18) Percentage	Turnover share aligned to taxonomy, Year N-1 (19) Percentage	Category (enabling activity) (20) A	Category (transition activity) (21) T
				Climate change mitigation (5) %	Adaptation to climate change (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) S/N	Adaptation to climate change (12) S/N	Water and marine resources (13) S/N	Circular economy (14) S/N	Pollution (15) S/N	Biodiversity and ecosystems (16) S/N					
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
A.1 Environmentally sustainable activities (aligned with the taxonomy)																				
Activity 1: Manufacturing of low-carbon technologies for transport	3.3	69.05	3.308%	100 %	0.00%	0.00%	0.00%	0.00%	0.00%		S	S	S	S	S	S	3.308%	N/A	A	
Activity 2: Management of personal mobility devices, cycle logistics	6.4	0.08	0.004%	100%	0.00%	0.00%	0.00%	0.00%	0.00%		S	N/A	S	N/A	N/A	S	0.004%			
Turnover from environmentally sustainable activities (aligned with taxonomy) (A.1)		69.13	3.312%	100%	0.00%	0.00%	0.00%	0.00%	0.00%								3.312%			
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																				
Activity 1: Manufacturing of low-carbon technologies for transport	3.3	1,797.52	86.11%																	
Activity 2: Management of personal mobility devices, cycle logistics	6.4	0	0.00%																	
Turnover of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		1,797.52	86.11%																	
Total (A.1 + A.2)		1,866.65	89.423%														3.312%		3.312%	
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																				
Turnover from activities not eligible for the taxonomy (B)		220.79	10.577%																	
Total (A + B)		2,087.44	100%																	

Share of capital expenditures deriving from products and services associated with economic activities aligned with the taxonomy – Disclosure relating to the year 2022

Economic activities (1)	Code(s) (2)	Capital Expenditure (3) €m	Share of capital expenditure (4) %	Criteria for substantial contribution						Criteria for "do no significant harm"						Minimum safeguards (17) S/N	Taxonomy-aligned capex share, Year N (18) Percentage	Taxonomy-aligned capex share, Year N-1 (19) Percentage	Category (enabling activity) (20) A	Category (transition activity) (21) T
				Climate change mitigation (5) %	Adaptation to climate change (6) %	Water and marine (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and (10) %	Climate change mitigation (11) S/N	Adaptation to climate change (12) S/N	Water and marine resources (13) S/N	Circular economy (14) S/N	Pollution (15) S/N	Biodiversity and (16) S/N					
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
A.1 Environmentally sustainable activities (aligned with the taxonomy)																				
Activity 1: Manufacturing of low-carbon technologies for transport	3.3	15.8	9.41%	100%	0.00%	0.00%	0.00%	0.00%	0.00%		S	S	S	S	S	9.41%	N/A	A		
Capital expenditures of environmentally sustainable activities (aligned with taxonomy) (A.1)		15.8	9.41%	100%	0.00%	0.00%	0.00%	0.00%	0.00%							9.41%				
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																				
Activity 1: Manufacturing of low-carbon technologies for transport	3.3	94.8	56.31%																	
Capital expenditure of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		94.8	56.31%																	
Total (A.1 + A.2)		110.6	65.72%													9.41%		9.41%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																				
Capital expenditure of activities not eligible for taxonomy (B)		57.7	34.28%																	
Total (A + B)		168.3	100%																	

Share of operating expenses deriving from products and services associated with economic activities aligned with the taxonomy – Disclosure relating to the year 2022

Economic activities (1)	Code(s) (2)	Absolute operating expenses (3) €m	Share of operating expenses (4) %	Criteria for substantial contribution						Criteria for "do no significant harm"						Minimum safeguards (17) S/N	Taxonomy-aligned operating expenses share, Year N (18) Percentage	Taxonomy-aligned operating expenses share, Year N-1 (19) Percentage	Category (enabling activity) (20) A	Category (transition activity) (21) T
				Climate change mitigation (5) %	Adaptation to climate change (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) S/N	Adaptation to climate change (12) S/N	Water and marine resources (13) S/N	Circular economy (14) S/N	Pollution (15) S/N	Biodiversity and ecosystems (16) S/N					
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
A.1 Environmentally sustainable activities (aligned with the taxonomy)																				
Activity 1: Manufacturing of low-carbon technologies for transport	3.3	1.12	3.34%	100%	0.00%	0.00%	0.00%	0.00%	0.00%		S	S	S	S	S	S	3.34%	N/A	A	
Operating expenses of environmentally sustainable activities (aligned with taxonomy) (A.1)		1.12	3.34%	100%	0.00%	0.00%	0.00%	0.00%	0.00%								3.34%			
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																				
Activity 1: Manufacturing of low-carbon technologies for transport	3.3	31.91	95.39%																	
Operating expenses of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		31.91	95.39%																	
Total (A.1+A.2)		33.03	98.73%														3.34%		3.34%	
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																				
Operating expenses of activities not eligible for the taxonomy (B)		0.42	1.27%																	
Total (A+B)		33.45	100%																	

Corporate Social Responsibility risks

With the support of the company Immsi Audit S.c.a.r.l., during 2022, as part of the updating of the Group's risk profile, the risks associated with Corporate Social Responsibility issues underpinning Legislative Decree 254/16 were identified within the "property and holding" and "marine" business sectors of the Group. In particular, the risk analysis regarded the following companies: Immsi S.p.A., Is Molas S.p.A. and Intermarine S.p.A..

The inherent risks identified in these companies are shown in the following tables, broken down by macro area. The management procedures adopted by the companies made it possible to keep residual risks to within the acceptability levels established.

The analysis did not identify any significant residual risks for Immsi S.p.A.

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 2022, the campaign to update the Group's risk profile, involving company managers across the Group, identified 197 risk scenarios, comprising 25 categories which were grouped into 4 level-one macro-categories (External, Operational, Financial, Strategic Risks). In this context, issues concerning environmental and social aspects, human resources, human rights and the fight against corruption were all analysed, as detailed below.

Findings concerning the companies Is Molas S.p.A (property and holding sector) and Intermarine S.p.A. (marine sector) and for the Piaggio group (industrial sector) are given below.

It should be noted that the analysis did not reveal any significant residual risks for Immsi S.p.A. for which there is therefore no dedicated disclosure.

The following risks associated with certain management procedures were identified for the company Is Molas S.p.A..

MATERIAL TOPIC	RISK	CONTROLS
E N V I R O N M E N T A L M A T T E R I A L	Risk related to climate change and acute weather-climate variability, with particular reference to the use of water resources in relation to the effects on their availability and the impacts of managed activities on regional water resources.	<p>Among the risks of an exogenous nature, the Company monitors those related to climate change, both for "acute" physical phenomena and transitional changes, considering the importance of their impact on the reference water supply reservoirs and the activity managed.</p> <p>The company also monitors its emissions and environmental impacts and implements mitigation and energy efficiency strategies. In particular, the Company maintains a focus on the use and efficiency of water consumption systems (e.g., irrigation of the villas and hotel area) according to objectives of sustainable use of water resources in relation to public policies and the needs of stakeholders in the area. In this regard, water-saving irrigation methods are used, and a number of extraordinary maintenance and functional improvements to the managed lakes have recently been completed; In addition, the Company has taken steps to fulfil its commitments under "former agreements" as regards the expansion of public water purification plants, also benefiting from the possible re-use of relative water output for irrigation purposes.</p>
	Risk of environmental impact on the area deriving from the activities managed, both for the maintenance of buildings and green areas (also with reference to the counterparts involved in the contracted works) and for waste management.	<p>The Company pays maximum attention to ensure that activities are compatible with the protection of natural areas and animal species where it operates, seeking to minimise its environmental footprint through the responsible management of impact on biodiversity and sustainable use of natural, water and energy resources.</p> <p>The Company has drawn up an Environmental Monitoring Plan, shared with competent public authorities, on respecting the environmental requirements of administrative authorisations for property development. The use of green maintenance activities/methods is also increasing in the sports-hotel sector.</p>
	Risk of reputational harm due to the possible involvement of the Company in polluting events (especially environmental crimes), including in association with others, or for the use of suppliers or sub-suppliers that do not adequately comply with environmental sustainability standards.	<p>Waste production, management and disposal activities are carried out in compliance with the applicable regulations, with particular reference to the correct traceability of the different types of waste, in terms of handling, entrusted to specialised and authorised companies in the sector. An internal waste management programme has also been set up, primarily aimed at waste reduction, reuse and recycling with differentiated collection methods.</p> <p>The Company uses counterparties that have been assessed for their reliability and can guarantee respect for the environment. Company activities assigned to third parties (e.g.: contracts, services, consultancy services) are defined in contracts, with clear requirement of compliance with the principles and guidelines of conduct defined in the Company Code of Ethics, including compliance with environmental sustainability criteria and applicable regulations.</p>

MATERIAL TOPIC	RISK	CONTROLS
S O C I A L M A T T E R S	Risks related to failure to comply with the quality/safety standards of services provided (e.g., harmful or dangerous for customers) and relative legal requirements, with consequent liability that could expose the Company to claims for damages.	The Company has adopted quality and safety protocols for catering, hotel and sports services provided to customers, with particular reference to compliance with health and hygiene regulations, also making use of qualified consultants to ensure strict observance of relevant regulations through the analysis of hazards and critical control points, as well as observing the strictest standards of product verification with regard to the procurement and storage of perishable goods. Protocols adopted with reference to the Covid-19 emergency are also in place in line with the evolution of specific regulations to protect guests and employees, also in compliance with applicable regulations (Federalberghi, FIG).
	Risk of failure to obtain or renew quality certifications or certifications of legislative/regulatory compliance for products and processes.	
	Risk associated with regional relations (e.g. relating to local authorities and communities, socio-cultural groups in the area) and changes in the local regulatory framework, which may lead to difficulties or changes in the Company's strategic and operational approaches.	The Company has developed and maintains dynamic relations with local institutions, community representatives and local sociocultural groups, also to avoid tensions deriving from insufficient dialogue and collaboration, that could have negative effects on managed activities (e.g. due to changes in the regulatory framework at a local level).
	Risk of compromise of confidentiality, integrity, availability of personal data (e.g. of customers, employees, suppliers) linked to shortcomings in the Company's protection and information systems and/or reputational risk or risk of damage to persons or the Company arising from the loss of or damage to confidential information and/or personal data stored at the Company, as well as from non-compliance with the regulations for the processing of personal data.	The Company manages, also with the support of the DPO, the measures aimed at ensuring compliance with the management of personal data processing (e.g. of customers, employees, suppliers, etc.) respecting the obligations also connected to existing contractual relations and the protection of third parties with the management of information and processing consents, also implementing the security measures concerning both sensitive/confidential information and the storage of personal data in compliance with the applicable Privacy Law.
	Risk related to the difficulty of obtaining specialised local workers or qualified local suppliers and, consequently, tensions in relations with local communities/stakeholders due to the level of involvement in the supply chain and development of projects in partnerships.	The company strives to develop the local supply chain through a transparent and sustainable partnership with its supply chain. The selection of business partners to work with is based not only on an assessment of their honesty and commercial and professional reliability, but also on an objective assessment of their quality, price and ability to provide and guarantee goods/services of an adequate level in accordance with the required standards; in compliance with these requirements and aware of the role that it may have in the development of local activities where it operates, the Company interfaces and cooperates with local suppliers, guaranteeing equal opportunities to work together. The focus on local communities is also reflected in the composition of the Company's workforce, which is largely made up of employees and managers from the communities surrounding the Company's headquarters.
	Risk of restrictions on the development of the Company's business activities resulting from changes in the legislative framework.	The Company actively monitors changes in the national and international regulatory framework, also with the assistance of specialist law firms, in order to anticipate potential impacts on the business it manages. Specifically for the tourism and hotel industry, recent international events related to the Russian-Ukrainian conflict and EU sanctions have led to a decline in the number of guests from Eastern Europe, but this has been more than offset by the overall significant increase in admissions and turnover in 2022.
	Risk of ineffective detection and mitigation by internal protocols and systems of any fraudulent/criminal activities perpetrated to the detriment of the Company (e.g., cyber attacks, theft of data and information, business interruption, etc.)	By continuously monitoring the management of the IT infrastructure and applications in use, the Company manages IT security matters with dedicated measures to prevent, identify, manage and respond to potential threats.

MATERIAL TOPIC	RISK	CONTROLS
EMPLOYEE-RELATED MATTERS	Risk relating to the health and safety of workers (e.g. due to inadequate supervision of actual compliance with the procedures and instructions given, insufficient monitoring of the materials and components used for the absence of hazardous substances, unsuitable working conditions, etc.).	<p>Health and safety risks for workers are managed by means of a preventive and permanent occupational health and safety management system, through the identification of risk factors and sources, the elimination or reduction of risk, the continuous monitoring of the preventive measures implemented, and the elaboration of a corporate strategy to be implemented through the participation of all stakeholders in the working communities.</p> <p>The Company has shaped its occupational health and safety activities in full accordance with applicable regulations, including signing supply agreements and contracts that require counterparties to ensure the equivalent compliance with regulations, developing information and training activities for employees and collaborators and appointing managers to monitor work activities according to the established protocols and within the framework of a precise system of delegations and powers for individual relevant matters, aimed at ensuring the proximity of action with respect to the business lines. The Company has also adopted, within its own model in accordance with Legislative Decree 231/01, a special part with specific protocols to combat the offences of manslaughter or serious or very serious injury with violation of the rules on occupational health and safety.</p> <p>With reference to the Covid-19 pandemic, since some epidemiological events can have a critical impact on the health of workers, the Company follows its developments and monitors the presence of infections at its operational headquarters, where, thanks also to the timely adoption of all prevention, control and containment measures in accordance with the specific Protocols adopted in compliance with the regulatory changes that have taken place and the agreements entered into with trade union representatives, there have been no interruptions to normal scheduled activities and the incidence of infections is - to date - insignificant.</p>
	Reputational risk and sanctions related to the use of counterparties employing workers in an unlawful manner.	
	Risk connected with the possible use of suppliers or sub-suppliers that do not comply with the ethical and conduct standards in relations with workers that are required by the Company.	
	Risk of inadequate implementation of projects according to expected standards due to lack of staff development, qualitative or quantitative insufficiency of human capital compared to the operating model and the evolution of strategic business needs, or loss of key skills and know-how due to the interruption of professional relationships (e.g. due to inadequate HR development or poor management of organisational changes).	<p>The Company is committed to the development and growth of its human capital, through fair and equal treatment, policies for the retention and development of personnel and their expertise, to avoid tensions that could lead to the loss of key skills due to employment ending.</p> <p>In particular, the Company continued to review and redistribute the roles, duties and responsibilities assigned to its staff on the basis of recent organisational changes.</p>
ECONOMIC, FINANCIAL	Risk of insufficient assessment of possible detrimental situations related to the commercial and professional integrity and reliability of business counterparties (e.g., suppliers, consultants, customers, intermediaries, etc.).	<p>The Company has included issues concerning business ethics, such as environmental sustainability, occupational health and safety, compliance with equal opportunities and human rights and the fight against bribery in its criteria for selecting suppliers, also requesting them to comply with the principles and guidelines for conduct set out in its Code of Ethics. Procedures are adopted to manage company processes (e.g.: authorisation processes, document traceability, control of financial flows) intended to combat practices that go against these principles (e.g. bribery or unfair competition), which may be reported via dedicated channels to the Supervisory Board.</p> <p>The Company, with the support of appointed consultants, constantly updates its Model pursuant to Legislative Decree 231/01, in terms of protocols relating to the aforementioned potential risk areas.</p>
	Risk of insufficient cash flow generation to ensure the fulfilment of financial commitments made and the sustainable development of the business as planned.	<p>The year 2022 was marked by market tensions arising from the current geopolitical situation, resulting in an uncertain macroeconomic scenario, exacerbated by the ongoing impact of the pandemic.</p> <p>In this context, with reference to the property business, the Company continued its promotion activities and focused mainly on the domestic market and some European countries such as Switzerland, Austria, France and Luxembourg, Belgium, the Netherlands and the UK.</p>
	Risk of inadequate corporate responsiveness to the variability of external (socio-economic and market) conditions, resulting from the Covid-19 pandemic, for impacts/opportunities on the managed business	<p>In this context, the financial situation is regularly presented and shared with the top management and the Company makes use of intercompany credit lines granted by the parent company, according to the financial needs related to management operations. Financial needs are monitored and defined, for the purpose of making payments, by consulting the credit system and the financial budget (constantly updated on the basis of expected cash in/cash out movements).</p>

The following risks associated with certain management procedures were identified for the company Intermarine S.p.A..

MATERIAL TOPIC	RISK	CONTROLS
E N V I R O N M E N T A L M A T T E R S (1 / 2)	Risk of damage to natural species, caused by the impact of managed activities, i.e. altering biodiversity in the areas where the company works.	<p>The Company's activities are organised to fully comply with environmental regulations and to minimise impacts on environmental matrices (soil, subsoil, water resources, atmosphere). To this end, the Company pays maximum attention to ensure that activities are compatible with the protection of natural areas where it operates, seeking to minimise its environmental footprint through the responsible management of impact on sustainable use of natural, water and energy resources.</p> <p>For the Sarzana site, the company holds the Integrated Environmental Authorisation (AIA), for which it has already submitted the application for renewal and is awaiting the outcome of the Services Conference of the La Spezia Provincial Administration. For the Messina site, the Company holds the Single Environmental Authorisation (AUA) for the activity of production, fitting out, repair and maintenance of sheet metal and fibreglass boats. For both these sites, an Environmental Management System has been implemented in compliance with the requirements of the international UNI EN ISO 14001:2015 standards. The adequacy of this system has been certified by a third party body (RINA), which carries out periodic audits to verify that certification is being maintained correctly and that a person responsible for each site has been identified. This person is responsible for ensuring that the management system is implemented and maintained in compliance with the requirements of the standard and the company's environmental policy, providing specific instructions to the personnel concerned and checking compliance through periodic audits. Monitoring is carried out both by means of self-controls and internal inspections to check the environmental impact of the company's activities and by means of inspections by external bodies (e.g. ARPAL); the Company cooperates at all times with these bodies by regularly implementing suggested improvement actions.</p> <p>Furthermore, according to the Company's Model 231/01 – it is forbidden both to take actions intended to violate rules on waste management, emission sources and discharges of industrial waste water containing dangerous substances, and to carry out such discharges without authorisation or after such authorisation has been possibly suspended or revoked.</p>
	Risk of environmental pollution deriving from the activities managed, relating to: - waters, e.g. due to inadequate management of waste water, spillage into water by ships during testing at sea or in dock, washing of hulls and mechanical parts in factories; the atmosphere, e.g. for non-compliance with the permitted limits for emissions; - waste generated, in the event of inadequate monitoring of its "life cycle" in order to prevent improper disposal, deposit or storage.	<p>Waste production, management and disposal are overseen in compliance with applicable regulations, subject to analysis of the waste to identify hazard levels, conducted by qualified, external laboratories. In addition, care is taken over the correct traceability of waste in accordance with laws and regulations, with particular reference to handling carried out by specialised, authorised firms. An internal waste management programme has also been set up, primarily aimed at waste reduction, reuse and recycling with differentiated collection methods.</p>
	Risk of negative effects on the managed activities due to requirements to limit discharges and waste and/or for insufficient prior adoption of environmental protection measures, possibly entailing compensation, fines or reputational damage.	<p>The Company's environmental management system includes established procedures to manage operations involving potential pollutants. In 2022, the maintenance audits pursuant to ISO 14001:2015 were carried out, respectively in February for the Sarzana site and in November for the Messina site, with the summary reports issued with a positive outcome.</p>

MATERIAL TOPIC	RISK	CONTROLS
E N V I R O N M E N T A L M A T T E R S (2 / 2)	<p>Exogenous risks for the Company include climate change, considering that the occurrence of natural disasters or catastrophic events (e.g. floods) may prevent the Company from carrying out its operations and/or supplying its products, with a significant impact on business results.</p>	<p>The Company considers acute weather risk as one of the possible variables to take into consideration for its business continuity. In this regard, as part of the management of risks deriving from climate change-related events, in addition to carrying out some infrastructural works to protect the production site, the Company has also implemented the guidelines set out in internal emergency operating procedures, which require preparatory drills to be carried out; this Corporate Emergency Plan was fully operational during recent weather alerts. The Company has also taken out specific insurance coverage to protect its sites from economic damage deriving from extreme/catastrophic events.</p> <p>Finally, in the more general context of worsening climate change and the possible consequences of so-called "acute" phenomena, the Company monitors its emissions and environmental impacts and pursues mitigation and energy efficiency policies.</p>
	<p>Risk of failure to issue/maintain environmental certifications for the production sites involved, also deriving from inadequate monitoring of regulatory measures aimed at limiting the level of emissions and combating climate change</p>	<p>For the Sarzana and Messina sites, an Environmental Management System has been implemented in compliance with the requirements of the international UNI EN ISO 14001:2015 standards. The adequacy of this system was certified by a third party body (RINA) in 2022, which carries out periodic audits to verify that certification is being maintained correctly and that a person responsible for each site has been identified. This person is responsible for ensuring that the management system is implemented and maintained in compliance with the requirements of the standard and the company's environmental policy, providing specific instructions to the personnel concerned and checking compliance through periodic audits. In addition, there are regulations on management and operational procedures that carry a higher risk of pollution and for dealing with emergencies in the event of spills into water bodies.</p>
	<p>Risks and penalties deriving from non-compliance with environmental legislation (e.g. commission/attempted commission of offences pursuant to Art. 25-undecies of Legislative Decree 231/01)</p>	<p>Furthermore, according to the Company's Model 231/01 – it is forbidden both to take actions intended to violate rules on waste management, emission sources and discharges of industrial waste water containing dangerous substances, and to discharge industrial waste water containing dangerous substances without authorisation or after such authorisation has been possibly suspended or revoked.</p> <p>Finally, the Company is committed to constantly monitoring the evolution of the laws and regulations applicable to its activities, including those on environmental matters, in order to mitigate the risk of possible impacts on the activities it manages.</p>
	<p>Risk connected to the use of suppliers or sub-suppliers that do not comply with appropriate sustainability standards/criteria, causing effects that are not compatible with the Company's sustainability strategy and also generating negative repercussions for reputation and relations with the stakeholders</p>	<p>The Company has included issues concerning business ethics, such as environmental sustainability, occupational health and safety, compliance with equal opportunities and human rights and the fight against bribery in its criteria for selecting suppliers, also requesting them to comply with the principles and guidelines for conduct set out in its Code of Ethics. Procedures are adopted to manage company processes (e.g.: authorisation processes, document traceability, control of financial flows) intended to combat practices that go against these principles (e.g. bribery or unfair competition), which may be reported via dedicated channels to the Supervisory Board.</p>

MATERIAL TOPIC	RISK	CONTROLS
S O C I A L M A T T E R S	<p>Risk that the Company is unable to develop and manufacture its products in compliance with the quality/safety standards of goods sold and associated legal and contractual requirements, with consequent liability that could expose the Company to claims for damages and expensive reprocessing or repairs.</p>	<p>The Company develops and manufactures products of high complexity and technological content, the quality of which is closely linked to both that of the supplies acquired (e.g. materials, components, equipment, subsystems, etc.) and that of its own processes (e.g. design, production, testing, etc.). The production and marketing of products manufactured in compliance with the quality and safety requirements of the sector and the expectations of customers is a priority that the Company operationally declines by applying the main national and international technical reference standards and aligning its production processes to best practices.</p> <p>In this regard, the Company has gradually taken specific actions to reduce management complexity and ensure higher quality of ordered products (e.g. supplier qualification procedure, matrix of requirements associated with technical specifications for the issue of purchase orders, involvement in design review of technical functions of selected suppliers, intensification of factory test programmes, preventive testing and controls upon goods acceptance) as well as methods for monitoring progress. The Company has also taken further steps to counter the possibility of "non-compliance" with contractual provisions, including a training plan that provides specific content for professional roles most directly involved in the development of the procurement programme.</p>
	<p>Risk that the Company does not implement correct application of social regulations (e.g. labour, human rights, etc.) with reference to its employees and external contract workers, with possible exposure to sanctions, compensation claims, reputational damage.</p>	<p>The Company has included issues concerning business ethics, such as environmental sustainability, occupational health and safety, compliance with equal opportunities and human rights and the fight against bribery in its criteria for selecting suppliers, also requesting them to comply with the principles and guidelines for conduct set out in its Code of Ethics. Procedures are adopted to manage company processes (e.g.: authorisation processes, document traceability, control of financial flows) intended to combat practices that go against these principles (e.g. bribery or unfair competition), which may be reported via dedicated channels to the Supervisory Board.</p>
	<p>Risk of compromising the confidentiality, integrity, availability of personal data (e.g. of customers, employees, suppliers) linked to shortcomings in protection systems and corporate information systems and/or ineffective identification and mitigation by the internal protocols and systems of any fraudulent/criminal activities perpetrated to the detriment of the Company (e.g. cyber attacks, theft of data and information, business interruption, etc.).</p>	<p>Cyber security risk is increasing everywhere as business processes become more interconnected and digitised. The Company is therefore committed - through a specific Cyber Security Upgrade Plan - to the management of cyber security aspects, both as protection of information systems from theft or damage to hardware, software and the information contained therein, and from interruptions to the services they provide (e.g. access to systems, allocation and use of IT resources, use of network services, etc.) and as prevention and detection of potential threats and response to them.</p>
	<p>Risk of negative impacts on the development of business activities resulting from situations of severe social instability or conflict between states</p>	<p>The past year has been marked by socio-economic uncertainty caused not only by the continuing spread of the Covid-19 virus, but also by the ongoing conflict in Europe caused by Russia's offensive against Ukraine. These situations have led to profound changes in the world's social, geopolitical and economic balance, which have also had an impact, albeit indirect, on the activities managed by the Company (e.g. global shortages of materials and components, strong inflationary pressures, new difficulties in the logistics supply chain). The Company, which has established its international development activities in compliance with the governmental authorisations for relations with foreign countries of reference, although it is not directly exposed to the aforementioned warring countries, monitors the evolution of the geopolitical and macroeconomic scenarios, as well as the sanctions imposed on Russia by Western countries, in order to promptly identify international socio-political dynamics that could affect the development of its activities.</p>
	<p>Risk of negative impacts on the managed business connected to the Covid-19 pandemic (e.g. deriving from policies and regulations, operational difficulties/business interruptions of suppliers, etc.)</p>	<p>Since some epidemiological events can have a critical impact on the health of workers, the Company follows the developments of the Covid-19 pandemic and the presence of infections at its operational headquarters, where, thanks also to the timely adoption of all prevention, control and containment measures in accordance with the specific Protocols adopted in compliance with the regulatory changes that have taken place and the agreements entered into with trade union representatives, it was possible to carry out normal scheduled activities during 2022 and the incidence of infections was - to date - almost insignificant. In addition to overseeing the coordination of the assembly of the internal systems on the ships and the subassemblies of the external supply, the company launched an order risk analysis, supported by the project teams, in order to resolve in good time any critical issues that may arise in connection with a resurgence of the pandemic, also in relation to the expected deliveries with respect to the defined programme.</p>

MATERIAL TOPIC	RISK	CONTROLS
<p style="text-align: center;">H U M A N R E S O U R C E S - R E L E V A N T I N F O R M A T I O N</p>	<p>Risk related to the working conditions and health and safety of workers in the event of inadequate creation of safe work environments and/or inadequate oversight for monitoring concrete compliance with the relevant procedures and instructions provided by the Company in compliance with the relevant applicable regulations.</p>	<p>Health and safety risks for workers are managed by means of a preventive and permanent occupational health and safety management system, through the identification of risk factors and sources, the elimination or reduction of risk, the continuous monitoring of the preventive measures implemented, and the elaboration of a corporate strategy to be implemented through the participation of all stakeholders in the working communities.</p> <p>The Company has shaped its occupational health and safety activities in full accordance with applicable regulations, including signing supply agreements and contracts that require counterparties to ensure the equivalent compliance with regulations, developing information and training activities for employees and collaborators and appointing managers to monitor work activities according to the established protocols and within the framework of a precise system of delegations and powers for individual relevant matters, aimed at ensuring the proximity of action with respect to the business lines.</p> <p>In general terms, although the Company has not yet obtained certification of compliance with the requirements of the reference standards for its occupational health and safety management system, it has nevertheless defined and implemented the above-mentioned prevention system in accordance with the above-mentioned requirements, also providing that, at the end of the phase of identification of the macro-processes and health and safety aspects, internal audits are planned and carried out on the processes and areas of the company previously identified, with continuous monitoring of the implementation of all the necessary corrective/improvement actions.</p> <p>The Company has also adopted, within its own model in accordance with Legislative Decree 231/01, a special part with specific protocols to combat the offences of manslaughter or serious or very serious injury with violation of the rules on occupational health and safety.</p> <p>In this context, the Company continued to provide specific training, also in accordance with the provisions of Legislative Decree 81/08 and the State-Regions Agreement of 21/12/2011, with training measures distinguished by type of training and applicable risk.</p>
	<p>Risk connected with the possibility of tensions or termination of relations that the Company has with workers and trade union representatives, with consequent recourse to strikes and interruptions of production activity</p>	<p>The Company has developed and maintains dynamic relations with workers and trade unions, also to avoid tensions that could have negative effects on managed activities.</p>
	<p>Risk of inadequate implementation of projects - compared to what was planned - due to lack of staff development, qualitative or quantitative insufficiency of human capital compared to the operating model and the evolution of strategic business needs, or loss of key skills and know-how due to the interruption of professional relationships (e.g. due to inadequate HR development or poor management of organisational changes).</p>	<p>In addition to the adoption of fair treatment, the Company enhances its human capital with policies for the retention and continuing development of personnel and their expertise, to avoid the loss of key skills and know-how, due to employment ending.</p> <p>In addition, the Company develops careful workforce planning in relation to production plans, including the implementation of flexibility criteria for the efficient allocation of personnel.</p>
	<p>Risk related to the possible use of suppliers, sub-suppliers or third-party independent contractors (consultants, etc.) that do not comply with the ethical and conduct standards in relations with workers, or human rights and responsible conduct principles for the business with impacts not in line with the Company's strategy in this area.</p>	<p>The Company has included issues concerning ethical and sustainable business management in its criteria for selecting suppliers, also requesting them to comply with the principles and guidelines for conduct set out in its Code of Ethics. Procedures are adopted to manage company processes (e.g.: authorisation processes, document traceability, control of financial flows) intended to combat practices that go against these principles (e.g. bribery or unfair competition), which may be reported via dedicated channels to the Supervisory Board.</p>

MATERIAL TOPIC	RISK	CONTROLS
E C O N O M I C S . A N T I - C O R R U P T I O N A N D B R I B E R Y M .	<p>Risk of possible corruption or unfair competition practices in the event of an inadequate company approach to prevention for at-risk operations or any detrimental situations related to the commercial and professional integrity of business counterparties (e.g. suppliers, consultants, customers, intermediaries, etc.) taking into account the relative risk profiles of the countries where the Company works.</p>	<p>The Company has structured a business model that requires liaison activities with numerous external counterparts (including public bodies) and operates in a highly regulated environment that is equally exposed to the risk of corruption or non-compliance with legislation. The Company has included issues concerning business ethics, such as the fight against bribery in its criteria for selecting suppliers, also requesting them to comply with the principles and guidelines for conduct set out in its Code of Ethics. In relation to what is defined in this regard in the Model pursuant to Legislative Decree 231/01, procedures are also adopted to manage company processes (e.g. training and ethical imprinting, planning, objectification of choices and document traceability, authorisation processes and escalation authorisations, separation of roles, control of financial flows, etc.) designed to counter initiatives of practices contrary to these principles (e.g. corrupt or anti-competitive), for which a confidential channel is also in place to report any such cases to the Supervisory Board pursuant to Legislative Decree 231/01.</p>
	<p>Reputational risk or damage to persons, to the Company, to public safety – through the management of competition-related issues – arising from the loss or damage of confidential information and/or personal data stored at the Company's premises, as well as non-compliance with data processing regulations</p>	<p>The Company has put in place measures to ensure the confidentiality of business information and the proper processing of personal data, complying with obligations connected to existing contractual relationships and the protection of third parties through the management of notices and consent to processing, and has also implemented security measures on storage of personal data in accordance with applicable legislation. The supervision activity carried out by the DPO revealed the substantial adequacy of the personal data protection management model implemented by the Company in compliance with the relevant legislation in force, which, moreover, is constantly monitored by the Company itself.</p>
	<p>Risk of insufficient cash flow generation to ensure the fulfilment of financial commitments made and the sustainable development of the business as planned</p>	<p>The Company continuously monitors its economic, equity and financial situation and, despite the current unstable macroeconomic scenario, continues to seek forms of financing related to expenditure and investment commitments, as well as the execution of the efficiency and cost containment programme. In terms of its financial structure, the Company manages its current and future dynamics by carefully managing its requirements and disbursements for contracts in progress, and by adopting contractual terms and conditions that ensure its ability to generate cash internally and its financial sustainability. The Company, with the support of Holding Immsi Spa, updates the structure of its existing loans, according to market opportunities (e.g. interest rate trends) and according to the needs of its financial coverage, also considering the business development plans, which may be better assessed in light of the turbulence in the economic and geo-political variables due to the Russian-Ukrainian conflict and the future effects of the still ongoing pandemic.</p>
	<p>Risk of inadequate corporate responsiveness to the variability of external (socio-economic and market) conditions, also resulting from the Covid-19 pandemic, for impacts/opportunities on the managed business</p>	<p>Although the external environment is still uncertain, in addition to the final outfitting of the third self-righting patrol vessel for the Italian Coast Guard recently delivered to the customer, production progress is being made on orders acquired and related mainly to:</p> <ul style="list-style-type: none"> - the modernisation of the Italian Navy's Gaeta-class minesweepers, - the construction of the passenger transport unit with Marinvest/SNAV. <p>Commercial activities for the company's operating businesses are also ongoing, including a broad commercial focus on repair, refitting and after-sales opportunities. In addition, the company started an important Experimental Trials project with the Italian Navy.</p> <p>Commercial activities also continued in all the businesses in which the company operates, especially in the Defence sector, aimed at acquiring additional orders that would increase the order backlog. In view of these expected future commercial developments, the company has planned a major investment plan to upgrade its production capacity.</p>

The risk topics identified for the Piaggio group, following the 2022 Risk Assessment, are listed below.

For further details, please refer to the Piaggio Group 2022 NFS.

MATERIAL TOPIC	RISK	CONTROLS
Climate Change	<ul style="list-style-type: none"> - 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 - reduction in level of emissions allowed for vehicles 	<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	<ul style="list-style-type: none"> - 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
Conserving water resources	<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
Developing human capital	<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	<ul style="list-style-type: none"> - Worker Injuries / onset of occupational diseases 	<ul style="list-style-type: none"> - ISO 45001 certification - Periodic occupational health and safety training - Personal protective equipment and operating instructions
Product innovation and sustainable mobility	<ul style="list-style-type: none"> - Reduced level of technological innovation in the product range - Reduced recyclability / recoverability of vehicles at end of life - Use of materials / substances that are harmful for the environment - Regulatory measures aimed at limiting the transit of vehicles with internal combustion engines, in order to reduce emissions 	<ul style="list-style-type: none"> - Considerable investments in research and development - Development of alternative engines (i.e. hybrid / electric) - Product conformity to the REACH Regulation 1907/2006 and End of Life Directive 2000/53/EC - Use of environmentally-friendly, recyclable materials

MATERIAL TOPIC	RISK	CONTROLS
Product safety and reliability	<ul style="list-style-type: none"> - 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/assembly 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	<ul style="list-style-type: none"> - 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"> - "Customer satisfaction" analysis and development of action plans in the event of identification of areas for improvement in the service provided by the network - New computer systems improve the management of the sales / after-sales assistance network and the level of assistance offered to customers - Geo-marketing system to optimise the network's coverage of the country
Responsible management and respect for human rights in the supply chain	<ul style="list-style-type: none"> - Suppliers that do not comply with environmental sustainability principles (e.g. with reference to energy consumption, atmospheric emissions, waste management, protection of water resources, protection of biodiversity, etc.) - Suppliers that do not comply with the principles of social sustainability (e.g. with reference to the development of human resources, freedom of association and collective bargaining, child labour, forced labour, industrial relations, health and safety at work, support for local communities, charity activities, etc.) - Violation of the Group's Code of Ethics by suppliers 	<ul style="list-style-type: none"> - ISO 14001 certification ensures higher scores in the supply audit - Piaggio requires its suppliers to sign the general supply terms and conditions which expressly refer to the Group's Code of Ethics or require an explicit commitment to comply with environmental, pollution, health and safety legislation and respect for workers' rights, in order to guarantee respect for its ethical values throughout the production and sale cycle of its products.
Supporting local communities	<p>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.)</p>	<ul style="list-style-type: none"> - Organisation of events at the Piaggio Museum - Piaggio Foundation cultural project - Charity and sponsorship activities - Support to hospitals during the Covid-19 health emergency period
Diversity and equal opportunities	<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
Business integrity	<ul style="list-style-type: none"> - Unlawful collusion / corruption by employees 	<ul style="list-style-type: none"> - Signing the Group Code of Ethics - Use of instruments, including organisational tools, to ensure respect for the principles in the Group Code of Ethics

MATERIAL TOPIC	RISK	CONTROLS
Business integrity	<ul style="list-style-type: none"> - Information in mandatory financial disclosure (e.g. the annual report, interim report, interim report on operations) / NFS which is untruthful - Failure/delayed disclosure of relevant information to the market 	<ul style="list-style-type: none"> - Mandatory financial information audited by an external body - Non-financial statement audited by an external body - Formal declaration of commitment, by all corporate functions, to the achievement of the established sustainability objectives and reporting, on an annual basis, of any gaps compared to the results actually achieved - Constant and timely updating of the website with information regarding the Group and key corporate documentation
Creating economic value	<ul style="list-style-type: none"> - Failure to achieve established growth objectives for reasons attributable to: <ul style="list-style-type: none"> - competitive dynamics - sales network - political / macroeconomic instability of countries where the Group operates 	<ul style="list-style-type: none"> - Brand positioning initiatives and expansion of the product range - Rationalisation of the sales network on the basis of current and future expectations - Creation of a new retail model under development worldwide - Market diversification

Economic Dimension

The creation of economic value

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 Immsi Group carefully monitors the value creation process and communicates this transparently, promptly and comprehensively in the Immsi Group 2022 Directors' Report and Financial Statements (see section "Information on the Immsi Group's management and activities"), to which reference is made for further details.

The macroeconomic scenario remains very uncertain and it is therefore extremely difficult to make accurate forecasts on the trend of orders and commercial, economic and financial results. However, the macro trends on which the Group has based and continues to base its growth capacity remain confirmed.

Immsi Group at 31 December 2022

In thousands of Euros	Property and holding sector	as a %	Industrial sector	as a %	Marine sector	as a %	Immsi Group	as a %
Net revenues	4,626		2,087,443		34,058		2,126,127	
Operating income before depreciation and amortisation (EBITDA)	-6,185	n/m	298,142	14.3%	-4,659	-	287,298	13.5%
Operating income (EBIT)	-7,298	n/m	158,740	7.6%	-7,763	-	143,679	6.8%
Profit before tax	-19,881	n/m	127,219	6.1%	-10,489	-	96,849	4.6%
Profit (loss) for the period including minority interests	-13,161	n/m	84,889	4.1%	-7,830	30.8%	63,898	3%
Group earnings for the period (which may be consolidated)	-10,162	n/m	42,926	2.1%	-5,677	-	27,087	1.3%
Net debt	-300,935		-368,228		-62,532		-731,695	
Personnel (number)	49		5,838		222		6,109	

Immsi Group at 31 December 2021

In thousands of Euros	Property and holding sector	as a %	Industrial sector	as a %	Marine sector	as a %	Immsi Group	as a %
Net revenues	2,750		1,668,689		38,133		1,709,572	
Operating income before depreciation and amortisation (EBITDA)	-7,260	n/m	240,608	14.4%	-2,836	-7.4%	230,512	13.5%
Operating income (EBIT)	-8,384	n/m	112,574	6.7%	-6,440	-16.9%	97,750	5.7%
Profit before tax	-23,133	n/m	93,678	5.6%	-8,365	-21.9%	62,180	3.6%
Profit (loss) for the period including minority interests	-18,318	n/m	60,054	3.6%	-6,312	-16.6%	35,424	2.1%
Group earnings for the period (which may be consolidated)	-10,314	n/m	30,157	1.8%	-4,577	-12.0%	12,267	0.7%
Net debt	-323,805		-380,322		-60,106		-764,233	
Personnel (number)	57		5,702		238		5,997	

Calculation and distribution of economic value generated

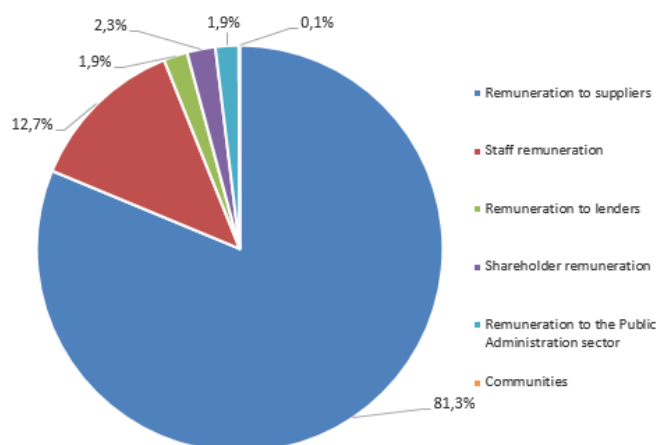
The economic value generated represents the wealth produced by the Immsi Group, which is distributed, in different forms, to various stakeholders.

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

Statement of determination and distribution of the economic value generated

In thousands of Euros	2022	2021
Economic value generated by the Group	2,377,386	1,951,867
Remuneration to suppliers	1,808,098	1,455,505
Staff remuneration	281,779	256,181
Remuneration to lenders	42,306	41,723
Shareholder remuneration	50,092	33,373
Remuneration to the Public Administration sector	41,210	31,664
Communities	1,584	1,785
Economic value distributed by the Group	2,225,069	1,820,231
Economic value retained by the Group	152,317	131,636

Economic value distributed by the Group - Year 2022



The economic value distributed by the Immsi Group in 2022 amounts to €2,225,069 thousand, equal to 94% of the economic value generated. Most of this value is represented by remuneration to suppliers (81.3%), followed by remuneration to staff (12.7%), shareholders (2.3%), lenders (1.9%), the Public Administration (1.9%) and communities (0.1%). Compared to 2021, the economic value distributed has grown by 22%.

Taxes

The Immsi Group, in particular through the Piaggio Group, which is referred to in their NFS 2022 for more details on the subject, operates in numerous countries through its own subsidiaries, with production, distribution, sales or 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.

In particular, it should be noted that the Parent Company Immsi S.p.A., as consolidating company, has exercised since 2007, together with its Italian subsidiaries Piaggio & C. S.p.A., Piaggio Concept Store Mantova S.r.l., Aprilia Racing S.r.l., Apuliae S.r.l., Intermarine S.p.A., RCN Finanziaria S.p.A., Is Molas S.p.A., ISM Investimenti S.p.A. and Pietra S.r.l., the option to adhere to the Group taxation system as provided for by articles 117 et seq. of the Consolidated Income Tax Act (National Consolidated Tax Convention). In exercising this option, each company which is party to the National Consolidated Tax Convention transfers its tax income (taxable income or tax loss) to the consolidating company: the consolidating company therefore determines one taxable base for the group of companies that are party to the National Consolidated Tax Convention, and may therefore offset taxable income against tax losses in one tax return. The latter recognises a receivable from consolidated companies transferring taxable income, while for companies with tax losses, the consolidating company records a related payable equal to corporate income tax on the portion of the loss actually offset at a Group level.

Foreign 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 Piaggio

& C. S.p.A. and the consolidating company Immsi S.p.A. adopt and comply with the tax regime provided for by Italian regulations 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 Piaggio 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".

Tax governance and risk management

Immsi S.p.A. monitors tax risk, being aware of the potential risks associated with incorrect tax management, through continuous dialogue and comparison with specialised professional firms and Group companies, also in order to favour a more efficient and shared management of the tax consolidation relations in place with most of the Immsi Group's Italian companies).

Moreover, to mitigate this risk, Immsi promptly updated its Organisational Model pursuant to Law 231/2001 by introducing Tax Offences as provided for by Law No. 157 of 19 December 2019, which converted Legislative Decree No. 75 of 14 July 2020.

It should be noted that the Piaggio Group, which operates in different countries, has set up a specific tax function at Piaggio & C. which, under the supervision of the Board of Directors, operates as an effective point of control to identify, manage and contain the risks of violation or abuse of tax regulations. In addition, Piaggio & C., since 2014, has set up an optional system for identifying, monitoring and mitigating tax risk, known as the "Tax Control Framework" for details of which please refer to the 2021 CSR Report published by the subsidiary.

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

The Immsi Group recognises the social role of tax issues and the importance they play in promoting sustainable development.

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

As required by GRI Disclosure 207-4, as not all the necessary information referring to the most recent consolidated financial statements is available for the purposes of this report, the information in this section refers to the financial year ending 31 December 2021, as this period refers to the consolidated financial statements immediately preceding the most recent one.

The following should be noted:

- the data presented refer to the 2021 financial year;
- the workforce is that indicated at 31 December 2021;
- 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 shown on an aggregate basis, without considering consolidation eliminations;
- Profit (Loss) before taxes includes the amounts of dividends received from other Group entities;
- property, plant and equipment do not include investment property as the latter is not involved in the process to generate corporate value;
- regarding any differences between the income tax accrued on profits and the tax due (GRI 207-4-b-x), please refer to the Consolidated Financial Statements as at 31 December 2022 of the Immsi Group. It should also be noted that both income taxes accrued and paid on a cash basis in several countries are affected by the significant presence of dividends received from Group entities, which are included in the item of Pre-tax Profit (Loss). As is the case in most countries, these jurisdictions also provide exemption tax regimes for dividends, as the expression of a profit already taxed in the hands of the investee company.

Country	Name	Activities	No. of employees	Revenues from third parties	Revenues from the Group	Profit (Loss) before taxes	Property, plant and equipment	Taxes paid	Accrued taxes
				In millions of Euros					
Italy	Aprilia Racing S.r.l.	Research and development							
	Apuliae S.r.l.	Property							
	Immsi Audit S.c.a.r.l.	Consulting and Services							
	Immsi S.p.A.	Investment holding company							
	Intermarine S.p.A.	Production and sale of ships							
	Is Molas S.p.A.	Property and Tourist Services							
	ISM Investimenti S.p.A.	Investment holding company							
	Piaggio & C. S.p.A.	Production and sale of vehicles							
	Piaggio Concept Store Mantova S.r.l.	Commercial distributor							
	Pietra Ligure S.r.l.	Property							
	Pietra S.r.l.	Investment holding company							
	RCN Finanziaria S.p.A.	Investment holding company							
		Total Italy		3,321	1,152	199	-52	256	11
Croatia	Piaggio Hrvatska Doo	Commercial distributor	9	4	0	0	0	0	0
France	Piaggio France SAS	Selling agency	42	0	7	1	0	3	0
Germany	Piaggio Deutschland GMBH	Selling agency	31	0	4	1	0	0	0
Greece	Piaggio Hellas S.A.	Commercial distributor	19	34	0	1	1	0	0
Holland	Piaggio Vespa B.V.	Holding company and selling agency	18	0	4	32	0	0	0
Spain	Piaggio Espana S.L.	Selling agency							
	Nacional Motor S.A.	Inactive							
		Total Spain	31	0	4	1	0	0	0

Country	Name	Activities	No. of employees	Revenues from third parties	Revenues from the Group	Profit (Loss) before taxes	Property, plant and equipment	Taxes paid	Accrued taxes
				In millions of Euros					
UK	Piaggio Limited	Selling agency	16	0	2	0	0	0	0
USA	Piaggio Group Americas Inc.	Commercial distributor							
	Piaggio Advanced Design Center Corp.	Research and development							
	Piaggio Fast Forward Inc.	Research and development							
	Total USA		103	94	3	-10	2	0	0
India	Piaggio Vehicles Pvt Ltd	Production and sale of vehicles	1,328	242	27	-5	64	0	0
Vietnam	Piaggio Vietnam Co. Ltd.	Production and sale of vehicles	940	187	201	62	31	12	13
Indonesia	Pt. Piaggio Indonesia	Selling agency	36	58	0	1	5	0	1
Singapore	Piaggio Asia Pacific Ltd	Selling agency	14	0	3	1	0	0	0
Japan	Piaggio Group Japan	Selling agency	10	11	0	0	0	0	0
China	Piaggio China Co Ltd.	Holding							
	Foshan Piaggio Vehicles Tech.Dev. Co.Ltd.	Research and development							
	Total China		79	80	4	5	0	1	1
Brazil	AWS do Brasil	Inactive							
	Aprilia Brasil	Inactive							
	Total Brazil								
	Grand total		5,997	1,862	458	38	359	27	40
	Consolidation entries				-458	24	-4		
	Total consolidated		5,997	1,862	0	62	355	27	40

Governance of sustainability

Corporate Governance Model

Immsi S.p.A. (hereinafter "Immsi" or the "Company" or the "Issuer") has adopted a corporate governance system in accordance with the principles in the Corporate Governance Code, promoted by the Corporate Governance Committee, and national and international best practices, for an effective, correct and responsible approach to meeting the interests of all its stakeholders. Neither Immsi nor strategically important subsidiaries are subject to non-Italian legal provisions affecting the governance structure of the Company, based on a traditional administration and control system. For more in-depth, specific analysis of the Corporate Governance system of Immsi, please see the Report on Corporate Governance and Corporate Ownership for the year ending 31 December 2022, available online at www.immsi.it in the section Governance and on the authorised storage mechanism "eMarket STORAGE" which can be consulted at www.emarketstorage.it.

The provisions of the Parent Company's Articles of Association governing the composition and appointment of the Board (Art. 17) were most recently amended by a resolution of the Board of Directors on 4 March 2021, drafted by public deed and adopted pursuant to the provisions of Art. 2365 of the Civil Code and Art. 23 of the Articles of Association, in order to align them with the rules on gender balance as regards the composition of the Board of Directors pursuant to Art. 147-ter, paragraph 1-ter of the TUF, as most recently amended by Law 160/2019, as well as the new text of Art. 144-undecies1 of the Issuers' Regulation.

The Board of Directors currently in office is made up of 12 members, of which 5 are women (41.7%). 33.33% of the members are between 30 and 50 years old, the remainder is made up of people over 50 years of age.

It should be noted that, as indicated by the Corporate Governance Code adopted by the Company, the Board of Directors has also appointed a Lead Independent Director that is the point of reference and coordination for the requests and contributions of non-executive Directors and, in particular, of independent Directors. The Lead Independent Director, with adequate expertise in accounting and finance and/or risk management, also holds the position of Chairman of the Risk and Sustainability Committee and of the Appointment Proposal Committee of the Issuer itself.

Immsi 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 defines the sustainability strategy, the Sustainability Plan and approves the consolidated non-financial statement pursuant to Legislative Decree 254/16 (NFS).
- The Risk and Sustainability Committee, in addition to supporting the assessments and decisions of the Board of Directors regarding the internal control and risk management system, has proposal and advisory functions vis-à-vis the Board of Directors on sustainability matters, such as:
 - examining and assessing sustainability issues related to business operations and the dynamics of interaction with stakeholders;
 - examining and assessing the system for collecting and consolidating data for the "Consolidated non-financial statement" pursuant to Legislative Decree 254/2016;
 - examining in advance the "Consolidated Non-Financial Statement" pursuant to Legislative Decree 254/2016, formulating an opinion for approval by the Board of Directors;
 - monitoring the Company's positioning on sustainability issues, with particular reference to the Company's position in ethical sustainability indices;

- providing opinions on any additional sustainability issues, on the request of the Board of Directors.
- The Director of the Administration, Finance and Control Department prepares the Non-Financial Statement, presents it to the Risk and Sustainability Committee and subsequently submits it to the Board of Directors for approval.

Reporting activities involved all functions and companies of the Immsi Group, coordinated by the Director of the Administration, Finance and Control Department of Immsi S.p.A. and by the Department itself. Within the structures involved in the reporting process, those responsible for collection have been identified, while the consolidation of the results takes place under the responsibility of the Director of the Administration, Finance and Control Department who also coordinates the entire process of collecting and processing the quantitative indicators, as well as the preparation of the Group Non-Financial Statement. The NFS is subjected to the analysis and evaluation of the Audit, Risk and Sustainability 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.

Starting from 2018, Immsi has adopted an internal procedure with the aim of concisely defining the roles, responsibilities, information flow and timing relating to the annual drafting process of the NFS, also defining the internal certification process.

In 2022, the matters referred to in Art. 3, Recommendation 12, letter d) of the CG Code (i.e. in-depth analyses of the business sector in which the Issuer operates, of corporate dynamics and their outlook, also with a view to the Company's sustainable success, the principles of correct risk management, as well as of the regulatory and corporate governance framework), were regularly discussed during the meetings of the Risk and Sustainability Committee and subsequently presented during meetings of the Board of Directors, which were also attended by the members of the Board of Statutory Auditors.

It should be noted that, during 2022, Directors and Auditors received insights in relation to the GRI UNIVERSAL STANDARDS 2021, to be used in the process of identifying material topics (so-called "2022 Materiality Scorecard") relevant for the reporting of the Non-Financial Disclosure.

Remuneration policy and remunerations of the highest governance body

The Remuneration Policy of the Company – and, in particular, the policy on variable remuneration components – contributes to the corporate strategy and to the Company achieving its long-term interests and sustainability. The main individuals and bodies involved in the preparation, approval and review of the Remuneration Policy are the Shareholders' Meeting, the Board of Directors, the Remuneration Committee and the Board of Statutory Auditors. The responsibility for implementing the Remuneration Policy lies with the Board of Directors; the Remuneration Committee, made up of non-executive and independent directors, among other things, formulates proposals and general recommendations to the Board of Directors regarding remuneration. The Shareholders' Meeting, among other things, is called to express its binding vote on the Remuneration Policy.

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

For a description of the Remuneration Policy and fees paid (fixed part and variable part) during the year to Directors, General Directors and other Key Senior Management, see Sections I and II respectively of the Remuneration Report, available on the website of the Issuer, in the section Governance/General Meeting/Archive on the authorised storage mechanism "eMarket STORAGE" which can be consulted at www.emarketstorage.com.

Annual total remuneration report

The ratio of the annual total remuneration of the highest paid person to the median of the annual total remuneration of all Group employees excluding the aforementioned person is 93.3.

Compared to 2021, as there were no significant changes in the remuneration of the highest-paid individual, the rate between the percentage increase in total annual remuneration of the highest-paid individual and the percentage increase in the median total annual remuneration of all Group employees, excluding the aforementioned individual, is zero.

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

The role played by the Group on the national and international market and the nature of its activities presuppose the commitment of those working for Immsi, or working on their behalf for whatever position, to work with loyalty, seriousness, honesty, good faith, competence and transparency, as well as to fully comply with the laws, market regulations and the fundamental principles of fair competition, respecting the legitimate interests and expectations of customers, suppliers, shareholders and anyone that is involved in the Company's business activities.

To ensure that relations with external parties and within the Company and Group take place properly, all company boards, management and employees, as well as external staff, including consultants, agents, suppliers, etc. must develop and make available to the Company their own cultural, technical and operational expertise and ethics, in order to achieve goals, within the areas of their functions and responsibilities, and in compliance with the functions and responsibilities of other persons.

For the above reasons, IMMSI believes it is important to clearly establish the set of values that the Company acknowledges, accepts and shares, as well as the set of rules and codes of conduct which, since its establishment, characterise the relations towards its employees and third parties and, more generally, characterise the Company's business operations.

These principles are set out in the Code of Ethics (the "**Code**"), which the Company hopes is spontaneously shared, complied with and disseminated, and which it also requires individuals operating for Immsi or in contact with it to adopt. Therefore, all actions, operations and transactions referable to Immsi must be undertaken and pursued in compliance with principles of lawfulness, impartiality and fair competition, managed with the utmost integrity, based on complete, transparent information, and supported by documentary evidence and must also be verifiable. Employees - from top managers to their subordinates - and third parties are informed of the adoption of the Code and relative Guidelines of Conduct, and when contracts and agreements are signed, specific clauses are included referring to the principles of ethics/conduct adopted.

The Code, in place since 2004 and available on the Issuer's corporate website under the section "Governance/Procedures," has been distributed extensively and sets out the principles and values that inspire the entire organisation in a clear and transparent manner. Moreover, Immsi ensures that subsidiaries examine its Code, so they can adapt it to their specific needs and formally adopt it as a tool for management and effective company organisation. Immsi requires and expects all subsidiaries and affiliated companies to adopt a conduct in line with the principles of the Code.

The Code of Immsi and of the companies belonging to the Group was most recently updated in 2017 in order to more effectively align it with the ethical and social values on which the Group's activities are based. In particular, this revision reiterated - through the introduction of a specific article - that the Company recognises and ensures respect for the principles that protect internationally-shared human rights and workers' rights, as expressed in the conventions, including the Universal Declaration of Human Rights of the United Nations and the Declaration on Fundamental Principles and Rights at Work and its Follow-up of the International Labour Organisation, in both its operations as well as in the supply chain.

The Company undertakes to ensure respect for the personal dignity, privacy and personality rights of every individual, as well as to ensure the conditions necessary for a non-hostile work environment and to prevent any form of exploitation, discrimination or harassment in accordance with the above conventions. In particular, the Company rejects and dissociates itself from any conduct that may constitute a threat of any kind, determined by reasons of a racial or sexual nature or related to other personal characteristics, and requires compliance with all laws prohibiting any form of discrimination based on race, gender, religion, language, ideology, ethnicity or political opinion; and prohibits any form of slavery, torture, forced labour, child labour, cruel, inhuman or degrading treatment and working conditions that may pose a threat to life or health. In addition, the Company recognises and respects the rights of employees to be represented by unions or by other representatives established in accordance with legislation.

Organisational, Management and Control Model pursuant to Legislative Decree 231/01

On 13 September 2004, the Issuer adopted the Model 231 for the prevention of offences indicated in Legislative Decree No. 231/2001 as amended. This strategy has also been adopted by subsidiaries with strategic importance, that in turn resolved to adopt their own Programmes pursuant to Legislative Decree No. 231/2001.

The current Programme comprises a general part, with the Code of Ethics and Disciplinary System, as well as special parts for the different types of offence considered in the Decree.

- “Special Section 1” concerns specific categories of offences against the Public Administration, against Public Property and the offences of inducing persons to give or promise benefits pursuant to articles 24 and 25 of the Decree, as well as computer crime and the unlawful processing of data pursuant to Art. 24-bis of the Decree, offences concerning the individual pursuant to Art. 25-quinquies of the Decree and offences concerning copyright infringement pursuant to Art. 25-novies of the Decree;
- “Special Section 2” refers to corporate crime and the offence of corruption between private individuals, as of Art. 25-ter of the Decree;
- “Special Section 3” covers market abuse offences, as of Art. 25-sexies of the Decree;
- “Special Part 4” concerns offences concerning occupational health and safety regulations, as of Art. 25-septies of the Decree;
- “Special Part 5” concerns types of offences relating to the handling of stolen goods and money laundering, use of money, goods or assets of unlawful origin and self-laundering as of Art. 25-ocies of the Decree and the tax offences pursuant to Art. 25-quinquiesdecies of the Decree;
- “Special Part 6” is applied to the types of offences committed in violation of the environmental regulations pursuant to Art. 25-undecies of the Decree.

The Model, with regard to the rules on "Whistleblowing", sets out: i) procedures for reporting to the Supervisory Body, with one dedicated IT channel (a specific email address with only the Chairman of the Supervisory Body as the recipient), that are suitable for guaranteeing the confidentiality of the party reporting the unlawful conduct which is relevant pursuant to Legislative Decree 231/2001 or infringements of the Company's Model 231; ii) disciplinary system sanctions for persons that infringe measures to protect reporting parties, and for persons that, committing wilful misconduct or gross negligence, report information which is unfounded. The Company also plans to consider updating its own rules and regulations on this matter - related to Directive (EU) 2019/1937, transposed by the Legislative Decree approved on 9 March 2023 by the Council of Ministers - in order to update and coordinate the criteria and procedures for receiving, analysing and managing the reports in question in light of the relevant provisions that may result from such legislative developments.

It should be noted that, in parallel with the constant updating of the Model (which most recently took place on 23 March 2023 with the integration, according to the relevance to the activities managed,

of the offences most recently provided for in the catalogue of Legislative Decree 231/01), there is also the updating of corporate procedures, the correct application of which is, on the indication and coordination of the Supervisory Board, constantly monitored through the planned compliance activities, carried out by Management and the Internal Audit Function. This monitoring process also involves Process Owners, i.e. the parties/entities responsible for company processes that are considered "sensitive" as regards the commission of offences, that periodically report to the Supervisory Board. Employees - top managers and positions reporting to them - as well as third parties (i.e. suppliers, customers, consultants, etc.) are informed about the adoption of the Code of Ethics and the Code of Conduct and, when signing contracts, specific clauses are included referring to the principles of ethics/conduct adopted.

For a description of the Immsi Programme, see the 2022 Report on Corporate Governance and Ownership.

Social and environmental-oriented policies and guidelines

The Group has a system of policies and guidelines 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.

Fighting corruption

As stated in the Code of Ethics, in pursuing its mission and through the adoption of appropriate tools, including organisational tools, the Group ensures 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 the Public Administration and private entities, all those involved must behave according to good faith and in accordance with the law, correct commercial practice and current regulations, as well as with 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. These relationships must only be carried on by those persons previously and expressly authorised to do so, in accordance with allocated roles and 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 independent 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 which 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 therefore 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 therefore 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.

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.

With reference to the marine sector, the company Intermarine S.p.A., given the nature of the products it manufactures, is assisted by agents for marketing activities and subsequent contacts with customers during the preparation of bids and stipulation of contracts. During 2018, the company adopted a new procedure to stipulate the Agency Agreement, defining the steps which Intermarine must take to formalise contracts with its agents. The main steps concern the identification of the potential agent, the request for documents necessary to carry out due diligence, review of the due diligence report, and lastly, negotiation of the agency agreement.

The company Is Molas S.p.A. adopts a specific procedure for personnel involved - in any capacity - in the process of awarding contracts to third parties that are used for the real estate development project. The adoption of this procedure enables the company to mitigate the risk of bribery when selecting business counterparties.

This procedure indicates the main criteria adopted to identify potential suppliers to request bids from. The Manager of the Property department assesses bids received based on technical and economic criteria, also supported by internal/external experts with specific technical and legal expertise.

When defining the contract, clauses on compliance with applicable laws, with Legislative Decree 231/2001, the Code of Ethics and company procedures must be specifically included.

In addition to the above, the company Is Molas adopts a specific procedure to manage commercial activities and property sales. Besides defining the process to identify potential customers and subsequent sales, the procedure requires contracts to include a specific statement declaring knowledge of legislation as of Legislative Decree 231/2001 in the case of an agreement with an intermediary/external professional/agency.

As regards the Piaggio group, see the 2022 NFS for specific aspects concerning the fight against

bribery.

No incidents of corruption occurred in the reporting year.

Compliance with laws and regulations

During 2022, none of the Immsi Group companies were affected by episodes concerning employee discrimination or the breach of employee rights. Moreover, no infringement procedures have been filed against the Immsi Group for the breach of anti-competitive or anti-trust laws.

At 31 December 2022, there were no sanctions¹ referred to non-compliance with laws concerning marketing, advertising, promotion and sponsorship.

For a detailed description of the pending disputes, please refer to the specific paragraph "Pending disputes" of the Directors' Report on Operations. This section looks at significant cases of litigation for the Immsi Group.

As regards the subsidiary Piaggio, considering that any cases of litigation deemed to be groundless and, in any event, those with a potential damage of less than €200 thousand are excluded a priori, it should be noted that cases deemed to be significant are reported as a result of the application of a dual criterion, both quantitative (threshold of €1.5 million) and qualitative (insurance coverage, risk of losing the case, subject of the case, seriousness of the case, etc.), so that even cases with a value below the quantitative threshold could be reported in the light of their nature and cases with a value above the quantitative threshold might not be reported if the risk of losing was remote and/or was covered by an insurance policy. In this regard, it should be noted that, in 2022, two new cases of litigation were opened, one relating to the termination of a commercial relationship with a dealer and the other for an alleged breach of a lease. During the year, payments of €1,522 thousand were made for cases closed or still pending, all relating to reporting periods prior to 2022.

For Is Molas, all the passive cases are reported in the aforementioned paragraph of the Directors' Report, while for Intermarine those that are significant are reported, excluding disputes with remote risk of losing.

In 2022, Is Molas recorded the opening of two new cases, both labour law, while it made payments for cases opened in previous years amounting to €67 thousand.

Intermarine had no new cases in 2022, while it made payments for cases opened in previous years amounting to €106 thousand.

Guidelines for respecting human rights

The 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.

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

In particular as regards the Piaggio group, the Whistleblowing Policy, developed for the Indian

¹Tax sanctions are not included.

company, aims to provide a secure channel for employees and other interested parties to report any violations of which they have become aware in the context of the Work. Furthermore, in accordance with Law 179/2017, the latest revision of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, includes a specific section dictating the rules on Whistleblowing aimed at protecting employees who report wrongdoing and irregularities that come to their attention within the context of the employment relationship.

Based on the significant and specific nature of the Indian market, the following have been adopted in the Indian subsidiary: the Code of Business Conduct & Ethics, the Whistleblowing Policy and the Policy on Prevention of Sexual Harassment of women in the workplace to prevent episodes of sexual harassment within the factory.

Based on prevention and control mechanisms established in the Code of Ethics and adopted by all Group subsidiaries, the potential risks associated with these aspects appear to have a residual level that is not significant.

The product and service dimension

The scope of consolidation applicable for "products and services" is as follows:

- Property and holding sector: Is Molas S.p.A.;
- Industrial sector: Piaggio & C. S.p.A, Piaggio Vietnam Co. Ltd., Piaggio Vehicles Private Ltd., Piaggio Advance Design Center, Piaggio Fast Forward Inc., Foshan Piaggio Vehicles Technologies Co. Ltd;
- Marine sector: Intermarine S.p.A..

The boundary does not consider the companies Immsi S.p.A., Immsi Audit S.c.a.r.l., ISM Investimenti S.p.A., RCN Finanziaria S.p.A., Pietra S.r.l. and Apuliae S.r.l.

The property and holding sector The Is Molas resort

During 2022, the subsidiary Is Molas S.p.A. resumed its commercial activities, which had been reported to have slowed down due to the health emergency, aimed at searching for potential buyers of both the villas completed to date and, possibly, those only partially completed ("at an advanced construction stage"). This activity is flanked by the resort's hotel and golf services. In addition, the company promoted the rental of mock-up villas to allow potential end customers, including investors, to better understand the product and the associated services offered (e.g. wellness and home catering), so as to be able to assess their profitability.

Aspects to reduce the environmental impact of new buildings have been implemented. For example, the use of water necessary for air conditioning and for hygiene facilities is based on the installation of heat pumps connected to the technical water circuit of surrounding reservoirs, resulting in:

- considerable savings, due to an optimal energy exchange with the water from the reservoirs;
- the use of energy sources without the use of fossil fuels, which also reduces the risks of supply, fire and explosion.

In addition to these technical choices, for each villa an electricity generation system using PV panels has been built.

In terms of quality, Is Molas S.p.A. has entrusted the construction of the new villas to a leading construction company with ISO9001 and ISO14001 quality certifications. Technical controls during the construction period are carried out by an accredited inspection body, with site inspections to verify the progress of the construction process, check the materials, ensure that the work matches the project requirements, as well as the testing procedures and the issue of the relevant final certificates.

In terms of customer health and safety, the design of the villas takes into account all applicable regulations to safeguard the safety and health of the end user. All the villas currently built have obtained the final certification that confirms compliance with current regulations.

While customers are at the villa, the company does not use chemicals and pesticides for the management and maintenance of the attached gardens; monitoring the pool water is entrusted to a highly qualified company.

As regards the management of the hotel and golf complex owned by Is Molas, the company adopts practices to reduce the environmental impact of its activities, in particular for the use of water.

In order to mitigate risk associated with non-compliance of the quality and safety standards of the delivered services, a series of control protocols relative to the quality of the restaurant and hotel services were implemented, particularly with reference to compliance with hygienic norms and standards for auditing supply goods and the preservation of perishable goods (Hazard Analysis and Critical Control Points or HACCP).

Reference is made to the chapter on the environmental dimension, where further details are given.

Industrial sector: Piaggio vehicles

In 2022, the Piaggio group continued its policy of retaining technological leadership in the sector, allocating total resources of €64.7 million to research and development, of which €41.1 million capitalised under intangible assets as development costs.

The Piaggio group's primary objective is to meet the most advanced mobility needs, deeply understanding people and their needs, reducing the environmental impact and improving the energy efficiency of its vehicles while continuing to guarantee excellent 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.

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

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

- **Ecology and ability to contribute to the mitigation of Climate Change**: products capable of avoiding or at least reducing emissions of pollutants and greenhouse gases (CO₂), both in urban and non-urban use. This will be achieved through the introduction of electric motors and the evolution of traditional engine technology (increasingly refined internal combustion engines), but also through the group's increased use of renewable and sustainable energy sources;
- **reliability and safety**: vehicles that enable a growing number of users to get about town easily, helping to reduce traffic congestion and guaranteeing high standards 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.

RESEARCH, DEVELOPMENT AND INNOVATION GUIDELINES

Mobility and Innovation

The Piaggio group has been involved in mobility since its foundation in 1884, and has always taken an innovative approach. At the beginning of the 20th century, Rinaldo Piaggio wanted to expand the company into the aeronautical sector, at a time when it was symbolically at the forefront of technology.

In over 110 years of activity, Piaggio has designed and built every type of transport: aircraft (single-, twin- and four-engine), seaplanes, engines for own aircraft, trains, trucks, buses, trailers, cableways, funiculars, motorboats, outboard engines, small cars; in addition of course to perhaps the most innovative product in its history: the Vespa scooter.

The Piaggio group is therefore traditionally structured to respond to changes in the technical and social scenario, and is ready for those of the near future. It was a pioneer of both electric (1970s) and hybrid (2009) mobility and is ready for the challenges of the present and the future.

Mobility is now more than ever governed by regulations, such as limits on CO₂ and other polluting gases (HC, NO_x, etc.), which regulate the approval of new models and restrict the use (e.g. access to urban areas) of vehicles already on the road.

At the same time, however, customer preferences are constantly changing: they are more inclined to use electric vehicles for personal use than thermal vehicles, and they are more open to new solutions such as car-sharing.

The group considers its ability to combine specific expertise in the sector, robotics and software to be the key to improving future urban mobility systems and intends to confirm its leadership in the ongoing revolution through its capabilities in the production of electric vehicles and the management of related infrastructures.

Technical trends in mobility are described internationally with the acronym ACES, which stands for Autonomous, Connected, Electrified and Smart (Mobility). These terms also describe the directions of the Piaggio Group's research, in the continuous study of technologically advanced solutions carried out in research centres all over the world. To these is added a fifth letter, **D**ecarbonisation, i.e. the activity of reducing CO₂ emissions from both products and processes.

For further discussion of the research, development and innovation guidelines, please refer to the extensive disclosures in the 2022 NFS published by Piaggio & C. S.p.A.

CUSTOMER SAFETY

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.

The Piaggio Group also has dedicated functions, which test the reliability and safety of all new products and those already on the market, 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.

The Marine sector: intermarine vessels

Intermarine has always aimed to build vessels that comply with all specifications requested by customers, and primarily navies. Intermarine products are internationally recognised for their reliability and high technological content as well as the continuous pursuit of quality throughout the production process.

In 2018, Intermarine adopted its Integrated Quality, Environment and Safety Policy. The company is committed to supplying products that comply with the quality levels defined in contracts, that can meet customer requirements and are always safe and environmentally friendly, in line with market requirements and the need to minimise environmental impact and protect workers' health and safety.

Company operations can be divided into two different business units:

- 1) *Civil Sector*, i.e. fast ferries (*fast ferries, single-hulls and catamarans*) and hydrofoils, mainly built in aluminium in the length range between 40 and 70 metres;
- 2) *Defence*. This business unit is the field of excellence of Intermarine. Production is primarily focussed on:
 - Minesweeper vessels in composite materials (FRP – Fibre Reinforced Plastic);
 - Fast Patrol Boats (FBPS) – in FRP and aluminium;
 - Hydro-oceanographic units in FRP;
 - Support and work units in Frp and aluminium;

Intermarine is a world leader in the design, development and production of Mine Countermeasures Vessels, technologically advanced naval units for the detection, identification and neutralisation of sea mines. Made of composite material, mainly fibreglass, they are manufactured using the technique known as “Unstiffened Monocoque Single-skin”, invented and patented by Intermarine. The superstructures, on the other hand, are made in a sandwich configuration, i.e. with two layers of fibreglass and carbon fibre enclosing a balsa core, constructed using the vacuum infusion technique. This construction method gives the minesweepers both very high shock resistance in the event of an underwater mine explosion, and reduced magnetic and acoustic signatures, fundamental characteristics for operating in minefields.

Intermarine products also include fast patrol boats. Since the beginning of its operations, Intermarine

has built hundreds of patrol boats mainly for Navies, the Coast Guard, and Maritime Police in Italy and abroad. The project for these patrol boats is characterised by a high level of flexibility, thereby adapting each ship construction to the specific requirements of each customer. Built both in composite materials and in aluminium - in sizes between 13 and 55 meters - the patrol boats boast a high speed and excellent performance.

CUSTOMER SAFETY

With reference to the safety of end users, during the design, construction and materials supply stages, the degree of safety for users of vessels is monitored, both in the use of equipment located on board and in the event of potential external explosions. At the end of the vessel construction process, Rina ("Registro Navale Italiano", Italian Naval Registry) certifies the suitability of the ship and its compliance with all safety requirements.

Quality control and testing activities for Intermarine distinguish between "hull" and "completing" parts, each with specific inspection and testing plans. For each test reported in the plans, Intermarine prepares (with the contribution of suppliers) specific testing procedures (test memoranda) for FAT, HAT and/or SAT tests, in accordance with provisions.

The test procedures also specify the following:

- the methods for executing the tests;
- the technical and functional performance levels which the various components must comply with.

At the end of each test, the specific test report is drafted. These reports, completed and accompanied by the required attachments (e.g., calibration reports of instruments used), constitute the testing minutes of equipment, system arrangements and services.

The Integrated Management System adopted by Intermarine makes it possible to identify the materials and components used for the construction and fitting out of the ships; these are identified in order to determine their allocation and allow them to be traced back to the completed tests.

Intermarine, in compliance with the requirements of the AQAP 2110 standard, has prepared and implemented a process for managing the configuration of products in order to know the physical, interface and functional characteristics of each part of the product itself at any time.

Intermarine pays particular attention to Integrated Logistic Support and Post-Sales Support, in order to follow the entire life cycle of each vessel delivered to the customer. The company has implemented a support network through direct contact between specialised internal departments and the customer or through specific agreements with dedicated local partners. Furthermore, in the after-sales stage, Intermarine maintains continuous relations with all the suppliers involved in the projects who offer their support and assistance on an ongoing basis.

R&D ACTIVITIES

Intermarine is investing in research and development to realise the potential of the (current) traditional minesweeper and to integrate it with the new emerging technologies of "autonomous" systems, in line with current market trends. The new generation of minesweepers, currently being studied with the Italian Navy, will be the result of this research, with the production of naval units of superior size and performance to those currently in use.

The company pays special attention to research, also accessing loans from the Ministry of Education and Research (MIUR), Ministry of Transport, Ministry of Economic Development and of the Region of Liguria (FILSE). To develop some issues concerning research, it is partnered by universities and public research organisations.

In 2022, the research and development activities completed, in the reporting phase and/or in progress can be summarised as follows:

- MAC: this project refers to an infusion technology and was funded by the Ministry of Education, Universities and Research. The project was completed in 2017. In January 2021, the final decree granting the loan was issued. It is expected that the reporting, following the signing of the contract, can be presented during 2023.
- USVPERMARE: this project refers to a marine surface drone and was funded by the Ministry of Education, Universities and Research. Intermarine's activities, developed as part of its involvement in the Dltm Consortium, mainly focussed on swath prototype construction. The project and final reporting of the direct costs of around €0.4 million have been completed, with an expected contribution of about 50%.
- IBRHYDRO: this project concerns the development of a hybrid submerged/intersecting fin hydrofoil, funded by the Ministry for Transport; the project was developed over a period of 4 years (from 2016 to 2019) and the contributions are paid in annual instalments of €0.1 million spread over 20 years; during 2021, following the administrative technical checks on the final reporting by the Ministry of Transport, the final financing decree was issued. Up to 2022, 8 annual instalments have been disbursed.
- DASPHANTOMSHIFFE: At the end of 2020, the financing decree was issued by the Ministry of Economic Development for a project for the development of engines for minesweepers and new materials for electromagnetic protection. Project activities started in February 2021; the estimated costs for the Intermarine share are equal to €2.2 million, with a maximum contribution of €1.1 million and a subsidised loan of €0.4 million already collected. During 2022, the first progress balance was presented, which has already been collected in July for a value of €0.1 million. In September 2022, the intermediate on-site verification was carried out by the expert appointed by the ministry, with a positive outcome.

Immsi Group certifications

With particular reference to the industrial and marine sectors, the Immsi Group has committed to obtaining and maintaining certification of its quality, occupational safety and environment management systems, considering this a part of the Group culture.

	Industrial sector							Marine sector	
	Pontedera	Noale and Scorzè	Mandello Del Lario	Baramati engines	Baramati two-wheeler	Bramati commercial vehicles	Vinh Phuc	Sarzana	Messina
ISO 9001 Quality Management Systems	since 1995	since 2006	since 2010	since 2018	since 2013	since 2018	since 2009	since 1996	since 1998
ISO 14001 Environmental Management Systems	since 2008	since 2008	since 2010	since 2015	since 2013	since 2015	since 2011	since 2000	since 2005
BS OHSAS 18001 Occupational Health and Safety Management Systems	since 2007 as of 2018	from 2007 to 2018	since 2010 as of 2018	since 2015 as of 2020	since 2013 as of 2020	since 2015 as of 2020	from 2013 to 2018	-	-
ISO 45001 - Occupational health and safety management systems	since 2019	since 2019	since 2019	since 2019	since 2021	since 2021	since 2019	-	-

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

The Piaggio group's Italian, Indian and Vietnamese sites have held Quality (ISO 9001 or ISO/TS 16949), Environmental (ISO 14001) and Occupational Health and Safety (ISO 45001 or previously BS OHSAS 18001) certification, for several years now.

Indian sites as of April 2021 upgraded from BS OHSAS 18001 certification to ISO 45001.

In November 2022, the Certification Company Det Norske Veritas (DNV¹) [9001] conducted audits to maintain Quality certification (ISO 14001), Environmental certification (ISO 45001) 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.

The Intermarine shipyards at Sarzana and Messina have had their Quality Management System certified to ISO 9001, issued by the Italian Naval Registry (RINA); the Sarzana Shipyard since 1996 and the Messina Shipyard since 1998.

The System also incorporates additional NATO requirements pursuant to the AQAP 2110 standard, with specific criteria for quality systems to be applied in military programmes.

The shipyards at Sarzana and Messina also have Environmental certification (ISO 14001), issued by RINA; the Sarzana shipyard since 2000 and the Messina shipyard since 2005.

Although not yet certified, all sites have adopted the same Integrated Management System which also covers health and safety (ISO 45001).

The audits conducted in 2022 by RINA for the Sarzana site for both ISO 9001 and ISO 14001 had a positive outcome, with no non-conformities found

¹ DNV: Det Norske Veritas is one of the world's leading certification bodies.

The environmental dimension

The companies of Immsi Group perform actions intended to reduce the environmental impact of their operations, both through the reduction in the use of natural resources (energy and water), and allowing the ecosystem to absorb any direct and indirect impacts produced. These actions are established based on a number of procedures and practices which are specific for each business sector of the Group.

It should be remembered that the Piaggio group has adopted a set of values and guidelines, including, among others, an environmental management system. In addition, Intermarine adopted a specific document in 2018, its "Integrated Quality, Environment and Safety Policy".

The Piaggio group 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).

Piaggio & C. S.p.A. 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. 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 the Piaggio 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.

Intermarine adopts an Integrated Quality Environment and Safety Management System by promoting company processes intended for the protection of the environment and workers' health and safety. The adoption of procedures and internal communication methods are both intended to prevent any possible form of pollution, accidents and occupational diseases.

As regards Is Molas, environmental requirements of administrative authorisation for property development are monitored (also with reference to other parties involved in the contracted works), and environmentally friendly activities/maintenance are provided for sports/hospitality facilities.

In addition to the comments on the reporting scope, please note that the production sites of Immsi Group taken in consideration for the environmental figures are the following:

- Property and holding sector: Pula (CA) for Is Molas;
- Industrial sector: Pontedera (PI), Noale (VE), Scorzè (VE), Mandello del Lario (LC), Baramati (India), Vinh Phuc (Vietnam, Indonesia);
- Marine sector: Sarzana (Spezia) and Messina for Intermarine S.p.A..

Energy consumption

The operation of the Immsi Group's production sites is based on the use of non-renewable energy sources (of fossil origin).

The Group did not purchase energy from renewable sources certified through guarantees of origin. Over the years, Group companies have sought to optimise and improve the management of existing plants in order to cut their consumption.

However, the aim of the Group is to optimise plant management and minimise energy waste.

Consumption recorded between 2021 and 2022 is reported below, highlighting the changes as percentages.

ENERGY CONSUMPTION OF THE IMMSI GROUP ¹					
		Property and holding sector	Industrial sector	Marine sector	Immsi Group
Electricity (thousand KWh)	Renewable 2022 ²		376		376
	Non-renewable 2022		74,528		74,528
	2022	806	74,904	2,045	77,754
	2021	775	71,531	1,819	74,125
	Δ% 2022 - 2021	4.0%	4.7%	12.4%	4.9%
Methane/Natural Gas (Sm3)	2022	0	5,057,945	28,218	5,086,163
	2021	0	6,107,225	37,472	6,144,697
	Δ% 2022 - 2021	-	-17.2%	-24.7%	-17.2%
LPG (tons)	2022	4	1,176	14	1,193
	2021	2	951	15	968
	Δ% 2022 - 2021	142.5%	23.6%	-8.8%	23.3%
Diesel fuel (Litres)	2022	4,900	929,576	3,957	938,433
	2021	9,600	767,367	3,290	780,257
	Δ% 2022 - 2021	-49.0%	21.1%	20.3%	20.3%

¹ Some values are based on estimates. It should be noted that the Group has not purchased energy from certified renewable sources through guarantees of origin. The calculation of tons of LPG consumed derives from an estimate.

² Renewable electricity comes from proprietary photovoltaic systems that are dedicated exclusively to self-consumption. All the energy produced is self-consumed and no electricity is transferred to the grid.

In 2022, the Immsi Group recorded an increase in electricity consumed (+4.9% compared to 2021), in LPG (+23.3%) and in diesel (+20.3%). These increases are mainly attributable to the growth in production volumes which mostly concerned the Piaggio group. There was a decrease in methane consumption (-17.2%).

With reference to the industrial sector, since 2016, the Pontedera site has been adopting measures to reduce energy waste with a smart metering system that can use, observe, compare on a nearly real time basis (with a delay of 3 hours) and also analyse the consumption recorded by over 90 meters at the site.

In addition, 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.

With this in mind, during 2022, a photovoltaic energy production plant was built at the Indian production site to meet part of the energy needs of the Commercial Vehicle and two-wheeler vehicle plants.

The start-up in November 2022 of the new two-wheeler vehicle plant for the assembly of CKD¹ did not generate significant impacts on the Group's consumption.

With reference to the marine sector, since 2016, Intermarine has updated, as agreed with the Province of La Spezia, the energy efficiency goals to be achieved in the medium term. In December 2015, a specialised firm was appointed to carry out an energy assessment at the Sarzana and

¹ CKD Completely Knocked Down.

Messina sites, enabling the company to identify required improvement plans, with the following planning and adoption of actions to reduce consumption.

In this regard, in the coming years, the company has set itself the goal in terms of energy improvement to replace R22 fluorinated gas air conditioners with efficient equipment, to improve the fixed compressed air system within the production hall, and to dispose of the structures and moulds within the “mould fleet” already identified.

With reference to the property sector at the Is Molas site, the company has set a goal for the year 2023, in the field of energy improvement, to use thermal solar panels to heat the hotel's sanitary water.

Energy consumption as shown in the previous table was converted into Gigajoules (GJ), broken down by source:

ENERGY CONSUMPTION OF THE IMMSI GROUP						
(GJ)		Electricity	Methane/Natural gas	LPG	Diesel fuel	Group total
Energy consumption	2022	279,917	179,729	54,730	33,929	548,304
	2021	266,848	216,718	44,385	28,099	556,051
	Δ% 2022 - 2021	4.9%	-17.1%	23.3%	20.7%	-1.4%

¹The figures are calculated using conversion standards defined by the GRI G3 guidelines (1 gallon of diesel = 0.138 GJ; 1,000 m3 of natural gas = 39.01 GJ; 1 kwh = 0.0036 GJ). For LPG, a standard conversion factor of one kilogram of LPG = 46.1 MJ was used.

In 2022, around 84% (87% in 2021) of energy used by production sites was from electricity and natural gas, with LPG and diesel fuel accounting for only a minor quantity.

Consumption is summarised below, broken down by sector and source, relating to the use of equipment and test vehicles.

ENERGY CONSUMPTION FOR THE USE OF EQUIPMENT AND TEST VEHICLES					
		Property and holding sector	Industrial sector	Marine sector	Immsi Group
Petrol (litres)	2022	4,739	617,669	0	622,408
	2021	5,112	603,910	0	609,022
	Δ% 2022 - 2021	-7.3%	2.3%	-	2.2%
Methane/Natural Gas (Sm ³)	2022	0	71	0	71
	2021	0	660	0	660
	Δ% 2022 - 2021	-	-89.2%	-	-89.2%
LPG (tons)	2022	0	0	0	0
	2021	0	6	0	6
	Δ% 2022 - 2021	-	-100.0%	-	-100.0%
Diesel fuel (Litres)	2022	15,856	244,886	0	260,742
	2021	12,577	273,390	1,390	287,357
	Δ% 2022 - 2021	26.1%	-10.4%	-100.0%	-9.3%
CNG	2022	0	2	0	2
	2021	0	5	0	5
	Δ% 2022 - 2021	-	-60.0%	-	-60.0%

Consumption as shown in the previous table was converted into Gigajoules (GJ), broken down by source:

ENERGY CONSUMPTION OF THE IMMSI GROUP FOR THE USE OF EQUIPMENT AND TEST VEHICLES							
(GJ) ¹		Petrol	Methane/Natural gas	LPG	Diesel fuel	CNG	Group total
Energy consumption	2022	19,990	3	12	9,425	71	29,501
	2021	19,698	23	85	10,349	240	30,395
	Δ% 2022 - 2021	1.5%	-87.0%	-85.9%	-8.9%	-70.4%	-2.9%

¹The figures are calculated using conversion standards defined by the GRI G3 guidelines (1 gallon of diesel = 0.138 GJ; 1,000 m3 of natural gas = 39.01 GJ; 1 kwh = 0.0036 GJ). For LPG, a standard conversion factor of one kilogram of LPG = 46.1 MJ was used.

Finally, the total consumption broken down by source is summarised below:

TOTAL ENERGY CONSUMPTION OF THE IMMSI GROUP								
(GJ) ¹		Petrol	Methane/Natural gas	LPG	Diesel fuel	CNG	Electricity	Group total
Total energy consumption	2022	19,990	179,733	54,742	43,354	71	279,917	577,807
	2021	19,699	216,741	44,470	38,448	240	266,848	586,447
	Δ% 2022 - 2021	1.5%	-17.1%	23.1%	12.8%	-70.4%	4.9%	-1.5%

¹The figures are calculated using conversion standards defined by the GRI G3 guidelines (1 gallon of diesel = 0.138 GJ; 1,000 m3 of natural gas = 39.01 GJ; 1 kwh = 0.0036 GJ). For LPG, a standard conversion factor of one kilogram of LPG = 46.1 MJ was used.

In 2022, the Group's overall consumption amounted to 577,807 GJ compared to 586,447 GJ last year.

The reduction in overall consumption (-1.5%) is mainly linked to the industrial sector, which, despite a 17% increase in vehicles produced, took the 3R pre-treatment and cataphoresis plant at Pontedera out of service in March 2021 and implemented many measures in the Group's various plants.

CO2 emissions and other pollutants

The environmental impact generated by the production activities of the Immsi Group (mainly linked to the industrial sector) implies greenhouse gas emissions (mainly CO₂) and atmospheric emissions of Volatile Organic Compounds (VOCs).

The following table shows the emissions for the three sectors of the Group in the two-year period 2021-2022.

CO2 EMISSIONS					
tonCO ₂ eq		Property and holding sector	Industrial sector	Marine sector	Immsi Group
2022	Scope 1_direct	79	18,778	108	18,964
	Scope 2_LB	209	38,393	531	39,134
	Scope 2_MB	368	45,574	934	46,876
	Scope 1+2_LB	288	57,171	639	58,098
	Scope 1+2_MB	447	64,351	1,042	77,062
2021	Scope 1_direct	76	19,823	132	20,031
	Scope 2_LB	201	37,173	473	37,847
	Scope 2_MB	355	44,943	834	46,133
	Scope 1+2_LB	278	56,996	605	57,878
	Scope 1+2_MB	431	64,766	966	77,909
Δ 2022 - 2021	Scope 1_direct	4.0%	-5.3%	-18.4%	-5.3%
	Scope 1+2_LB	3.9%	0.3%	5.7%	0.4%
	Scope 1+2_MB	3.6%	-0.6%	7.8%	-1.1%

For the calculation of Scope 1 emissions, the following were considered: i) for Italian plants, the emission factors published by ISPRA in the document National Standard Parameters; ii) for foreign plants, the emission factors of the Department for Environmental Food & Rural Affairs (DEFRA). It is specified that the emissions calculated with the emission factors published by ISPRA are expressed in tons of CO₂; However, the proportion of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂eq), as it can be deduced from the relevant technical literature.

For the calculation of Scope 2 emissions, in line with the GRI Sustainability Reporting Standards, both calculation methods were used: location-based and market-based.

For the location-based (LB) method, average emission factors relating to national energy generation were used for the various countries of operation published by national government bodies. In particular: for the Italian factories, reference was made to the ISPRA publication "Emission factors for the production and consumption of electricity in Italy"; the data relating to the emissions of the Indian plants were determined by applying the coefficients established by The Central Electricity Authority "CO₂ Baseline Database for the Indian power sector"; the data relating to the plants in Vietnam were calculated using the coefficients established by the "Department of Meteorology, Hydrology and Climate change - Ministry of Natural resource and Environment Vietnam". Market Based (MB) is based on the CO₂ emissions emitted by the energy suppliers from which the organisation purchases electricity through a contract.

In particular, for the Italian plants, the factor reported in the Residual Mix Results, Association of issuing bodies (AIB) document was used. For the remaining countries, the same factors used for the location-based method were applied.

For Piaggio, the increases recorded in 2022 in CO₂ emissions are due to the growth in production volumes and the inclusion in the perimeter of the new Indonesian plant. Structural works (replacement of boilers and restructuring of distribution networks), carried out over time and already described in the previous NFSs, have made it possible to limit the growth of the network by highlighting that changes made have been appropriate.

It should be noted that for Piaggio Group plants located in Italy, the national calculation factors envisaged in the ETS regulations under the Emission Trading Directive (Directive 2003/87/EC) were

used to determine greenhouse gases deriving from the use of diesel, fuel oil and methane. With reference to CO₂ emissions, the Pontedera industrial plant falls within the scope of the Emission Trading Directive (Directive 2003/87/EC), an instrument implementing the Kyoto Protocol. The site is classed as a "Group A" site, relating to sites or establishments emitting the lowest level of CO₂ identified by the Directive.

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

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

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

Furthermore, for the plants located in Italy, it should be noted that Piaggio monitored the CO₂ emissions deriving from the leakage of F-Gas from the plants and in particular it detected emissions equal to 510 tons in 2022 (508 tons in 2021).

For the property sector, and in particular for the hotel and tourism sector, there was also an increase in the level of total CO₂ emissions for the financial year 2022, which can be attributed to the higher volume of activity compared to the previous year.

On the other hand, Intermarine S.p.A. showed a substantial decrease in the aforementioned emissions mainly due to a decrease in production activity. With regard to the Sarzana site, based on the Provincial "Target 2025" determination, a process has begun to dispose of structures and moulds within the "mould fleet", to replace R22 fluorinated gas air conditioners with new ones, and to improve IT management related to the expiry dates of the relevant authorisations of waste transporters and disposers.

As regards the atmospheric emissions of VOC (volatile organic compounds), 2022 data for the Group industrial and marine sectors are available.

VOC EMISSIONS (Tons.)			
	Industrial sector	Marine sector	Immsi Group
2022	436.6	2.4	439.0
2021	245.0	0.3	245.3
Δ% 2022 - 2021	78.2%	837.2%	79.0%

As regards the industrial sector, in 2022 there was an increase in VOCs emitted globally compared to 2021. This increase is mainly due to the Indian plant, which brought the painting process for certain vehicle parts in-house in 2022.

With reference to the marine sector, the VOC emissions into the atmosphere estimated for 2022 were modest, equal to 2.4 tons. (0.3 tons in 2021) and represent approximately only 0.1% of total VOC emissions. The difference is mainly due to the use in 2022 of some extraction plants for laminating and assembly activities.

Scope 3 indirect emissions of CO₂eq

To improve reporting, starting this year the Piaggio group has launched a process for estimating other indirect greenhouse gas emissions; among the possible categories of indirect emissions, Piaggio has identified that those that contribute most significantly to the total are the category "purchased goods and services" and the category "use of products sold". For the categories related to the inbound and outbound logistics phases, Piaggio is considering how to estimate these impacts that are not monitored due to the difficulty in obtaining data.

For the "purchased goods and services" category, the relative emissions were estimated considering the costs recorded in the consolidated financial statements of the Piaggio Group (refer to the tables Costs for materials and Costs for services in the Notes to the Consolidated Financial Statements) using the Scope 3 Quantis - "The Scope 3 Evaluator", released by GHG Protocol in partnership with Quantis.

For the "use of sold products" category, the relative emissions were estimated on the basis of an average datum constructed by considering the specific emission factors of the best-selling models and the estimate of the annual km travelled; this figure was then multiplied by the number of vehicles sold in the reporting year and by the average life cycle of the vehicles themselves, to obtain the total emissions of vehicles sold in the year¹.

tCO ₂ eq	2022	2021
Use of products sold	3,758,050	2,691,458
Purchase of goods and services	1,384,935	1,078,500
Total	5,142,985	3,769,958

Is Molas and Intermarine will investigate the calculation of "Scope 3" emissions related to the aforementioned categories in order to assess their significance with a view to future reporting.

Emission Intensity

As previously commented, in 2022 the Group improved the efficiency of its production processes. The table below shows the results achieved:

EMISSION INTENSITY			
	EMISSIONS Scope 1+ Scope 2LB tonCO ₂ eq	REVENUES million euros	EMISSIONS / REVENUES tons/millions of euro
2022	58,098	2,126	27
2021	57,878	1,710	34
Exchange	220	416	-7
Exchange %	0.4%	24.3%	-19.3%

The emission intensity is shown below, limited to the Piaggio group, considering scope 3 indirect emissions (categories "purchased goods and services" and "use of products sold"):

EMISSIONS INTENSITY (SCOPE 3)					
	Scope 3 emissions	Sales revenue	Vehicles sold	Emissions/Revenues	Emissions/Vehicles sold
	Ton CO ₂ eq	Million euros	Units /000	Tons CO ₂ eq /Million euro	Tons CO ₂ eq /Unit/000
2022	5,142,985	2,087	625	2,464	8,222
2021	3,769,958	1,669	536	2,259	7,034
Exchange	1,373,027	419	89	205	1,189
Exchange %	36.4%	25.1%	16.7%	9.1%	16.9%

Conserving water resources

The conservation of water resources is a significant aspect of the Group's activities. The existence

¹ We took some best-selling models as a sample, estimating their annual mileage. For each model, the emissions per km travelled were multiplied by the estimated annual mileage and by the number of vehicles sold. The annual emissions thus obtained were divided by the number of vehicles sold in the sampled models, obtaining an average of the weighted annual emissions per vehicle. This average figure was multiplied by the total number of vehicles sold in 2022, including those not sampled, to obtain the total annual emissions of vehicles sold. Finally, the total annual emissions thus obtained have been multiplied by the years of average life of the vehicles, in accordance with the calculation methodology envisaged by the "Technical Guidance for Calculating Scope 3 Emissions". The emissions per km travelled were obtained from the product datasheets, while the useful life of the vehicles and the average mileage of the vehicles are the result of estimates.

of a risk associated with water consumption in production processes due to possible waste, inefficiencies and pollution of water sources has been identified.

WATER WITHDRAWALS AT THE PRODUCTION SITES OF THE IMMSI GROUP							
Megalitres		Property and holding sector	Industrial sector	Marine sector	Immsi Group	Water stress areas ³	
Water withdrawals	2022	Water from wells ¹	46	137	0	183	172
		Freshwater (<1,000 mg/l total dissolved solids)	46	0	0	46	46
		Other types of water		137	0	137	126
		Water from the mains	0	471	15	486	471
		Freshwater (<1,000 mg/l total dissolved solids)	0	394	15	409	409
		Other types of water	0	77	0	77	62
		Other (rivers) ²	124	0	0	124	124
	Total	170	608	15	793	767	
	2021	Water from wells ¹	23	172	0	195	187
		Freshwater (<1,000 mg/l total dissolved solids)	23	0	0	23	23
		Other types of water	0	172	0	172	164
		Water from the mains	0	395	22	417	401
		Freshwater (<1,000 mg/l total dissolved solids)	0	318	22	340	340
		Other types of water	0	78	0	78	61
		Other (rivers) ²	128	0	0	128	319
	Total	150	567	22	739	716	
	Δ% 2022-2021		13.0%	7.2%	-29.6%	7.3%	7.1%

¹ For the property and holding sector, reference is made to water from the drinking water reservoir of the Is Molas consortium, drawn from the subsurface.

² Reference is made to the following rivers: Rio Pula, Rio Tintioni and Rio Baustella. Data provided are the sum of measurements before use for irrigation.

³ It should be noted that the property and holding sector, marine sector and the plants of Pontedera, Baramati and Vinh Phuc for the industrial sector are located in water-stressed areas (Source: Aqueduct Water Risk Atlas).

Over the years Piaggio has developed production processes aimed at saving water resources and has always pursued this reduction as is evident by analysing the water consumption of the Pontedera plant which has more than halved the m³ consumption of well water in a decade. This reduction was made possible by plant upgrades (e.g. inverters on well pumps) and in more recent times by replacing less efficient systems with latest generation technologies (e.g. new 2R painting and new cataphoresis). The Baramati and Vinh Phuc plants reuse part of the water withdrawn as part of the effort to reduce consumption.

The increase in withdrawal volumes was lower than the increase in business volumes, thanks to the group's commitment to minimising resource utilisation and the beneficial effect of the decommissioning of the 3R pre-treatment and cataphoresis plant in Pontedera in March 2021.

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

Water consumption at Is Molas covers a significant part of the overall consumption of Immsi Group (in 2022 they were around 20% of the total, as in 2021). This is due to the irrigation of the resort's golf courses. To avoid water requirements of the resort conflicting with those of the Pula municipality, operational procedures were implemented seeking to achieve an efficient use of reservoirs (owned by Consorzio Is Molas) which collect water from the nearby Rio Pula during winter. Treated water is conveyed from the purification system of the Is Molas Consortium to the reservoirs, for irrigation purposes.

As regards the management of waste water at Is Molas, all waste water from the hotel premises is ducted into the treatment station of the Is Molas consortium. The treated water is then conveyed to the reservoirs for use in irrigation. As regards the residential expansion project, the property planned

and built by the company Is Molas S.p.A. uses heat pumps for heating and cooling that use the technical water from the reservoir system. The systems to discharge technical water used for residential purposes convey water via pipes to the original reservoir, completing the loop. The company presented a project, currently in the application stage, to develop a tertiary module at the Pula treatment station, to treat waste water from the town of Pula and convey the water by underground pipe to one of the reservoirs of the Is Molas irrigation system. The purpose would be to increasingly use water from the tertiary sector instead of surface water from rivers.

As far as the marine sector is concerned, the use of water within the factories is mainly due to consumption for toilets, canteen and changing rooms, so the decrease is attributable to better control and consequent elimination of leaks, including those for sanitary use, as well as greater awareness of operators in the conscious use of water.

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

For the industrial sector, for further information on waste and their destination divided by production site, please refer to the description in the 2022 NFS published by Piaggio & C. S.p.A.

In general, for the Piaggio Group's Italian plants, the marine sector and the property and holding sector, consumption is estimated to be zero, as water withdrawn after its use is returned to the environment.

Waste handling and recovering

Handling and recovering waste is a fundamental part of the Group's environmental policy.

All companies carry out waste production, management and disposal activities in compliance with the applicable regulations, both in terms of waste traceability and in terms of handling, which is entrusted to specialist companies in the sector that are authorised to provide these types of services. For the Piaggio group in particular, 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.

The following table shows the quantities of waste generated in the years 2022-2021 divided between hazardous and non-hazardous and in terms of volumes to disposal or recovery.

Tons.	Property and holding sector			Industrial sector			Marine sector			Immsi Group		
	FOR DISPOSAL	RECYCLING	TOTAL	FOR DISPOSAL	RECYCLING	TOTAL	FOR DISPOSAL	RECYCLING	TOTAL	FOR DISPOSAL	RECYCLING	TOTAL
2022												
Total	2	3	5	3,098	10,596	13,694	54	254	308	3,154	10,853	14,007
Hazardous	-	0	0	1,917	654	2,571	49	43	92	1,966	697	2,663
Non-hazardous	2	3	5	1,181	9,942	11,123	5	211	217	1,188	10,156	11,344
2021												
Total	25	28	52	2,168	10,690	12,858	166	184	350	2,358	10,901	13,260
Hazardous	0	-	0	1,613	619	2,232	60	30	89	1,673	649	2,321
Non-hazardous	25	28	52	555	10,071	10,626	106	154	260	686	10,253	10,939
Δ 2022-2021												
Total	-23	-24	-48	930	-94	836	-111	70	-41	796	-49	747
Hazardous	-	0	0	304	35	339	11	13	2	293	48	342
Non-hazardous	23	25	48	626	129	497	101	57	44	502	-97	405

In 2022 there was a 5.6% increase in waste produced which is to be correlated to the growth in production volumes, particularly in the industrial and property sectors.

We highlight the percentages of waste sent for recovery, which exceed 77% of the waste produced. Lastly, it should be noted that the separation of hazardous from non-hazardous waste and the possibility of recovering waste is affected by local regulations.

It should be noted that the 2021 data regarding the property and holding sector have been revised with respect to what was published in the NFS of the previous year.

2022 - TONS.	Property and holding sector			Industrial sector			Marine sector			Immsi Group			
	WASTE TYPE	REC	DISP	TOT	REC	DISP	TOT	REC	DISP	TOT	REC	DISP	TOT
2 - Waste from agriculture, horticulture, aquaculture, forestry, hunting and fishing, food processing and preparation	0	0	0								0	0	0
3 - Waste from wood processing and the production of panels, furniture, pulp, paper and cardboard							0	0	0	0	0	0	0
6- Inorganic waste from chemical processes				0	3	3				0	3	3	
7 - Waste from organic chemical processes							24	0	24	24	0	24	
8 - Waste from MFSU of coatings (paints, varnishes and vitreous enamels), adhesives, sealants and printing inks				69	1,164	1,233	0	0	0	69	1,164	1,233	
10 - Waste from thermal processes							2	0	2	2	0	2	
11 - Waste from chemical surface treatment and coating of metals and other materials; non-ferrous hydrometallurgy				0	28	28				0	28	28	
12 - Waste from shaping and physical and mechanical surface treatment of metals and plastics				799	109	908	5	6.3	12	804	115	920	
13 - Oil wastes and wastes of liquid fuels				17	1	17	11	42	52	28	43	70	
14 - Waste from organic solvents, refrigerants and propellants				0	207	207	0	1		0	208	208	
15 - Packaging waste, absorbents, wiping cloths, filter materials and protective clothing	3	0	3	8,287	314	8,601	55	0	55	8,345	314	8,659	
16 - Waste not otherwise specified in the list	0	1	1	525	39	564	4	0	4	529	40	569	
17 - Construction and demolition waste	0	0	0	597	221	817	147	0	147	744	221	965	
18 - Waste from human or animal health care or related research activities				0	0	0	0	0	0	0	0	0	
19 - Waste from waste treatment facilities and off-site waste water treatment plants				0	328	328	0	5	5	0	333	333	
20 - Municipal waste	0	1	1	303	685	988	5	0	5	308	686	994	
TOTAL	3	2	5	10,597	3,099	13,694	254	54	308	10,854	3,155	14,009	

2021 - TONS.	Property and holding sector			Industrial sector			Marine sector			Immsi Group		
	REC	DISP	TOT	REC	DISP	TOT	REC	DISP	TOT	REC	DISP	TOT
2 - Waste from agriculture, horticulture, aquaculture, forestry, hunting and fishing, food processing and preparation	0	0	0									0
3 - Waste from wood processing and the production of panels, furniture, pulp, paper and cardboard			0				1	0	1	1		1
7 - Waste from organic chemical processes			0				19	0	19	19		19
8 - Waste from MFSU of coatings (paints, varnishes and vitreous enamels), adhesives, sealants and printing inks			0	42	1,024	1,066	1	0	1	43	1,024	1,067
10 - Waste from thermal processes			0				0	0	0	0		0
11 - Waste from chemical surface treatment and coating of metals and other materials; non-ferrous hydrometallurgy			0	0	69	69			0		69	69
12 - Waste from shaping and physical and mechanical surface treatment of metals and plastics			0	803	90	893	3	0	3	806	90	896
13 - Oil wastes and wastes of liquid fuels			0	21	3	24	3	59	62	24	62	86
14 - Waste from organic solvents, refrigerants and propellants			0	54	103	158	0	0	0	54	103	157
15 - Packaging waste, absorbents, wiping cloths, filter materials and protective clothing	4	0	4	7,687	152	7,839	68	0	68	7,758	152	7,910
16 - Waste not otherwise specified in the list	9	0	9	565	43	608	3	9	12	577	52	629
17 - Construction and demolition waste	16	2	18	1,172	20	1,192	63	0	63	1,250	22	1,272
18 - Waste from human or animal health care or related research activities			0				0	0	0		0	0
19 - Waste from waste treatment facilities and off-site waste water treatment plants			0	0	323	323	0	6	6	0	329	329
20 - Municipal waste	0	23	23	346	342	688	23	91	114	369	456	825
TOTAL	28	25	52	10,690	2,169	12,859	184	166	350	10,902	2,359	13,260

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

Avoiding contamination of soil and water sources

In 2022, 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.

Production activities of Intermarine are carried out in compliance with applicable regulations on discharges into water bodies. In addition, regulations on operations and procedures at greater risk of pollution and to deal with emergencies in the event of spills of toxic substances into water bodies, are complied with.

As regards the Is Molas site, the resort's golf courses require regular treatments using chemical products and fertilisers in order to keep the grass surface suitable for practising the sport. All products used comply with parameters of applicable environmental regulations, limiting the risk of the possible pollution of ground water. Since 2012, the company has monitored surface and subsurface water matrices, sending data to the Region of Sardinia for appropriate controls.

The social dimension

Developing human resources

People are key resources for the competitiveness and growth of the Immsi Group, and with their professionalism and passion they contribute each day to the success of our companies, embracing the fundamental values of respect, transparency and ethics. The Group's aim is to empower talent and promote the qualified growth of each person, in a way that is fair and based on merit, within a framework of loyalty and reciprocal trust that are the foundations of a Group organisation that is sustainable and successful.

Immsi feels it is important to clearly define all the values that the Company recognises, accepts and shares, and all the rules and principles of conduct which from the very start, have shaped its relations with the outside world and with its employees. Directors, staff and more generally everyone operating on behalf of Immsi, for any reason and without making any distinctions or exceptions, are committed to these principles and the contents of the Code of Ethics being adopted, as part of their own functions and responsibilities and when carrying out their professional and other activities, also outside the Immsi Group.

For a clear and complete overview, the Group operates in three sectors and more specifically: the "property and holding sector" which comprises the results of Immsi S.p.A., Immsi Audit S.c. a r.l., Is Molas S.p.A. and Apuliae S.r.l., the "industrial sector" which includes companies belonging to the Piaggio group, and the "marine sector", which includes Intermarine S.p.A.. The other Group companies not expressly mentioned have no employees.

Some information reported in this section is also indicated separately by production site. In this regard, the sites at Pontedera (Pisa), Noale (Venice), Scorzè (Venice) and Mandello del Lario (Lecco) are used for industrial activities of the Piaggio group, the sites at Sarzana (La Spezia) and Messina (Me) are shipyards and the site at Pula (Cagliari) refers to the Is Molas resort.

Staff

During 2022, the Group, also considering the progressive reshaping of the impacts of the Covid-19 emergency, adjusted and updated the organisational initiatives suitable to support commercial, innovation and development objectives while maintaining efficiency and productivity targets.

As of 31 December 2022, Group employees numbered 6,109, down by 128 (+2.1%) compared to 31 December 2021.

The average number of employees was affected by seasonal workers in the summer months (with fixed-term contracts) used to deal with typical peaks in demand in the summer months, particularly in the industrial and property sectors (tourism/hotel industry).

Non-employee workers (outsourced staff and contractors) are not considered, as they are not employed on a continuous basis.

The geographic location and professional category of Immsi Group employees at 31 December 2022 are shown below, compared to figures at 31 December for the previous two years, differentiated by business sector.

The information below is in units, unless otherwise indicated.

The turnover of company employees is shown below, considering outgoing and incoming personnel, overall.

Turnover: Incoming															
	< 30			30-50			> 50			Total			% Turnover		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
EMEA and Americas	42.0	15.0	57.0	52.0	13.0	65.0	4.0	-	4.0	98.0	28.0	126.0	4.0%	2.6%	3.6%
India	54.0	5.0	59.0	110.0	6.0	116.0	5.0	1.0	6.0	169.0	12.0	181.0	12.6%	36.4%	13.2%
Asia Pacific	32.0	5.0	37.0	25.0	6.0	31.0	-	-	-	57.0	11.0	68.0	5.7%	5.1%	5.6%
Total	128.0	25.0	153.0	187.0	25.0	212.0	9.0	1.0	10.0	324.0	51.0	375.0	6.8%	3.9%	6.1%
% Turnover	18.2%	22.1%	18.7%	7.1%	3.1%	6.2%	0.6%	0.2%	0.5%	6.8%	3.9%	6.1%			

Turnover: Leavers															
	< 30			30-50			> 50			Total			% Turnover		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
EMEA and Americas	19.0	4.0	23.0	47.0	28.0	75.0	102.0	22.0	124.0	168.0	55.0	223.0	6.8%	5.0%	6.3%
India	33.0	5.0	38.0	147.0	2.0	149.0	6.0	1.0	7.0	186.0	8.0	194.0	13.9%	24.2%	14.2%
Asia Pacific	8.0	3.0	11.0	22.0	8.0	30.0	1.0	1.0	2.0	31.0	12.0	43.0	3.1%	5.6%	3.6%
Total	60.0	12.0	72.0	216.0	38.0	254.0	109.0	24.0	133.0	385.0	74.0	459.0	8.5%	10.6%	8.8%
% Turnover	8.5%	10.6%	8.8%	8.2%	4.8%	7.4%	7.5%	5.7%	7.1%	8.0%	5.6%	7.5%			

External workers as at 31 December 2022

	External collaborators	
	31 December 2022	31 December 2021
EMEA and Americas	91.0	122.0
India	492.0	569.0
Asia Pacific	472.0	415.0
Total	1,055.0	1,106.0

The use of external workers within the Group is essentially limited to the Indian and Vietnamese plants and is linked to the need to cope with temporary peaks in demand, so external workers are sought and hired during these periods.

In addition, internships and external collaborations are used for the gradual insertion of new graduates within the company, to complete the training activities and taking into account the peculiarities and local regulations of each country. External workers as at 31 December 2022 totalled 1,055.

Personnel management policies

Immsi and Group companies adopt systems, procedures and practices for personnel recruitment, development and remuneration that recognise and reward the merit and commitment of human resources, while respecting equal opportunities. Any type of discrimination is specifically forbidden by the Code of Ethics.

Individual Group companies have established their own procedures and practices for personnel management based on their organisational configuration and own characteristics and professional

needs. In fact, the Group does not consider a uniform personnel management system to be efficient or effective, given the considerable difference in the business segments its subsidiaries operate in, despite being united by principles of ethics, transparency and meritocracy.

To offset employment risks which are significant for Group companies, specific policies have been established, where considered necessary, for recruitment, career development, training, remuneration and talent management, which are adopted in all countries where the Group operates according to the same principles of merit, fairness and transparency.

COMPETITIVE ORGANISATION

In defining the organisational forms of its collaborators, regardless of the type of work performed, the Group preserves the principles enshrined in the Codes of Ethics adopted by the individual companies and the legislation in force in the geographical area where the Company operates.

The Piaggio group pursues an innovative organisation as a way of creating a competitive edge and supporting a multicultural, multinational, lean dimension focussed on the customer and on generating value.

The subsidiary Intermarine, with its sights set on customer focus and logics targeting complex projects, pursues an organisational configuration that is functional to its contractual programmes, with specific, multidisciplinary teams assigned to individual contracts, that can generate added professional value to achieve time, cost and quality objectives.

The Group 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

Personnel recruitment takes place in full compliance with Law, the Code of Ethics, the Model pursuant to Legislative Decree 231/01 and company procedures where existing.

As part of recruitment, which respects equal opportunities and non-discrimination, Immsi ensures that resources employed match profiles necessary for company requirements, avoiding favouritism or any type of facilitation.

To maximise the effectiveness of the selection process, the Group differentiates the recruitment channels according to the specific professional profiles to be sought, also developing profitable collaborations with school and university institutes, training centres, employment agencies, as well as through direct hunting methods for the search of highly or medium specialised positions.

The visibility of the Group's major companies has been boosted with a special section on their websites where they can receive and register unsolicited applications, which are fed into a database. In parallel with the use of external search, particularly in the industrial sector, open positions are filled by identifying internal candidates with a view to job rotation and career development.

In continuity with the previous year, the Piaggio Group also continued its scouting and selection activities focused on innovative activities and skills in the fields of electric mobility, green and digitalisation. Professionals from the most advanced companies in the automotive sector have been recruited with a focus on specialised skills in passive vehicle safety, cyber security and digital connectivity. Another area heavily impacted by recruiting activities was Quality, both in terms of product and manufacturing, in order to pursue an ever-higher level of global quality standards.

CAREER DEVELOPMENT

The Group sees the possibility of offering its employees concrete career development paths and the security that they can build up their own career within the Group as fundamental in retaining talent and expertise.

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.

In particular, the human resources development policies of the Piaggio group are focused on establishing, maintaining and developing factors that are decisive for competing in international contexts and that are continually evolving.

Piaggio has identified a model of managerial competencies, which is the set of behaviours to be put into practice daily, to ensure its own success and that of the group at a global level, and a reference model of professional competencies, which represent the wealth of professionalism and know-how that is the real foundation and the only real guarantee of continuity and quality of results.

In 2022, detailed periodic gap analysis was conducted, in order to set up training and continual professional development plans.

The goal of development tools is to build and improve the managerial and professional skills required by the respective models, while bringing potential to fruition and assessing and rewarding excellent performance and safeguarding specific technical know-how.

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.

For further details, see the 2022 NFS published by Piaggio & C. S.p.A..

In the marine sector, Intermarine recruits new graduates with technical/engineering and scientific backgrounds, which it will gradually need increasingly more, at regular intervals, to join the company and gradually build up their career. This approach involves an initial phase of extra-curricular placement on the basis of special agreements and training projects entered into with universities or with specially selected employment agencies, and a second phase of employment by means of a professional apprenticeship contract, aimed at achieving a specific professional qualification obtained through a training pathway defined at the time the contractual relationship is established in the training plan attached to the employment contract.

EVALUATION

The Immsi Group ensures that the criteria and procedures adopted to review personnel performance, managerial, professional and linguistic skills possessed, international mobility, potential and professional aspirations and goals, in relation to assigned roles, company requirements and possible development paths, where identified, are made known to personnel.

Performance evaluation influences both development and career paths and rewarding.

With particular reference to the Piaggio group, the review process is managed in an integrated way through a dedicated SAP SuccessFactors 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 2022 by geographic segment and gender

Geographic segment	EMEA Americas		of which Italy		Asia Pacific 2W		India		Total	
	M	W	M	W	M	W	M	W	M	W
Senior management	980%	188%	97%	88%	100%	100%	100%	100%	98%	89%
Middle management	94%	97%	93%	96%	100%	100%	100%	100%	98%	98%
White collars	91%	89%	89%	88%	100%	100%	100%	100%	94%	92%
Blue-collar workers	0%	0%	0%	0%	100%	100%	0%	0%	25%	10%

In addition, young talent management programmes have been implemented within the Piaggio group as one of the main tools for development, attraction and retention. These programmes provide talent with access to tailored development paths, consisting of coaching and customised training, strategic and international projects and job rotation. The programmes include Piaggio Way, which involves employees of all geographic areas of the Group.

TRAINING

The Group places considerable attention on technical, operational, safety and specific professional training. Training is one of the tools used to consolidate and develop the skills of staff and strengthen their motivation. In 2022, thanks to the gradual change in the restrictions imposed by the anti-Covid-19 measures, classroom training activities were gradually reintroduced and the use of digital tools for training (e-learning courses and synchronous training in virtual classrooms) was maintained. Worker health and safety issues represented the area of greatest training investment with the aim of fulfilling legal obligations, and strengthening awareness and knowledge of specific risks.

The main companies of the Immsi Group have their own company training management and organisation procedures.

The Piaggio group has put in place an IT platform, which is used to manage and monitor the whole training process.

Technical and vocational training was significantly focused on the development of skills in automotive cyber security, vehicle design, project management.

More than 1,500 hours of training/awareness-raising were provided to Indian employees on the prevention of sexual harassment crimes.

In 2022, the Piaggio group will see a clear increase in training hours in EMEA Americas, driven in particular by training in Italy. Both the compulsory refresher training for workers carried out at all Italian sites for a substantial number of workers and specific initiatives (e.g. training for testers, for electrical risks, etc.) contributed to this figure.

Intermarine adopts a specific procedure as part of its Quality System, with an annual review of the professional/technical training needs of staff in each office/department; this review is used to develop its Training Plan, approved by the Chief Executive Officer. The Training Plan, suitably supplemented with the compulsory measures on health and safety at work identified by the RSPP and approved by the employer, is subsequently implemented, as a priority, using the sums set aside in the Fondimpresa training account as well as the public training offers on the subject of financed training, through constant and fruitful cooperation with the relevant training bodies.

The Group has provided training through inter-professional and private funding and takes part in intercompany training projects.

Hours of training by training area

Thematic area	2022			2021		
	EMEA AMERICAS	INDIA	ASIA PACIFIC 2W	EMEA AMERICAS	INDIA	ASIA PACIFIC 2W
Managerial training	3,223	24,384	3,905	2,202	16,484	1,013
Technical – professional training	7,767	9,762	2,367	16,129	28,290	2,875
Language training	8,346	774	995	3,791	157	1
Health and safety training	22,975	10,755	7,061	15,004	9,379	4,020
TOTAL	42,310	45,675	14,328	37,127	54,310	7,909

Total training hours by professional category

Professional category	2022		2021	
	Hours	Per-capita	Hours	Per-capita
Senior management	760	6.0	975	8.2
Middle management	19,227	26.7	16,959	23.4
White collars	34,075	19.8	29,684	17.1
Blue-collar workers	38,549	10.9	39,539	11.5
Sub-total	92,610	15.2	87,167	14.5
Other workers ¹	9,703	n/a	12,553	n/a
Total	102,313	n/a	99,710	n/a

Professional category	2022				2021			
	Men	per-capita Men	Women	per-capita Women	Men	per-capita Men	Women	per-capita Women
Senior management	714	6.1	46	5.1	903	8.2	72	8.0
Middle management	17,893	28.9	1,334	13.2	15,783	25.5	812	8.9
White collars	28,011	22.6	6,064	12.6	24,202	19.5	5,482	11.2
Blue-collar workers	31,411	11.2	7,139	9.8	36,148	13.4	3,391	4.7
Total	78,029	16.3	14,582	11.0	77,036	16.5	9,757	7.4

Per-capita value determined by assigning all training hours delivered (including internships, project training, etc.) to the numerator, and the workforce at 31 December 2022 to the denominator.

Training hours by gender

Thematic area	2022			2021		
	Men	Women	Total	Men	Women	Total
Managerial training	28,903	2,609	31,512	18,312	1,388	19,700
Technical – professional training	17,485	2,411	19,896	43,022	4,272	47,294
Language training	6,861	3,254	10,115	2,436	1,513	3,949
Health and safety training	33,353	7,437	40,791	25,172	3,231	28,403
Total	86,603	15,711	102,313	88,942	10,404	99,346

The above data do not consider on-the-job training hours.

¹ This category includes agency workers and interns.

REWARDS

The Immsi Group's reward policies are designed to reward individuals and recognise their contribution to the company, according to criteria of competitiveness, fairness and meritocracy.

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.

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 also with a view to role development defined through the succession planning process.

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.

Benefits are provided to full-time as well as to part-time employees without differentiation.

Intermarine incentivises personnel through salary policies and strategies that recognise the competencies, responsibilities, commitment and contribution made by each person, in compliance with criteria of fairness and competitiveness, and that also recognise the specific and particular economic, financial and productive aspects of the company and its relative contracts. Intermarine reviews personnel salaries on a continual basis and consults with managers of each department at regular intervals to identify any critical aspects as regards professional categories and salary brackets. Intermarine gives all employees who are senior managers and some key staff a company car, regardless of their type of employment contract (full-time, part-time, fixed term). It is also envisaged, when the company's economic conditions allow it, to assign a variable remuneration component called the "MBO Bonus", which provides for the recognition of an annual bonus, correlated to company profitability parameters and/or parameters of the function to which the employee belongs.

Bonus, salary and performance review policies for personnel of companies in the property and holding sectors are based on organisational logics and principles of meritocracy and impartiality. Reviews at regular intervals make it possible to identify the strengths and weaknesses of each employee and start a process aimed at retaining resources that make the most significant contributions.

Benefits are also provided as per contract provisions, covering supplementary pension schemes, accident/life/disability insurance, parental leave and healthcare, regardless of whether contracts are full or part-time.

The Group complies with labour legislation in the various countries in which it operates, adopting collective bargaining agreements where required.

Ratio between the average remuneration of women and men in the same professional category¹

	<i>Italy</i>	<i>Emea (excl. Italy)</i>	<i>Asia Pacific</i>	<i>India</i>
Senior management	0.85			
Middle management	0.89	1.03	0.87	0.99
White collars	0.93	0.94	0.90	0.85
Blue-collar workers	0.94		0.90	

Ratio between the average remuneration of women and men in the same professional category¹ (including bonuses)

	<i>Italy</i>	<i>Emea (excl. Italy)</i>	<i>Asia Pacific</i>	<i>India</i>
Senior management	0.83			
Middle management	0.89	1.05	0.88	0.98
White collars	0.95	0.93	0.88	0.85
Blue-collar workers	0.94		0.90	

On the basis of internal analyses of recognised salary conditions, no significant differences were detected within the Immsi Group between the basic salary and the remuneration of men compared to women with the same category, experience and assigned duties.

DIVERSITY AND EQUAL OPPORTUNITIES

In relations with its staff and regardless of the type of work carried out, the Immsi Group respects, in all circumstances, the principles set out in the Code of Ethics adopted by each Group company, which has been updated with the introduction of an article specifically on the protection of human rights and workers' rights.

As provided for in the aforesaid Code of Ethics, the Group undertakes to ensure respect for the personal dignity, privacy and personality rights of every individual, as well as to ensure the conditions necessary for a non-hostile work environment and to prevent any form of exploitation, discrimination or harassment in accordance with the above conventions. In particular, the Company rejects and dissociates itself from any conduct that may constitute a threat of any kind, determined by reasons of a racial or sexual nature or related to other personal characteristics, and requires compliance with all laws prohibiting any form of discrimination based on race, gender, religion, language, ideology, ethnicity or political opinion. And prohibits any form of slavery, torture, forced labour, child labour, cruel, inhuman or degrading treatment and working conditions that may pose a threat to life or health. Directors, staff and more generally everyone operating on behalf of Immsi, for any reason and without making any distinctions or exceptions, are committed to these principles and the contents of the Code of Ethics being adopted, as part of their functions and responsibilities and when carrying out their professional and other activities. This commitment is made by each party by signing contracts (of employment, sale, purchase, etc.), that include clauses on respecting the Code.

Immsi and its subsidiaries do not resort to child labour according to the age limits in force in various countries or to forced labour and observe laws in effect in the areas where they operate.

No infringements of the above principles have been reported.

With reference to the subsidiary Intermarine, the constant commitment to combating any form of discrimination based on geographical origin, ethnicity, skin colour, gender, age, disability, sexual orientation, religion, political opinion, nationality and social origin is noted. The company undertakes, where the need arises, to oppose any form of violence or harassment. Intermarine operates in full

¹ Categories not reported in individual geographic segments do not have any female employees. The index is calculated by including companies with both female and male representation for each professional category.

respect of diversity and equal opportunities, not allowing any form of discrimination, both in the personnel selection phases and during the entire working relationship.

For Piaggio, managing diversity also 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. For further details on diversity management in the Piaggio group, which operates on a global scale with employees in Europe, America and Asia and considerable age/gender distinctions, see the 2022 NFS published by Piaggio & C. S.p.A..

As regards the composition and promotion of diversity of Immsi S.p.A. company boards, see the Report on Corporate Governance and Ownership.

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. The Group selects and hires its staff based solely on the candidates' characteristics and experiences and the requirements of the position.

As shown in the table below¹, the Group 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.

% Analysis of senior managers hired from the local community (at country level).		
	2022	2021
Italy	96%	97%
EMEA and Americas (excluding Italy)	79%	77%
Asia Pacific	47%	44%
India	75%	85%

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.

¹ Figures include senior managers, first- and second-level executives reporting to top management at Piaggio & C SpA, and the first- and second-level executives of subsidiaries. The term local refers to the national level and local senior managers means senior managers with nationality the same as the country where they work.

FEMALE EMPLOYMENT

Female employees in the Group play a fundamental role at all levels of the organisational structure. They account for 21.6% of the workforce, slightly down on the figure of 21.9% for 2021.

Company employees by gender and geographic segment at 31 December 2022

	2022		2021	
	Men	Women	Men	Women
EMEA and Americas	2,457	1,074	2,500	1,090
<i>of which Italy</i>	2,245	1,015	2,291	1,030
India	1,336	33	1,297	31
Asia Pacific	995	214	882	197
Total	4,788	1,321	4,679	1,318

Company employees by contract type, gender and geographic segment as of 31 December 2022

	Fixed-term contract		Open-ended contract		Total		% Women
	Men	Women	Men	Women	Men	Women	
EMEA and Americas	9	2	2,448	1,072	2,457	1,074	30.4%
<i>of which Italy</i>	9	2	2,236	1,013	2,245	1,015	31.1%
India	204	7	1,132	26	1,336	33	2.4%
Asia Pacific	370	75	625	139	995	214	17.7%
Total	583	84	4,205	1,237	4,788	1,321	21.6%

Equal opportunities are offered to employees of both sexes, with training and skills development courses organised for the entire workforce without distinction of gender, and with concrete initiatives to facilitate the management of the work-life balance, such as the introduction of contract types other than full-time, flexible working hours.

Company employees by profession, gender and geographic segment at 31 December 2022

Employee/staff numbers	Full time			Part time			% Part time
	Men	Women	Total	Men	Women	Total	
EMEA and Americas	2,438	894	3,332	17	182	199	6%
<i>of which Italy</i>	2,227	838	3,065	16	179	195	6%
India	1,336	33	1,369	0	0	0	0%
Asia Pacific	995	214	1,209	0	0	0	0%
Total	4,769	1,141	5,910	17	182	199	3%

YOUNG EMPLOYEES

The Group's largest population is in the 30-50 age group, as shown below.

Company employees by professional category and age bracket at 31 December 2022

	up to 30		30-50		> 50		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
2022								
Senior management	0	0	43	5	75	4	118	9
Middle management	4	0	408	66	207	35	619	101
White collars	138	78	748	308	353	95	1,239	481
Blue-collar workers	562	35	1,420	416	823	286	2,805	737
Total	704	113	2,619	795	1,458	420	4,781	1,328
	up to 30		30-50		> 50		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
2021								
Senior management	0	0	40	5	70	4	110	9
Middle management	1	0	431	55	186	36	618	91
White collars	110	74	775	316	359	99	1,244	489
Blue-collar workers	458	37	1,440	407	809	285	2,707	729
Total	569	111	2,686	783	1,424	424	4,679	1,318

Company employees by professional category and age bracket at 31 December 2022 as a percentage

	up to 30		30-50		> 50		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
2022								
Senior management	0%	0%	1%	0%	1%	0%	2%	0%
Middle management	0%	0%	7%	1%	3%	1%	10%	2%
White collars	2%	1%	12%	5%	6%	2%	20%	8%
Blue-collar workers	9%	1%	23%	7%	13%	5%	46%	12%
Total	12%	2%	43%	13%	24%	7%	78%	22%
	up to 30		30-50		> 50		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
2021								
Senior management	0%	0%	1%	0%	1%	0%	2%	0%
Middle management	0%	0%	7%	1%	3%	1%	10%	2%
White collars	2%	1%	13%	5%	6%	2%	21%	8%
Blue-collar workers	8%	1%	24%	7%	13%	5%	45%	12%
Total	9%	2%	45%	13%	24%	7%	78%	22%

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. As demonstration of the above, the following information has been provided for the companies where the phenomenon is more numerically significant¹.

¹ The figures refer only to parental leave requested up to the child's first birthday.

	EMEA & America (inc. Italy)			India			Asia Pacific		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total number of employees who were entitled to parental leave in 2022	2,457	1,074	3,531	555	33	588	995	214	1,209
Employees on maternity leave in 2022	32	20	52	64	24	88	64	24	88
Employees returning in 2022	32	12	44	64	22	86	64	22	86
Employees returning in 2021	33	12	45	102	20	122	102	20	122
Employees returning to work and on the payroll 12 months after returning from maternity leave	32	10	42	96	20	116	96	20	116
% Return rate	97.0%	83.3%	93.3%	94.1%	100.0%	95.1%	94.1%	100.0%	95.1%
% of Return to Work Rate	100%	75.0%	91.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

In Italy, all employees who are parents¹ of a child 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.

STAFF ENGAGEMENT

The Immsi Group aims to inform employees about the performance and prospects of the relevant business and to bring them closer to the strategies of top management, in the belief that the sharing of strategic goals by each individual employee is a critical success factor.

In particular, Piaggio uses communication and information tools which respect and empower the social and cultural realities within the group. For further details on these tools, which include the national "PiaggioNet" portal and the "PiaggioNet International" portal, which are in English, see the 2022 NFS published by Piaggio & C. S.p.A..

With reference to Intermarine, there are frequent periodic meetings with the RSU and with the regional trade union organisations, when ample information is given on the business prospects and strategies implemented by the company's top management. These meetings are an opportunity for discussion and promote the dissemination of information on company performance to employees.

Industrial relations

The Immsi 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 complies with the labour legislation of countries where it operates. All workers working in the Group's production and tourism companies are covered by 100% employment in line with the law and collective bargaining.

¹ Natural, adopted or in foster care.

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.

Italy

With reference to the Piaggio group, dialogue and discussion with trade union organisations and workers' representatives continued in 2022, with the aim of seeking shared solutions in an international scenario characterised by new international geo-political tensions and the concatenation of unpredictable factors such as the surge in gas and oil prices, economic sanctions against belligerent countries and blockades imposed by supplier countries to combat new pandemic outbreaks with negative consequences on the supply of production systems in terms of rising costs and unavailability of raw materials.

Nevertheless, the positive performance of the reference markets led to the signing of a trade union agreement at the end of November 2021, which initiated a fixed-term recruitment plan to strengthen the workforce of the group's plants in Pontedera (PI), Mandello del Lario (LC) and Scorzè (VE) as early as the first quarter of 2022.

In continuity with that done at the end of 2021 and with the need to take every useful action to increase the company's competitiveness and at the same time respond to temporary market needs, in December 2022, the Company signed, at the three Italian production sites of Pontedera (Pi), Mandello del Lario (Lc) and Scorzè (Ve), "Proximity" trade union agreements that will allow, within the framework of the recruitment plan planned for 2023, to waive the constraints of current legislation on flexible forms of work.

With regard to the Covid-19 health crisis, the monitoring activities shared with the company trade union representatives and workers' safety representatives (RLS) continued, within the framework of the Company Control Committees for the verification of the application of rules to combat and contain the spread of the Covid-19 virus in the workplace set up at individual sites.

For the Scorzè site, recourse to the Ordinary Redundancy Fund was necessary, mainly in the period from September 2022 to December 2022.

The number of hours lost due to strikes in 2022 shows a trend in line with the previous year between hours lost due to company micro-conflicts and hours lost due to general/category strikes.

It should be noted, however, that the phenomenon of micro-conflicts does not reach significant values in absolute terms and is limited exclusively to initiatives by a minority of trade union representatives.

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

The table below provides a summary of the hours lost due to strikes from 2020 to 2022 at the Piaggio group's sites in Italy:

		2022	2021
NO. OF HOURS LOST DUE TO STRIKES	<i>General/category</i>	7,571	9,919
	<i>Company</i>	14,825	12,920
	TOTAL	22,396	22,839
% HOURS LOST compared to HOURS WORKED*	<i>General/category</i>	0.14%	0.35%
	<i>Company</i>	0.28%	0.46%
	TOTAL	0.43%	0.81%
NO. OF DAYS LOST DUE TO STRIKES	<i>General/category</i>	946	1,240
	<i>Company</i>	1,853	1,615
	TOTAL	2,799	2,855

*Only the hours of production personnel were considered for the calculation of the %.

As far as the subsidiary Intermarine is concerned, it should be noted that industrial relations have always been characterised by broad cooperation, transparency and commonality of intent, with the

constant involvement of both the RSU and the regional trade union organisations of the sectors concerned.

Periodic updating meetings are held on the company situation with regard to workloads, future prospects and related staff management. In the first half of 2022, in the context of an international scenario still marked by the continuation of the pandemic crisis caused by the Covid-19 virus, and in the presence of a temporary reduction in the activities present on site, which only affected the Sarzana operating unit, the trade union agreements of 15 December 2021 and 5 April 2022 were signed, in which it was agreed to make use of the Ordinary Redundancy Fund for 23 weeks, starting on 10 January 2022.

Measures were also agreed upon for the disposal of residual holiday/leave for both the Sarzana and La Spezia) and Messina sites.

During the second half of 2022, frequent periodic meetings were held, both for the Sarzana and Messina operating units, which saw the participation of the company trade union representatives and the regional trade union representatives of the Rubber and Plastic Industry and Metalworking Industry sectors. During these meetings, an in-depth update was constantly provided on the workloads in the company and on future commercial prospects, in relation to the management of employees and temporary staff under Staff Leasing.

Finally, again with a view to managing a transitional period of reduced activity, on 29/12/2022 specific minutes of the agreement were shared for the temporary reorganisation of employees' working, finalised through the intervention of the New Skills Fund, and for the implementation of skills development pathways for workers to accompany the ecological transition taking place in the company.

With regard to the health emergency caused by the Covid-19 virus, the company functions in charge (Employer, Environment and Safety Delegate, RSPP, Occupational Physician, Human Resources Manager), with the constant consultation and formal sharing of the RSU (Joint trade union representatives) of each Company construction site, have prepared, shared, updated and adopted Company Regulatory Protocols for the prevention of the spread of the Covid-19 virus, which define the procedures, rules and behaviours to be followed by all employees in order to ensure the correct management of the health emergency, as well as the adoption of rules and working methods to comply with the constant updates of the relevant legislation.

The table below provides a summary of the hours lost due to strikes from 2020 to 2022 at Intermarine's sites in Italy:

Intermarine

		2022	2021
NO. OF HOURS LOST DUE TO STRIKES	<i>General/category</i>	127	136
	<i>Company</i>	0	0
	TOTAL	127	136
% HOURS LOST compared to HOURS WORKED	<i>General/category</i>	0%	0%
	<i>Company</i>	0%	0%
	TOTAL	0%	0%
NO. OF DAYS LOST DUE TO STRIKES	<i>General/category</i>	11	17
	<i>Company</i>	0	0
	TOTAL	11	17

No industrial unrest was reported for other Group companies, during the 2020 - 2022 period.

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 5 members elected annually by the workers.

In the Indian subsidiary, following a bilateral discussion with the trade union representatives, the new collective company agreement was signed on 21 December 2022 which will enter into force on 1 January 2023 with a four-year validity.

In 2022, a considerable effort was required to adapt production to the complex and changing scenario in terms of production flexibility, also taking into account the gradual reform of anti-covid measures. This effort was facilitated by constructive dialogue with trade union representatives. In this regard, there were no strikes in 2022.

Vietnam

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

In particular, the current Trade Union Committee, elected in February 2019 and comprising 15 members, made an excellent contribution in 2022, having sponsored and assisted the company in a number of initiatives to bolster employee motivation.

In the first half of 2022, in view of the evolution of the Covid-19 pandemic, initiatives focused on preventing and containing the infection, while in the second half of the year, initiatives to support the motivation of employees were also relaunched (for example, the misentobene-piaggiolympics2022 event to raise awareness of the importance of physical health).

No strikes took place in 2022.

For more details on trade union representation of the Piaggio group in Italy, Vietnam and India, see the 2022 NFS published by Piaggio & C. S.p.A..

Occupational health and safety

Immsi and the Group undertake to guarantee a safe, healthy and productive working environment for employees, also disseminating a safety culture and awareness of risks and by promoting the responsible conduct of their employees.

For the Group, Occupational Health and Safety is a corporate value, and the drive towards continuous improvement in this area is an integral part of its business. This activity is a clear strategic commitment to the more general objectives of the Group.

The Group has identified prevention through training, information and awareness-raising on safety issues as the key drivers for spreading the culture and stimulating behaviour aimed at maintaining appropriate working conditions, engaging people, guiding their behaviour and enabling them to perform their duties in a safe and responsible manner in terms of Occupational Health and Safety. This strategy and the monitoring of workers and staff and their compliance with occupational health and safety procedures and instructions are essential for mitigating and adequately dealing with risks concerning the work force, as indicated above.

This approach has led the various companies belonging to the Immsi Group, in addition to stringent compliance with the applicable legislative provisions, to increasingly higher safety standards in terms of safety management. All workers, consultants and suppliers who enter the Group's plants, construction sites and offices are obliged to comply with the respective corporate safety management systems adopted.

The production processes or company support processes are subjected to risk assessment according to a systematic process, and with the support of external specialist technical resources where necessary, with registration in the specific Risk Assessment Documents.

In 2022, also taking into account the gradual updating of the regulatory guidelines, the Group maintained the measures aimed at guaranteeing the criteria for the prevention of infection by Covid-19 (e.g. social distancing, sanitisation of workstations and common areas, distribution masks, detection of temperature at the entrance, etc.).

As far as the Piaggio group is concerned, it should be noted that very similar standards have been adopted in all the countries in which it operates, regardless of the presence of less severe regulatory constraints than the group's standards. With this in mind, the plants in Italy, Vietnam and India are equipped with an occupational health and safety management system certified by a certifying body accredited according to the ISO 45001 standard (Management System for Occupational Health and Safety). The percentage of employees covered by the ISO 45001 certified management system is 79% of the total. Audits are conducted annually and were successfully completed in 2022. In addition, an immediate reporting and analysis system for injuries, medications and near misses is being consolidated, with standardised methods and defined working groups to identify the causes of these events and prevent the occurrence or recurrence of accidents.

In 2022, initiatives were further developed to mitigate occupational health and safety impacts within the commercial network. A specific training initiative was launched for the risks deriving from electric vehicles in consideration of the ever-increasing diffusion of this technology, which is particularly important for personnel in the assistance network.

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.

Finally, it should be noted that Intermarine adopts an integrated management system in terms of quality, environment and safety with specific certifications in the area of quality and the environment.

Italy

Data on accidents and related rates¹ by production site for Group companies in Italy are reported below. The sites at Pontedera (Pisa), Noale (Venice), Scorzè (Venice) and Mandello del Lario (Lecco) are used for industrial activities of the Piaggio group, the sites at Sarzana (La Spezia) and Messina are shipyards and the site at Pula (Cagliari) refers to the Is Molas resort.

The Immsi Group in Italy, in compliance with the relevant legislation, has a structured organisational structure based on Employers, and therefore on managers and supervisors who supervise the various organisational units and offices, with the support of the Health and Safety Officers and Occupational Physicians. In addition, the presence of Workers' Safety Representatives is widespread and regular in all the companies/offices of the Group.

A post-Covid medical assessment and support service launched at Piaggio in 2021 for employees who have contracted the virus and continued in 2022, with follow-up visits to specialists, in addition

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

to the already active clinics available to employees for specialist appointments at the Company Medical Centre in Pontedera.

Particular emphasis was given, as part of the strategy of continuous improvement of the corporate Safety Culture, to the creation of an international and interdisciplinary team of "Safety Ambassadors". This sees the development of skills and abilities for people who, in their own operational/managerial area, will become reference points for the application of health and safety systems, for continuous improvement, for the involvement and awareness of colleagues, etc. The training process, based on the technical path for ASPPs¹, has been completed, for eight employees, evenly spread throughout the company's offices and functions, in addition to the three already trained.

2022 also saw the consolidation of the H&S Network both internationally, continuing the process started in 2021, and at Italian level, with a significant extension and intensification of the activity resulting from the training of new "Safety Ambassadors".

Significant impetus compared to the previous two-year period (affected by the difficulties in conducting in-person activities due to the Covid Emergency) was given to H&S training, which saw a marked increase in the number of hours provided, especially in Italy, and a decided focus on behavioural aspects and staff involvement.

For further information on the occupational health and safety management system implemented at Piaggio, please refer to the 2022 Non-Financial Statement published by the subsidiary.

Workplace accidents at the Italian Piaggio plants

	Pontedera	Noale and Scorzè	Mandello
2022			
Hours worked	4,041,218	871,545	307,575
No. of deaths from workplace accidents	0	0	0
Death rate	0	0	0
No. of recordable workplace accidents	31	6	7
Rate of recordable workplace accidents	7.7	6.9	22.8
No workplace accidents with serious consequences	1	0	0
Rate of workplace accidents with serious consequences	0.25	0	0
2021			
Hours worked	4,206,574	767,712	255,760
No. of deaths from workplace accidents	0	0	0
Death rate	0	0	0
No. of recordable workplace accidents	57	6	1
Rate of recordable workplace accidents	13.6	7.8	3.9
No workplace accidents with serious consequences	0	0	0
Rate of workplace accidents with serious consequences	0	0	0

The injuries that occurred in the Italian offices in 2022 refer solely to group employees and mainly concern bruises and wounds. One injury lasted longer than 6 months.

Accidents at country level (Italy) have significantly decreased both as an absolute number and as a frequency index. The Mandello del Lario plant went against the general trend and, as a result, has had a prevention plan in place since the end of 2022, based on specific technical and training measures.

¹ Health and Safety Officers.

They are mainly attributable to behavioural causes such as distractions, inappropriate behaviour, failure to comply with procedures.

As regards the external companies operating at Piaggio's Italian production sites, one injury was reported in 2022, while no injuries were reported for 2021.

There were no fatal injuries in Italy in 2022, as was the case in 2021.

Workplace accidents at Intermarine plants

Intermarine	
2022	
Hours worked	287,629
No. of deaths from workplace accidents	0
Death rate	0
No. of recordable workplace accidents	5
Rate of recordable workplace accidents	17.4
No workplace accidents with serious consequences	0
Rate of workplace accidents with serious consequences	0
2021	
Hours worked	400,795
No. of deaths from workplace accidents	0
Death rate	0
No. of recordable workplace accidents	7
Rate of recordable workplace accidents	17.5
No workplace accidents with serious consequences	0
Rate of workplace accidents with serious consequences	0

As regards the external companies that operate in the Intermarine shipyards, no accidents were reported in 2022, while two non-serious accidents involving temporary staff were reported.

Lastly, it should be noted that, with reference to the other Italian companies (Immsi S.p.A., Is Molas S.p.A., Apuliae S.r.l. and Immsi Audit S.c. a r.l.), no accidents occurred in 2021 and 2022 either of employees, external workers such as interns and temporary workers, or employees of external companies operating in the company's premises.

The measures taken by the Piaggio Group in terms of occupational health and safety are summarised below, as well as the standards and policies, also to counter the spread of Covid-19, of the Indian, Vietnamese and Indonesian subsidiaries, for details of which reference should be made to the 2022 NFS published by Piaggio & C. S.p.A..

India

In 2022, as in the previous year, health and safety were one of the main priorities for the company, especially with a view to the pandemic.

In order to guarantee appropriate 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. A Safety Committee has been set up to deal with the pandemic and ensure the effective adoption of anti-Covid protocols and preventive measures. Numerous surveys and situation assessments were carried out with the effective implementation of health and safety protocols across the organisation. 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.

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.

Workplace accidents in India

	Baramati Commercial Vehicles Plant	Two-wheeler plant	Engine plant
2022			
Hours worked	2,537,453	588,873	741,476
No. of deaths from workplace accidents	0	0	0
Death rate	0	0	0
No. of recordable workplace accidents	0	2	0
Rate of recordable workplace accidents	0	3.4	0
No workplace accidents with serious consequences	0	0	0
Rate of workplace accidents with serious consequences	0	0	0
2021			
Hours worked	1,986,376	771,123	723,510
No. of deaths from workplace accidents	0	0	0
Death rate	0	0	0
No. of recordable workplace accidents	2	1	1
Rate of recordable workplace accidents	1.0	1.3	1.4
No workplace accidents with serious consequences	0	0	0
Rate of workplace accidents with serious consequences	0	0	0

Vietnam

In Vietnam there is a Safety Committee involving all members of the various functions and chaired by the production manager. The Committee members are responsible for managing any safety-related issues within their functional area and for taking the required corrective/preventive actions. They also conduct periodic audits of the entire site and report to the committee on all relevant aspects regarding safety, so that corrective/preventive actions may be promptly taken.

In order to effectively implement general health and safety regulations, a programme of activities is defined each year, based on operating plans, that are updated on an ongoing basis.

A six-monthly campaign to improve employee health was launched in the third quarter with a series of activities also dedicated to well-being and mental health. This project involved many online and offline activities for employees, through which they could learn and have fun to improve their health. The local H&S plan has been fully implemented, resulting in the achievement of the H&S objectives and 2022 targets.

The recertification audit was implemented regularly, successfully renewing the ISO 45001 certification with validity until 2025.

Workplace accidents in Vietnam

Vietnam	
2022	
Hours worked	2,545,753
No. of deaths from workplace accidents	0
Death rate	0
No. of recordable workplace accidents	0
Rate of recordable workplace accidents	0
No workplace accidents with serious consequences	0
Rate of workplace accidents with serious consequences	0
2021	
Hours worked	2,160,537
No. of deaths from workplace accidents	0
Death rate	0
No. of recordable workplace accidents	1
Rate of recordable workplace accidents	0.5
No workplace accidents with serious consequences	0
Rate of workplace accidents with serious consequences	0

Relations with local communities

Immsi Group companies are committed to initiatives that support local communities, also through sponsorships and donations to external projects. The aims of this commitment can be traced back to the social, cultural and sporting growth of the communities as well as to the interest in research and progress in the health sector.

The Immsi Group is made up of 31 companies, 27 of which are operational. The latter are located in 15 different countries. In 4 of these countries, the Group implemented charity projects during 2022 for around €1.6 million.

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

For the last few years, the Immsi Group, through the Parent Company, has supported educational and rehabilitation activities for children with disabilities from cerebral palsy, making donations to the "Casa del Sole Onlus" association, on behalf of all employees. In forty years of activities, the "Casa del Sole" has helped more than 5,000 children, offering valuable support to their families.

As regards both Intermarine S.p.A. and Is Molas S.p.A., the companies are committed to engaging with local communities, through donations and sponsorships, and with specific stakeholders.

In the industrial sector, Piaggio is strongly committed through its Foundation (Fondazione), the Piaggio Museum (Museo Piaggio) and Archive (Archivio Storico).

Activities and events organised, as well as charity initiatives and sponsorships overseen by the Piaggio group in Italy, India and Vietnam are described in full in its 2022 NFS.

In particular, the collaboration continued in 2022 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 \$700 million to the fight against AIDS and Covid-19. (RED) aid to the Global Fund has impacted more than 220 million lives through prevention, treatment, counselling, HIV testing and support services. Since the beginning of the collaboration with (RED) Piaggio has donated \$1.7 million. Furthermore, the Piaggio group donated €250 thousand to the IEO CCM foundation (European Institute of Oncology). In the field of international cooperation, €40 thousand were also donated to ISPI (Institute for International Political Studies), €10 thousand to AIICP (Italy-India Association for cooperation between the two countries) and €3 thousand to IJBG (Italy-Japan Association).

In addition, Piaggio Vehicles Private Limited (PVPL) has focused its commitment on projects of a social nature, generally in the areas of water and sanitation, education and women's emancipation, selected on the basis of a preliminary internal study of the needs of the area adjacent to the plant.

The projects developed by the Indian subsidiary during 2022 were as follows:

- Community empowerment. Making the "Invisible" Visible

As a result of the pandemic in many Indian cities, the situation linked to children who find themselves homeless and extremely vulnerable has worsened. PVPL is committed to dignifying these children through a project that aims to give them a legal identity so that they can more easily access their legitimate benefits and rights, especially through the various government programmes. Furthermore, students should have the opportunity to develop the right skills, but also to live responsibly as citizens of society. The project involved around 8,000 children.

- Kit for feeding tuberculosis patients

PVPL encourages fulfilling the Indian government's need to contribute to the needs of tuberculosis patients. So the organisation supports the cause with 150 food kits which include 3kg of wheat flour, 1kg of peanut oil, 1kg of moong (Indian green beans) and 500g of peanuts.

- Scholarships for children of three-wheeler taxi drivers

A scholarship programme has been set up to support the children of three-wheeler taxi drivers who are pursuing their diploma, degree or higher secondary education. The market requires more technically skilled workers and through this scholarship project, PVPL offers young people the opportunity to acquire skills to be able to find a job and support their families.

Thanks to the project, 549 students received a scholarship to continue higher education after school.

Only 25% of students choose higher education. Studies have shown that 57% of students drop out of education because they can't afford it.

- Management of menstrual hygiene

A report by the NGO Dasra in 2019, pointed out that 23 million girls drop out of school every year due to a lack of adequate facilities for managing menstrual hygiene. Millions of girls in India are absent from school due to stigmatisation of periods and lack of toilet facilities. PVPL adopted girls from Zilla Parishad schools and provided them with free sanitary pads for one year, so as to reduce the dropout rate of female students from the education system.

The supply chain

The reporting boundary for this dimension is as follows:

- Property and holding sector: Immsi S.p.A. and Is Molas S.p.A.;
- Industrial sector: Piaggio & C. S.p.A., Piaggio Vietnam Co. Ltd., Piaggio Vehicles Private Ltd.;
- Marine sector: Intermarine S.p.A..

With reference to the property and holding sector, and marine sector, the purchases and percentages indicated take account of Income Statement items relative to the purchase of materials, services and leases and rentals. For the industrial sector, data on the purchases of production sites relative to the purchase of goods and spare parts is provided. Purchases of commercial companies and research centres are not considered, as they are residual and not relevant.

The inclusion of Group companies in the reporting boundaries which provide consultancy, financial services or that carry out few operations, such as Immsi Audit S.c. a r.l., RCN Finanziaria S.p.A., ISM Investimenti S.p.A., Pietra S.r.l. and Apuliae S.r.l. was not considered as material, given the low number of purchases made.

Property and holding sector ¹

The company Immsi S.p.A. made use of a total of 129 suppliers in 2022, purchasing raw materials, materials, goods, products and services for around €3.1 million. The total payments made during the last financial year amounted to approximately €2.6 million. It should be noted that almost all purchases come from Italian suppliers (97.4%).

Is Molas S.p.A. made use of a total of 280 suppliers in 2022, purchasing raw materials, goods, products and services for approximately €3.6 million. The total payments made during the last financial year amounted to approximately €4.3 million.

The geographic distribution of purchases is shown below:

Geographic segment	2022	2021
Italy ¹	97.2%	99.0%
Abroad	2.8%	1.0%

Note: the geographical area "Italy" corresponds to the definition "local" required by GRI Standard 204-1. By "significant locations of operations" we mean the Is Molas resort in Pula (CA).

As regards Is Molas S.p.A., hospitality supplies mainly refer to three segments: food and beverage; laundry services (for resort rooms and the restaurant); hotel and sports' facilities maintenance, with the relative supply of golf course products.

The companies Immsi S.p.A. and Is Molas S.p.A have established specific procedures to regulate supplier selection and the goods and services procurement process. In addition, a specific general clause is included in each purchase order/contract in which the supplier and partners acknowledge and undertake to observe provisions in Legislative Decree No. 231/01 and the Code of Ethics adopted by the company.

¹The geographical area of "Italy" corresponds, for the purposes of the Standard GRI 204-1, to the definition of "local". In addition, with reference to the property and holding sector, the definition of "significant locations of operation" required by the Standard GRI corresponds to the following locations:

- Immsi S.p.A.: registered office in Mantua (MN);
- Is Molas S.p.A.: registered office in Pula (CA).

Industrial sector ¹

Piaggio Group produces vehicles that are sold under its brand on the various markets around the world. The only exception relates to vehicles purchased by the Chinese subsidiary Zongshen Piaggio Foshan and scooters purchased from third parties (24,043 units in 2022, equivalent to 3.8% 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.

In 2022, Italian plants purchased merchandise and spare parts for an overall value of €663 million (excluding complete vehicles) from 620 suppliers. The first ten suppliers made up 21.5% of the purchases. The geographic breakdown of purchases is shown below.

GEOGRAPHIC LOCATION OF PURCHASES FROM SUPPLIERS FOR ITALIAN SITES

<i>Geographic segment</i>	<i>2022</i>	<i>2021</i>
Italy	48.1%	49.3%
Europe	8.4%	7.9%
China+Taiwan	28.2%	28.8%
Vietnam	9.3%	7.8%
India	4.9%	4.9%
Japan	0.5%	0.7%
Others	0.6%	0.6%

Note: the geographical area "Italy" corresponds to the definition "local" required by GRI Standard 204-1. By "significant locations of operations" we mean the production plants of the Piaggio group located in Italy: Pontedera (Pisa), Noale (Venice), Scorzè (Venice), Mandello del Lario (Lecco).

In 2022, plants in India purchased raw materials, merchandise and spare parts for an overall value of €278 million from around 545 of their own suppliers. The first ten suppliers made up 31.5% of the total purchases.

GEOGRAPHIC LOCATION OF PURCHASES FROM SUPPLIERS FOR INDIAN SITES

<i>Geographic segment</i>	<i>2022</i>	<i>2021</i>
India	98.0%	95.9%
Other	2.0%	4.1%

Note: the geographical area "India" corresponds to the definition "local" required by GRI Standard 204-1. By "significant locations of operations" we mean the production plant located in Baramati (India).

In 2022, plants in Vietnam purchased merchandise and spare parts for an overall value of €386 million from around 304 suppliers. The first ten suppliers made up 32% of the purchases.

GEOGRAPHIC LOCATION OF PURCHASES FROM SUPPLIERS FOR VIETNAMESE SITES

<i>Geographic segment</i>	<i>2022</i>	<i>2021</i>
Vietnam	63.8%	57.2%
China+Taiwan	15.8%	16.6%
EMEA	15.1%	22.1%
India	2.1%	0.9%
Others	3.2%	3.2%

Note: the geographical area "Vietnam" corresponds to the definition "local" required by GRI Standard 204-1. By "significant locations of operations" we mean the production plant located in Vihn Phuc (Vietnam).

Finally, for the Vietnamese plant, the main supplier is the subsidiary Piaggio Vietnam from which it

¹For the industrial sector, only purchases of materials and components were considered. Purchases of services were excluded.

receives the Vespa components to be assembled. In 2022, components, goods and spare parts were purchased for a global value of €103 million from 22 suppliers. The first ten suppliers made up 99% of the total purchases.

GEOGRAPHICAL LOCATION OF PURCHASES FROM SUPPLIERS FOR THE INDONESIAN SITE

<i>Geographic segment</i>	2022
Indonesia	1.2%
Vietnam	98.8%

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

The Group requires its suppliers to sign the Group's general supply conditions, which include the "Code of ethics and business conduct guidelines". In India, until 2022, the general supply terms and conditions did not refer to the Code of Ethics, but to an explicit commitment to comply with the laws on the environment, pollution, health and safety and respect for workers' rights. Starting from December 2022, the Code of Ethics is also an integral part of the general supply terms and conditions in India.

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.

For specific information about the role of Piaggio and its Corporate Finance Area, Vendor Assessment Function and Suppliers Portal, see the 2022 NFS of the Piaggio group.

Marine sector

In 2022, Intermarine made use of a total of 660 suppliers, purchasing raw materials, goods, products and services for approximately €24.3 million. The total payments made during the last financial year amounted to approximately €29 million.

The geographic distribution of purchases is shown below:

<i>Geographic segment</i>	2022	2021
Italy	80.6%	89.9%
EMEA (excluding Italy)	18.4%	9.0%
Others	0.1%	1.1%

Note: the geographical area "Italy" corresponds to the definition "local" required by GRI Standard 204-1. By "significant locations of operations" we mean the Intermarine shipyards located in Sarzana (SP) and Messina (ME).

Suppliers are selected based on the prior evaluation of their reliability and dependability in guaranteeing products and services of a quality that meets Intermarine S.p.A.'s technical and planning requirements.

The selection process is based on an internal procedure overseen in conjunction with the Quality, Environment and Safety Department and Purchasing Department, which applies to suppliers of goods and services necessary to manufacture company products, such as:

- Components, apparatus and machinery for plants;
- Labour (contracts);

- Design services;
- Consultancy services.

Intermarine endeavours to prevent the use by third parties of its economic and financial system for the purpose of money laundering and financing terrorism by its customers and suppliers, verifying with the utmost diligence the respectability of its partners prior to establishing business relationships with them. Potential suppliers must guarantee compliance with laws and regulations applicable in all countries where Intermarine operates, with particular reference to specific legislation on the environment, health and safety. In fact, Intermarine does not work with organisations that do not intend observing the above.

With particular reference to the selection of suppliers for ship construction contracts, the following are considered strategic:

- ISO 9001 certification (of the company quality management system) and AQAP 2110 (NATO quality certification);
- Willingness to be audited by Intermarine S.p.A.'s Quality Assurance Department;
- Willingness to take part in scheduled audits, if supplies are contractually covered by Aqap regulations.

GRI Content Index

GRI Content Index

Statement of use:

Immsi reported in accordance with GRI Standards for the period 01.01.2022 to 31.12.2022

GRI 1 used:

GRI 1: Foundation 2021

Applicable GRI Sectors standard:

Not applicable

GRI Standard	Disclosure	Location	Omissions		
			Requirement(s) omitted	Reason	Explanation
GRI 2: GENERAL DISCLOSURES 2021					
2-1	Organizational detail	The Group Profile - Notes to the Consolidated Financial Statements as at 31.12.2022 - Corporate Governance Report 2022 (Management and Coordination; Table 1: information on corporate ownership)			
2-2	Entities included in the organization's sustainability reporting	Methodology - Management Report - Notes to the Consolidated Financial Statements - List of companies included in the Consolidated Financial Statements and shareholdings as at 31.12.2022			
2-3	Reporting period, frequency and contact point	Methodology			
2-4	Restatements of information	Methodology Environmental Dimension - Waste handling and recovery			
2-5	External assurance	Methodology - Report of the Independent Auditors			
2-6	Activities, value chain, and other business relationships	Group Profile - Products and services dimension			
2-7	Employees	The Social Dimension - Diversity and equal opportunity			
2-8	Workers who are not employees	The Social Dimension - Staff			
2-9	Governance structure and composition	Sustainability Governance - Corporate Governance Report 2022			
2-10	Nomination and selection of the highest governance body	Corporate Governance Report 2022 - Board of Directors			
2-11	Chair of the highest governance body	Sustainability Governance - Corporate Governance Report 2022 - Composition			
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance - Materiality Analysis			
2-13	Delegation of responsibility for managing impacts	Sustainability Governance - Materiality Analysis			
2-14	Role of the highest governance body in sustainability reporting	Materiality analysis			
2-15	Conflicts of interest	Corporate Governance Report 2022 - Directors' Interests and Related Party Transactions - Role of the Board of Directors - Related Party Procedure - Code of Ethics			
2-16	Communication of critical concerns	Corporate Governance Report 2022 - Internal Control and Risk Management System			
2-17	Collective knowledge of the highest governance body	Governance of sustainability			
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report 2022 - Director self-assessment and succession			
2-19	Remuneration policies	Sustainability Governance - Remuneration Policy - Remuneration Report (section 1 par. 2-3-4)			
2-20	Process to determine remuneration	Sustainability Governance - Remuneration Policy - Remuneration Report (section 1 par. 1)			
2-21	Annual total compensation ratio	Sustainability Governance - Annual total remuneration ratio			

GRI Standard	Disclosure	Location	Omissions		
			Requirement(s) omitted	Reason	Explanation
GRI 2: GENERAL DISCLOSURES 2021					
2-22	Statement on sustainable development strategy	Letter from the Chairman			
2-23	Policy commitments	Sustainability Governance - The System for responsible business management			
2-24	Embedding policy commitments	Sustainability Governance - The System for responsible business management			
2-25	Processes to remediate negative impacts	Corporate Social Responsibility Risks - Sustainability Governance - The System for responsible business management - Product and Service Dimension - Customer Safety			
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Governance - Model 231 - Code of Ethics			
2-27	Compliance with laws and regulations	Sustainability Governance - Compliance with laws and regulations			
2-28	Membership associations	Report on Operations - Risks and uncertainties; Risk relative to the regulatory and legal framework			
2-29	Approach to stakeholder engagement	Materiality analysis - Stakeholder engagement			
2-30	Collective bargaining agreements	Social dimension - Industrial relations			
TOPICS SPECIFIC STANDARDS					
GRI 3: MATERIAL TOPICS 2021					
3-1 (2021)	Process to determine material topics	Materiality analysis			
3-2 (2021)	List of material topics	Materiality analysis			
CREATION OF ECONOMIC VALUE					
3-3 (2021)	Management of material topics	Materiality analysis Economic Dimension			
201-1 (2016)	Direct economic value generated and distributed	Economic dimension - Determination and distribution of economic value generated			
203-1 (2016)	Infrastructure investments and services supported	Relations with local communities			
204-1 (2016)	Proportion of spending on local suppliers	The supply chain			
INNOVATION OF PRODUCT AND SUSTAINABLE MOBILITY					
3-3 (2021)	Management of material topics	Materiality analysis The environmental dimension - Emissions of CO ₂ and other pollutants Products and services dimension - The industrial sector: Piaggio vehicles			
305-3 (2016)	Other indirect (Scope 3) GHG Emission	The Environmental Dimension - Emissions of CO ₂ and other pollutants			
CLIMATE CHANGE					
3-3 (2021)	Management of material topics	Materiality analysis The Environmental Dimension - Energy consumption - Emissions of CO ₂ and other pollutants			
302-1 (2016)	Energy consumption within the organization	The Environmental Dimension - Energy consumption			
305-1 (2016)	Direct (Scope 1) GHG emissions	The Environmental Dimension - Emissions of CO ₂ and other pollutants			
305-2 (2016)	Energy indirect (Scope 2) GHG emissions	The Environmental Dimension - Emissions of CO ₂ and other pollutants			
305-3 (2016)	Other indirect (Scope 3) GHG Emission	The Environmental Dimension - Emissions of CO ₂ and other pollutants			
305-4 (2016)	GHG emissions intensity	The Environmental Dimension - Emissions of CO ₂ and other pollutants			
305-7 (2016)	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	The Environmental Dimension - Emissions of CO ₂ and other pollutants			

GRI Standard	Disclosure	Location	Omissions		
			Requirement(s) omitted	Reason	Explanation
CUSTOMER SATISFACTION					
3-3 (2021)	Management approach	Materiality analysis Governance of sustainability			
417-3 (2016)	Incidents of non-compliance concerning marketing communications	Sustainability Governance - Compliance with laws and regulations			
SUPPORTING ON LOCAL COMMUNITY					
3-3 (2021)	Management approach	Materiality analysis The Social Dimension			
413-1 (2016)	Operational with local community engagement, impact assessments, and development programs	Relations with local communities			
PRODUCT SAFETY AND RELIABILITY					
3-3 (2021)	Management approach	Materiality analysis The product and service dimension			
416-1 (2016)	Assessment of the health and safety impacts of product and service categories	Products and services dimension - The industrial sector: Plaggio vehicles - The marine sector: intermarine vessels			
DEVELOPING HUMAN RESOURCES					
3-3 (2021)	Management of material topics	Materiality analysis The Social Dimension			
401-1 (2016)	New employee hires and employee turnover	The Social Dimension - Staff			
401-2 (2016)	Benefits provided to full-time employees that are not provided to temporary or part-time employees	The Social Dimension - Personnel management policies - Rewarding			
401-3 (2016)	Parental leave	The Social Dimension - Diversity and equal opportunity			
404-1 (2016)	Average hours of training per year per employee	The Social Dimension - Personnel management policies - Training			
404-2 (2016)	Programs for upgrading employee skills and transition assistance programs	The Social Dimension - Personnel management policies - Development and careers			
404-3 (2016)	Percentage of employees receiving regular performance and career development reviews	The Social Dimension - Personnel management policies - Appraisal			
RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN					
3-3 (2021)	Management of material topics	Materiality analysis Governance of sustainability			
407-1 (2016)	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainability Governance - Guidelines for the respect of human rights			
408-1 (2016)	Operations and suppliers at significant risk for incidents of child labor	Sustainability Governance - Guidelines for the respect of human rights			
409-1 (2016)	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability Governance - Guidelines for the respect of human rights			

GRI Standard	Disclosure	Location	Omissions		
			Requirement(s) omitted	Reason	Explanation
HEALTH AND SAFETY					
3-3 (2021)	Management of material topics	Materiality analysis			
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 - Personnel management policies			
403-5 (2018)	Worker training on occupational health and safety	The Social Dimension - Personnel management policy - Training - Occupational health and safety			
403-6 (2018)	Promotion of worker health	The Social Dimension - Occupational health and safety			
403-7 (2018)	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The Social Dimension - Occupational health and safety			
403-8 (2018)	Workers covered by an occupational health and safety management system	The Social Dimension - Occupational health and safety			
403-9 (2018)	Work-related injuries	The Social Dimension - Occupational health and safety			
BUSINESS INTEGRITY					
3-3 (2021)	Management approach	Materiality analysis Governance of sustainability			
205-3 (2016)	Confirmed incidents of corruption and actions taken	Sustainability Governance - Fighting corruption			
206-1 (2016)	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Sustainability Governance - Compliance with laws and regulations			
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			
WASTE HANDLING					
3-3 (2021)	Management of material topics	Materiality analysis The Environmental Dimension - Waste handling and recovery			
306-1 (2020)	Waste generation and significant waste-related	The Environmental Dimension - Waste handling and recovery			
306-2 (2020)	Management of significant waste related impacts	The Environmental Dimension - Waste handling and recovery			
306-3 (2020)	Waste generated	The Environmental Dimension - Waste handling and recovery			

GRI Standard	Disclosure	Location	Omissions		
			Requirement(s) omitted	Reason	Explanation
CONSERVING WATER RESOURCES					
3-3 (2021)	Management of material topics	Materiality analysis 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			
DIVERSITY AND EQUAL OPPORTUNITY					
3-3 (2021)	Management of material topics	Materiality analysis The Social Dimension - Diversity and equal opportunity Governance of sustainability			
202-2 (2016)	Proportion of senior management hired from the local community	The social dimension - Diversity and equal opportunity			
405-1 (2016)	Diversity of governance bodies and employees	The Social Dimension - Diversity and equal opportunity Sustainability Governance - The Corporate Governance Model			
405-2 (2016)	Ratio of remuneration of women to men	The Social Dimension - Personnel management policies - Rewarding			
406-1 (2016)	Incidents of discrimination and corrective actions taken	Sustainability Governance - Compliance with laws and regulations			

Table Of Correspondence Legislative Decree No. 254/16 - Material Topics – GRI Standards

Topic under Legislative Decree No. 254/16	Material Topic	Risks identified	Policies adopted	Topic specific standard/disclosure	Reference chapter/paragraph
Environmental	Innovation of product and sustainable mobility	Risk related to the inadequate level of innovation that could result in reduced recyclability/recoverability of end-of-life vehicles and the production of vehicles with obsolete engines	Practised policy technological leadership in the sector and substantial investments in R&D activities	GRI 3-3 (2021): Management of material topics	Materiality analysis Products and services dimension The environmental dimension
				GRI 305-3 (2016): Other indirect (Scope 3) GHG Emissions	The environmental dimension - Emissions of CO2 and other pollutants
	Climate Change	Risk of environmental damage attributable to the direct responsibility of the Group and indirectly through the supply chain	Environmental policy - for the description of the policies ipracted see The Environmental Dimension Suppliers sign the Code of Ethics or of the general terms of conditions of supply	GRI 3-3 (2021): Management of material topics	Materiality analysis The environmental dimension - Emission of CO2 and other pollutants - Energy consumption
				GRI 302-1 (2016): Energy consumption within the organization	The environmental dimension - Emissions of CO2 and other pollutants
				GRI 305-1: Direct (Scope 1) GHG emissions	
				GRI 305-2: Energy indirect (Scope 2) GHG emissions	
				GRI 305-3 (2016): Other indirect (Scope 3) GHG Emissions	
				GRI 305-4: GHG emissions intensity	
	GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions				
	Conserving water resources	Risk of environmental damage attributable to the Group's responsibility, with a potential impact on the surrounding community due to uncontrolled use of the resources.	Environmental policy - for a description of the policies practised see the chapter The Environmental Dimension	GRI 3-3 (2021): Management of material topics	Materiality analysis The environmental dimension - Conserving water resources
				GRI 303-1 (2018): Interactions with water as a shared resource	The environmental dimension - Conserving water resources
				GRI 303-2 (2018): Management of water discharge-related impacts	
				GRI 303-3 (2018): Water withdrawal	
Waste handling	Risk of environmental damage attributable to the Group's responsibility, with a potential impact on the surrounding community	Environmental policy - for a description of the policies practised see the chapter The Environmental Dimension	GRI 3-3 (2021): Management of material topics	Materiality analysis The environmental dimension - Waste management and recovery	
			GRI 306-1: Waste generation and significant waste-related impacts	Materiality analysis The environmental dimension - Waste management and recovery	
			GRI 306-2 (2020): Management of significant waste related impacts	The environmental dimension - Waste handling and recovery	
			GRI 306-3 (2020): Waste generated	The environmental dimension - Waste handling and recovery	

<i>Topic under Legislative Decree No. 254/16</i>	<i>Material Topic</i>	<i>Risks identified</i>	<i>Policies adopted</i>	<i>Topic specific standard/disclosure</i>	<i>Reference chapter/paragraph</i>
Social	Product safety and reliability	Risk associated with (real or presumed) product/service defects due to errors/omissions attributable to suppliers activity, the product/service development phase, the production/assembly phase and the quality control phase	For the industrial sector, Policy adopted to produce vehicles that guarantee a high level of active, passive and preventive safety. The adoption of this policy is demonstrated by the group's commitment to maintaining certification of its quality management systems (ISO 9001)	GRI 3-3 (2021): Management of material topics	Materiality analysis Products and services dimension
			- For the property and holding sector, specific service quality monitoring protocols are implemented, where appropriate; - For the marine sector, specific procedures are established to guarantee the safety of end users of vessels.	GRI 416-1 (2016): Assessment of the health and safety impacts of product and service categories	The product and service dimension
	Customer Satisfaction	Service quality level not in line with the customer requirements and expectations	Quality audits, market analyses, focus groups, concept and product tests, investments in research and development activities Sales and services network control activities Widespread diffusion of the network	GRI 3-3 (2021): Management of material topics	Materiality analysis Products and services dimension
				GRI 417-3 (2016): Incidents of non-compliance concerning marketing communications	The product and service dimension
	Supporting local communities	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.)	Policies adopted to establish roots in the area and increase value for the community.	GRI 3-3 (2021): Management of material topics	Materiality analysis The social dimension - Relations with local communities
				GRI 413-1 (2016): Operations with local community engagement, impact assessment, and development programs	The social dimension - Relations with local communities
	Creation of economic value	Risk of a possible inadequacy of corporate strategies and possible insolvency with suppliers and lenders and/or unsatisfactory shareholder remuneration due to failure to achieve set growth targets	Mandatory financial information audited by an external entity Group management is subject to a continuous skills training programme	GRI 3-3 (2021): Management of material topics	Materiality analysis The economic dimension
				GRI 201-1 (2016): Direct economic value generated and distributed	The economic dimension The European Taxonomy
				GRI 203-1 (2016): Infrastructure investments and services supported	The social dimension - Relations with local communities
				GRI 204-1 (2016): Proportion of spending on local suppliers	The Social Dimension - Responsible management of the supply chain

Topic under Legislative Decree No. 254/16	Material Topic	Risks identified	Policies adopted	Topic specific standard/disclosure	Reference chapter/paragraph
Employees	Developing human resources	Risk arising from employee dissatisfaction, a lack of skills, professionalism and experience of company resources, the inadequate sizing of the structure and trade union tensions	Policies adopted to manage personnel (e.g. recruitment and internal mobility, development and careers, training, industrial relations, internal communication systems). It should be noted that individual Group companies have established their own procedures and practices for personnel management based on their organisational configuration and own characteristics and professional needs. The Group believes that uniform personnel management systems are neither effective nor efficient given the profound business diversity that characterises the subsidiaries, despite their uniform principles of ethics, transparency and meritocracy.	GRI 3-3 (2021): Management of material topics	Materiality analysis The social dimension
				GRI 404-1 (2016): Average hours of training per year per employee	The social dimension - Personnel management policies - Training
				GRI 404-2 (2016): Programs for upgrading employee skills and transition assistance programs	The social dimension - Personnel management policies - Development and careers
				GRI 401-1 (2016): New employee hires and employee turnover	The social dimension - Personnel management policies - Staff
				GRI 401-2 (2016): Benefits provided to full-time employees that are not provided to temporary or part-time employees	The social dimension - Personnel management policies - Benefit
				GRI 401-3 (2016): Parental leave	The social dimension - Personnel management policies - Parental/maternity leave
				GRI 404-3: Percentage of employees receiving regular performance and career development reviews	The social dimension - Personnel management policies - Appraisal
	Health, safety	Risk of injuries/accidents sustained by personnel of the Group's offices/sites	- for the industrial sector, an ISO 45001:2018 occupational health and safety management system is adopted (for the Italian and Indian plants); - for the marine sector, although production sites are not certified to Bs Ohsas 18001:2007, they adopt the same Integrated Management System, adopting relative requirements; - for the property and holding sector, sites have internal security systems.	GRI 3-3 (2021): Management of material topics	Materiality analysis The social dimension
				GRI 403-1 (2018): Occupational health and safety management system	The social dimension - Occupational health and safety
				GRI 403-2 (2018): Hazard identification, risk assessment, and incident investigation	The social dimension - Occupational health and safety
				GRI 403-3 (2018): Occupational health services	The social dimension - Occupational health and safety
				GRI 403-4 (2018): Worker participation, consultation, and communication on occupational health and safety	The social dimension - Personnel management policies - Involvement and dialogue with personnel
				GRI 403-5 (2018): Worker training on occupational health and safety	The social dimension - Personnel management policies - Training
				GRI 403-6 (2018): Promotion of worker health	The social dimension - Occupational health and safety
GRI 403-7 (2018): Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The social dimension - Occupational health and safety				
GRI 403-9 (2018): Work-related injuries	The social dimension				

<i>Topic under Legislative Decree No. 254/16</i>	<i>Material Topic</i>	<i>Risks identified</i>	<i>Policies adopted</i>	<i>Topic specific standard/disclosure</i>	<i>Reference chapter/paragraph</i>
Respecting human rights	Responsible management and respect for human rights in the supply chain	Risk related to suppliers failing to respect human rights and ESG principles	Policy to ensure that all suppliers sign the Group Code of Ethics or the General Terms and Conditions of Supply	GRI 3-3 (2021): Management of material topics	Materiality analysis Sustainability governance
				GRI 407-1 (2016): Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainability governance
				GRI 408-1 (2016): Operations and suppliers at significant risk for incidents of child labor	Sustainability governance Corporate Social Responsibility risks
				GRI 409-1 (2016): Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability governance Corporate Social Responsibility risks
	Diversity and equal opportunities	Risk arising from acts of discrimination or exclusion by employees	Policies for personnel management - Diversity and equal opportunities	GRI 3-3 (2021): Management of material topics	Materiality analysis The social dimension
				GRI 202-2 (2016): Proportion of senior management hired from the local community	The social dimension - Personnel management policies - Diversity and equal opportunities
				GRI 405-1 (2016): Diversity of governance bodies and employees	The social dimension - Personnel management policies - Diversity and equal opportunities
				GRI 405-2 (2016): Ratio of remuneration of women to men	The social dimension - Personnel management policies - Remuneration
				GRI 406-1 (2016): Incidents of discrimination and corrective actions taken	The social dimension - Personnel management policies - Diversity and equal opportunities
	Fighting corruption	Business integrity	Risk from unlawful activities carried out by employees	Code of Ethics	GRI 3-3 (2021): Management of material topics
GRI 205-3 (2016): Confirmed incidents of corruption and actions taken					Sustainability governance The social dimension
GRI 206-1 (2016): Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices					Sustainability governance
GRI 207-1 (2019): Approach to tax					The economic dimension
GRI 207-2 (2019): Tax governance, control, and risk management					The economic dimension
GRI 207-3 (2019): Stakeholder engagement and management of concerns related to tax					The economic dimension
GRI 207-4 (2019): Country-by-country reporting					The economic dimension

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

**To the Board of Directors of
Immsi S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Immsi S.p.A. and its subsidiaries (hereinafter "IMMSI Group" or "Group") as of December 31, 2022 prepared on the basis of art. 4 of the Decree and approved by the Board of Directors on March 23, 2023 (hereinafter "NFS").

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

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

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

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

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

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

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

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies *International Standard on Quality Control 1* (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

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

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

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Immsi Group;

4. understanding of the following matters:

- business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

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

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

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

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

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

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Immsi Group as of December 31, 2022 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

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

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Amelio
Partner

Milan, Italy
April 5, 2023

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